



ESSEX

PROPERTY TRUST, INC.

**Environmental
Social
Governance
Report**

REPUBLICAN

87

2022



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

ABOUT THIS REPORT

Welcome to the first annual Environmental Social Governance (ESG) Report for Essex Property Trust, Inc. For the prior four years, we have published an annual Corporate Social Responsibility (CSR) Report. This renewed methodology for reporting provides a deeper and more holistic overview of our Company-wide ESG activities, and the data that supports our ESG efforts. Our adoption of ESG principles, metrics, and targets reinforces our position as the premier provider of West Coast apartment homes. This report demonstrates our achievements and progress in 2022 across all areas of our business and Company.

This ESG Report has been prepared in accordance with the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Board (SASB) standards and includes Task Force on Climate-related Financial Disclosures (TCFD). Please refer to the indexes at the end of this report for assistance in aligning our disclosures with the aforementioned standards. If you have comments or questions concerning this report, or more broadly about Essex’s ESG activities, please contact our ESG team at ESG@essex.com.

We underwent an assurance process on our 2022 environmental data, completed by LRQA (Lloyd’s Register Quality Assurance). The letter of assurance is included in the appendix of this document.

Pictured on Cover: 8th + Republican, Seattle, WA
Utilizes EV Charging Stations



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Mio, San Jose, CA
A Biker’s Paradise
Featuring a Bike Score of 94

777 Hamilton, San Jose, CA
Features EV Charging Stations

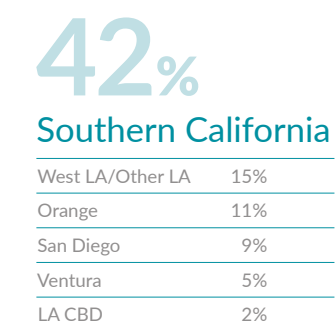
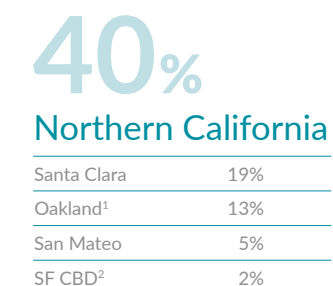
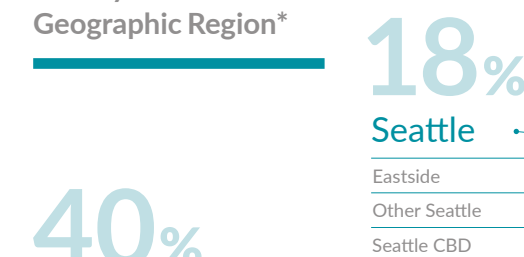


About Us

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

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

NOI by Geographic Region*



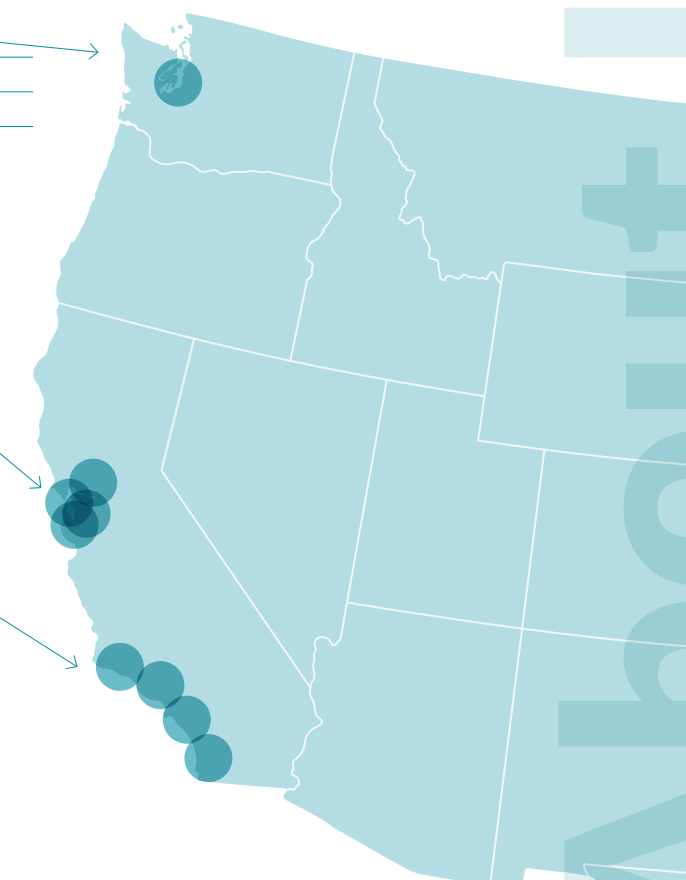
*Represents percent of prorata NOI as of 12/31/22 rounded to the nearest percent

¹ Oakland includes Alameda and Contra Costa Counties

² Excludes two properties in Marin which account for 0.6% of ESS total NOI

50+
Years

- + Established in **1971**
- + Focused on **eight coastal** markets located in California and Washington, each having **vibrant economies and high barriers to new housing production**
- + Top executives share an average tenure of approximately **13 years**
- + Long track record of success with **one of the highest total returns of all public U.S. REITs** in existence at its IPO in 1994 through year-end 2022
- + S&P 500 Dividend Aristocrat with a 29-year history of **increasing its cash dividend**



Key Figures 2022

250+

Apartment Communities

1,750+

Essex Associates

\$126

Dividends per share
from 1994 to 2022

Value Creation Process



ACQUISITIONS
& DISPOSITIONS

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



CO-INVESTMENT
PLATFORM

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



STRUCTURED FINANCE

Investing in high-quality developments and stabilized properties within the Essex footprint yields enhanced risk-adjusted returns compared to development at certain points during the economic cycle.



DEVELOPMENT

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

Who We Are

Our Mission Creating High-Quality Communities in Premier Locations

Our Vision Providing Great Communities in Which to Live, Work, and Invest

To bring the mission and vision to life we focus on our Core Values

- + Act with integrity
- + Care about what matters
- + Lead at every level
- + Seek fairness
- + Do right with urgency

Our Behavioral Values

We are driven by purpose
We embrace honesty
We pursue excellence
We see it, own it, do it

We attract and develop the best
We do great together
We support work-life balance
We are respectful and dependable

Wallace on Sunset, Los Angeles, CA
A LEED Gold Development



Letter from the President



WE ARE DELIGHTED TO PRESENT OUR 2022 ESG Report, which is an expansion of our previous four CSR reports as we focus on providing a data-centric look at our risks and opportunities related to environmental, social, and governance issues. While our ESG mission and values are unchanged, we are enhancing our data capabilities, which will enable our stakeholders—investors, residents, and employees—to assess the impact of the Company. We are excited to unveil a suite of new goals to accelerate and focus our environmental, social, and governance initiatives. We hope this report gives readers a strong sense of Essex’s culture and commitment to ESG best practices.

ENVIRONMENTAL

Building operations is responsible for 27% of global CO₂ emissions, and the real estate industry must evolve as the world seeks to reduce GHG emissions and slow climate change. We have set a goal to reduce our Scope 1 and Scope 2 GHG emissions 35% by 2030 through a mix of usage reduction, photovoltaic installations, and green

power purchases. Our buildings are located primarily in California where water scarcity is top of mind for our residents and us. As such, we pledge to reduce our whole building water consumption 10% by 2030 through efficiency improvements across our portfolio. To further minimize the Company’s impact on the environment, we are committing to diverting 50% of the portfolio’s waste through recycling and composting programs by 2030. Through these goals, we commit to building a more sustainable future.

SOCIAL

Facilitating the ability of our associates to provide better customer service has always been a key priority. In recent years, we have reenvisioned Essex’s operating model with “Property Collections,” transforming from operating dedicated teams at individual properties to teams that cover a collection of properties. This allows each associate to specialize in a specific function and combine resources. As a result, we have been able to provide more services to tenants while simultaneously offering our associates more stability and a better work-life balance.

Another top priority is the well-being of our associates; and in 2022 we introduced several new benefits to safeguard the mental well-being of our E-Team. We have rolled out a new mental health-care partnership that provides free therapy and other resources to our employees and their families. We also expanded our parental leave program to provide six weeks of leave to all associates who are birth and non-birth parents, including families created through adoption and foster care. We believe that employee well-being is integral to our business and our community.

As a company dedicated to housing, we are uniquely positioned to improve our communities by providing affordable housing, which we achieve through several ongoing programs and



partnerships. First, we forgo approximately \$30 million annually to provide 2,455 apartment homes at below-market rents. Additionally, in 2022, the Company provided rent subsidies to over 800 employees, at a total cost of approximately \$5 million. We also continue to partner with the Housing Industry Foundation (“HIF”) to advance affordable housing within our communities. A partner for over 30 years, in 2022 we contributed over \$100,000 to HIF through our Essex Cares program.

Essex Cares also supports our communities and associates through non-housing philanthropy and service. In 2022, we donated nearly \$300,000 to numerous community groups throughout California and Washington. Further, the Essex team logged hundreds of volunteer hours in the community—helping our neighbors and creating connections.

GOVERNANCE

We are proud to announce that we have achieved gender pay parity, with no statistical difference of pay between genders.

In addition to pay parity, we have a strong diversity track record: 60% of named executives and 40% of directors are women, 30% of the Board self-identify as diverse, and 54% of managerial positions self-identified as diverse. We continue to invest in programs that create an inclusive en-

vironment where all employees are encouraged to thrive, regardless of gender, race, disability, or national origin. We provided 800+ hours of DEI training to the E-Team last year. We also signed on as a founding member of Nareit Foundation’s Dividends Through Diversity, Equity & Inclusion Giving Campaign. Our multiplicity makes our business stronger.

Another critical aspect of our governance structure is risk management. The Board of Directors leads our risk management work and is supported by a cross-disciplinary team from all levels of the Company. Our risk management process incorporates traditional business risks such as financial and safety, along with the emerging field of physical and transitional climate risk. Our improvement in safety-related risk management is particularly notable, with a 26% year-over-year reduction in workers’ compensation insurance claims.

All these achievements are possible because we are committed to the foundational values of good corporate governance and ethical business practices. I am proud of the work we’ve accomplished in 2022 and excited about our plans to further advance our ESG initiatives.

Angela L. Kleiman
President and CEO



Vela on Ox, Woodland Hills, CA
Features Desirable Wellness Amenities Including:
a Yoga and Pilates Studio, Zen Garden, and Music Studio

ESG Strategy

AT ESSEX, OUR FOCUS is to provide safe, comfortable homes for our residents, fulfilling career journeys for our associates, and profitable returns for our investors. We employ a circular ESG strategy to minimize risk and maximize opportunities for us and our investors. We first assess our needs and evaluate opportunities. We then implement initiatives and analyze the results. This analysis feeds into periodic reevaluation of needs.

In order to carry out this strategy, we analyze data across all the core business areas of Essex. We collect environmental performance data and utility costs; survey residents and associates about their satisfaction levels with Essex; track employee learning and achievement; and monitor risk and safety metrics. We then analyze this data to determine how to progress toward our mission and improve investor returns. Additionally, we embed ESG into our due diligence process to ensure that all factors are considered prior to acquisition.

ENVIRONMENTAL

The goals of our environmental initiatives are twofold. First, we seek to improve building performance, thereby increasing resident comfort while reducing operating costs and emissions. Second, we strive to minimize physical and transition climate risks. Through this dual lens, we see opportunities to increase investor returns through the strategic deployment of proven technologies that leverage tax credits and other incentives.

SOCIAL

Engagement with our residents, associates, and community is at the root of our social initiatives. Our residents are the core of our business model and creating great communities is our vision. We continually evaluate how to improve our resident satisfaction, which in turn decreases turnover and increases our net operating income (NOI). One of the most impactful ways to improve resident satisfaction is through our employees. We focus our efforts on employee engagement, including learning and development, performance management, wellness, and benefits. We foster an inclusive environment where we seek

ESG Highlights

17.4%

Decrease in Scope 1 and 2 GHG emissions¹

235%

Increase in PV solar generation¹

46.4%

Waste diversion rate

40%

Board of Directors are women



Gender Pay Parity Across Essex

-26%

Change in workers' compensation claims from 2021

¹ from 2018 baseline



G R E S B
★★★★☆ 2022



out ideas from our diverse workforce, understanding that our focus on equity is important to our success.

GOVERNANCE

We have built Essex on the foundational values of good governance, ethical behavior, risk management, and transparency. It begins with our business Code of Conduct, to which all employees, from operations staff to executives, are held accountable. We bring these high standards to how we engage with our stakeholders and our Board of Directors. We consider these values fundamental to our success and longevity.

ESG leadership at Essex begins at the very top with our President and Board of Directors. Each of our Board committees has ESG responsibilities, but it is our Nominating Committee that leads the efforts in overseeing our ESG strategy and goals. Employees at all levels are empowered to consider ESG in their work. It is through this intentional collaboration across Essex that we will succeed in our ESG goals.











Collins on Pine, Seattle, WA
A Walker's Paradise Offering a Walk Score of 99



ESG Goals

We are excited to introduce a set of new goals for environmental, social and governance work. These goals focus our efforts on reducing our environmental impact, increasing the impact in our communities, and maintaining our commitment to equity.

	Category	Metric	Progress as of 2022
	ENERGY	Reduce Scope 1 and Scope 2 GHG Emissions by 35% from 2018 base-line by 2030	2018 emissions: 54,636 MTCO2e 2022 emissions: 45,111 MTCO2e % reduction: 17.4%
	WATER	Reduce whole building like-for-like water usage by 10% from 2021 baseline by 2030	2021 baseline: 3.067M Kgal 2022 usage: 3.045M Kgal 2022 reduction: .7%
	WASTE	Divert 50% of waste by 2030	2018 baseline diversion: 40.2% 2022 diversion: 46.4%
	PHILANTHROPY	Donate \$3 million to charitable causes between 2021–2030	\$280,000+ donated in 2022
	COMMUNITY SERVICE	Increase associates who use annual VTO hours by 100% between 2022–2025	92 associates registered 444 VTO hours in 2022
	WELLNESS	Increase associate engagement in wellness programs to 75% by 2025	69% of associates were registered with our wellness platform in 2022
	DEI	Maintain gender pay parity	Essex developed a robust, multiple regression analysis model, which confirmed that we continue to maintain our gender pay parity. Our robust statistical analysis confirmed that gender was not a significant factor in determining pay decisions in 2022.
	DEI	Continue to disclose diversity metrics	Annual EEO-1 Report See page 53 for 2022 metrics

United Nations Sustainable Development Goals (SDGs)

We align our ESG strategy with the United Nations SDGs because we feel strongly that sustainable development helps to create a better future for all.

SDG	TARGETS	RELEVANCE	ACTIONS IN 2022
	We promote mental health and well-being for all.	We continually assess our benefits and wellness programs to provide the best support for our associates.	We expanded our benefits and wellness programs to include paid parental leave for all new parents and a new mental health support platform for all associates.
	We will achieve gender equality and empower all women and girls.	We provide an equal opportunity environment for our employees, offering opportunities that lead to reflecting a diverse workforce and inclusive leadership for women.	We provided over 800 hours of training to our employees covering DEI in the workplace and continued to support employee-led affinity resource groups including Women at Essex and Rainbow Alliance. As of 12/31/22, 40% of our Board is women and 60% of managerial positions are women
	We will ensure access to clean, reliable water for all.	We continually assess our assets for potential capital and maintenance improvements to reduce water usage at all our properties.	We have aggressively pursued building and landscaping projects that reduce our water use. These include: low-flow fixtures in common areas and unit turns, turf removal, and irrigation controls.
	We will ensure access to affordable, reliable, sustainable, and modern energy for all.	We support our communities with a range of clean and efficient energy options that will promote the overall energy efficiency of our operations.	We have increased our on-site solar electricity production by 235% over our 2018 baseline.
	We will promote productive employee and fair, equitable wages for all.	We support our associates and provide opportunities for productive roles within Essex. We promote opportunities and advancement for workers from marginalized groups. We encourage our vendors to do the same.	We invested nearly \$500,000 in training in 2022 to help our associates succeed and advance at Essex.

	We will support the development of and invest in ESG technology solutions for the housing industry.	We continue to expand on our decades-long commitment to sustainability and investing in technologies that target an environmental benefit	We co-launched and committed \$10 million to a new ESG-focused "Housing Impact Fund" to support the growth and successful implementation of ESG solutions for the housing industry, including technologies that improve both the environmental and social outcomes of new developments and existing properties.
	We will promote equal social and economic inclusion for all.	Our DEI committees actively work to foster an environment where we value the contributions of all our associates and encourage their leadership within Essex.	We support multiple Employee Resource Groups that host community building events, host guest speaker events, and develop digital resources for our associates to reference in their DEI engagement.
	We will make cities and human settlements inclusive, safe, resilient, and sustainable.	We support the adoption of sustainable and alternative public transportation options by integrating our communities with major job hubs, contributing to sustainable cities.	We have 97% of our communities located within half a mile of public transportation and have connected 66 communities with electric vehicle (EV) charging stations to date.
	We will reduce waste through recycling and composting.	We support recycling at 100% of our properties and composting all of our California properties	We diverted 46.4% of our waste in 2022.
	We will take urgent action to combat climate change and its impacts.	We continuously evolve our operations to reduce our direct carbon footprint and support our residents in pursuing more sustainable ways of living and minimizing indirect carbon impacts.	We reduced GHG emissions by 17.4% between 2018 and 2022.
	We will uphold ethical business practices at all times.	We have built ethical behavior into our core values and Code of Conduct. We have policies and procedures in place to encourage inclusive decision-making within Essex.	We hosted over 800 hours of DEI training in 2022.

Stakeholder Engagement

Our stakeholders are the core of our business and we prioritize our engagement efforts accordingly. In addition to regular tenant and employee satisfaction surveys, we routinely seek input from a variety of stakeholders through materiality assessments. We use our findings to bolster relevant initiatives and outcomes to better serve our stakeholders.

STAKEHOLDER GROUP	AREAS OF ENGAGEMENT
Board of Directors	<div>+ Share Value and Financial Performance</div> <div>+ Corporate Governance & Business Ethics</div> <div>+ Financial and ESG Transparency</div> <div>+ Business Strategy</div> <div>+ Risk Management</div>
Investors	<div>+ Share Value and Financial Performance</div> <div>+ Corporate Governance & Business Ethics</div> <div>+ Financial and ESG Transparency</div> <div>+ Business Strategy</div> <div>+ Risk Management</div>
Residents	<div>+ High-Quality Homes</div> <div>+ Service Excellence</div> <div>+ Safety and Well-being</div> <div>+ Environmental Impact</div> <div>+ Community Development</div> <div>+ Business Ethics</div>
Executive Team	<div>+ Share Value and Financial Performance</div> <div>+ Corporate Governance & Business Ethics</div> <div>+ Financial and ESG Transparency</div> <div>+ Business Strategy</div> <div>+ Associate Engagement</div> <div>+ Risk Management</div>
Associates	<div>+ Recognition and Well-being</div> <div>+ Compensation and Benefits</div> <div>+ Workplace Culture</div> <div>+ Training & Development</div> <div>+ Workplace Health & Safety</div> <div>+ Environmental Impact</div> <div>+ Diversity, Equity, and Inclusion</div>
Vendors	<div>+ Financial Performance</div> <div>+ Contractual Conditions</div> <div>+ Workplace Health and Safety</div>
Local Communities	<div>+ Community Development</div> <div>+ Environmental Impact</div>
Governments & NGOs	<div>+ Business Ethics</div> <div>+ Financial and ESG Transparency</div> <div>+ Health & Safety</div> <div>+ Community Development</div> <div>+ Environmental Impact</div> <div>+ Human Rights</div>

Materiality Assessment

We completed a materiality assessment in 2022, an update to our inaugural assessment completed in 2019. We believe such assessments enable us to engage our stakeholders and hear their thoughts in a way that is quantifiable and analyzable. Our aim is to determine the ESG topics and issues that are most important to our stakeholders, particularly as the environment shifts. The insights gained from our ongoing assessments contribute to our ESG strategy and planning in 2023 and beyond.

A materiality assessment measures the ESG topics that our stakeholders find most important and impactful. Importance defines how integral a topic is to the organization’s overall mission and operations. Impact is the effect Essex can have on a topic. Together, these two rankings provide insight into the ESG topics where, according to our stakeholders, we should focus our attention and resources.



Top Three Most Material Topics



GOVERNANCE
Compliance with Laws and Regulations

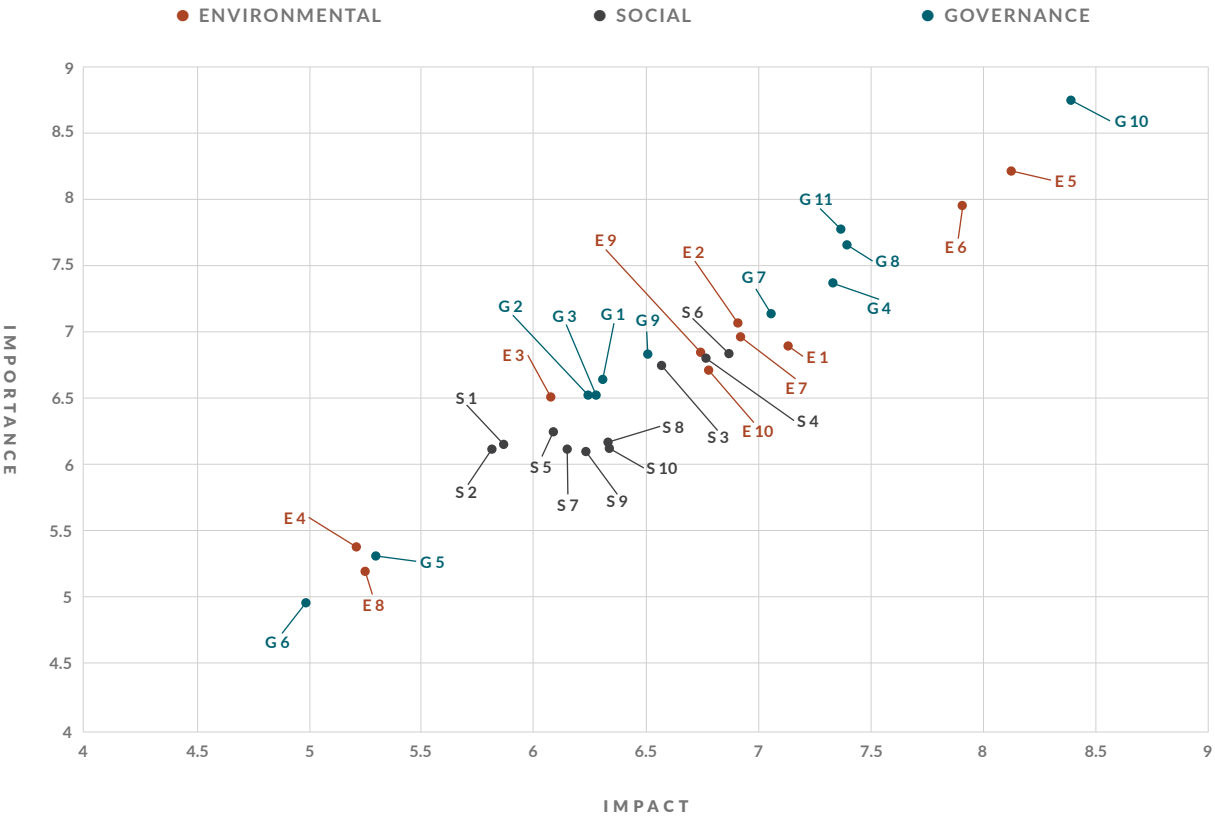


ENVIRONMENTAL
Energy Efficiency



ENVIRONMENTAL
Water Efficiency

Materiality Matrix



ENVIRONMENTAL PERFORMANCE

E1	Purchasing or generating energy from renewable sources
E2	Tracking and reporting energy and water consumption
E3	Scope 1 & 2 Emissions
E4	Scope 3 Emissions
E5	Energy Efficiency
E6	Water Efficiency
E7	Waste Reduction
E8	Biodiversity
E9	Green Building Certifications
E10	Environmental Procurement Practices

SOCIAL PERFORMANCE

S1	Diversity transparency when hiring new employees
S2	Diversity of governance bodies and workforce
S3	Equal Pay
S4	Occupational Health and Safety
S5	Tracking of Health and Safety Impacts
S6	Customer Health, Safety and Privacy
S7	Suppliers Screened using Social/Environmental Criteria
S8	Engaging and Assessing/Measuring the impacts of operations on local communities
S9	Promoting Affordable Housing
S10	Investing in infrastructure and services in the local communities

GOVERNANCE PERFORMANCE

G1	Reporting ESG Performance
G2	ESG Responsibility and Accountability at the corporate level
G3	Direct economic value generated and distributed by Essex
G4	Climate-related Financial Risk
G5	Including human rights clauses in investment agreements
G6	Tracking and Reporting the Monetary Value
G7	Monitoring and Preventing Fraud
G8	Data Privacy and Security
G9	Transparency and reporting of financial and ESG performance, CEO compensation, regulatory compliance, or fines, etc.
G10	Compliance with Laws and Regulations
G11	Anti-harassment

Methodology

We surveyed four stakeholder groups in the 2022 assessment: investors, tenants, employees, and vendors. The stakeholder survey included 31 indicators, divided between environmental, social, and governance performance. The indicator topics were aligned with several industry-leading reporting frameworks: GRESB, TCFD, GRI, and SASB. Stakeholders indicated their perception of importance and impact of each topic on a sliding scale of 0–10, with 10 being the highest and 0 being “no opinion.”

The responses were then mapped with a methodology that accounts for the varying number of stakeholder responses.

1. Importance and impact scores for each question were averaged across each stakeholder group.

2. Stakeholder average scores were again averaged to produce a final importance and impact score for each question.

The methodology weighs each stakeholder group equally regardless of the number of respondents within any one group. All stakeholder groups are given equal consideration and the opinions of one stakeholder group with many responses will not outweigh another, smaller group.

The final, averaged scores were plotted in a scatter chart with impact along the X-axis and importance along the Y-axis. Data points farther to the right are thought to be more impactful, while higher data points are more important.



Lafayette Highlands, Lafayette, CA
Utilizes PV Energy Systems



Environmental

ONE OF ESSEX'S MAIN GOALS, as shown through our work over the past 15 years, is to invest in sustainable improvements at our properties in a way that prioritizes resident comfort, operating cost reduction, and investor returns. Sustainable construction and operations use fewer resources while providing satisfying and comfortable homes. We track return on investment (ROI) of our construction and improvement projects to ensure that results are in line with our expectations. We also use this quantitative data to thoughtfully inform future work.

Avenue 64, Emeryville, CA
Utilizes PV Energy Systems

15 Year Investment

\$58 M+

Energy Efficiency

\$36 M+

Renewable Energy

\$10 M+

Water Conservancy

\$1 M+

Waste Reduction

SUSTAINABILITY

We established our Sustainability Department in 2008 with the mission to lower utility expenses through energy efficiency capital projects, bill auditing, and best practice guidelines. Over the intervening years, we have continued to invest in innovative, yet proven, technologies in service of that mission. Today the Sustainability Department works from a strategic playbook founded on our decade and a half of experience and data.

We utilize a practical approach to undertake capital improvements as existing systems reach the end of their useful life. All sustainable capital improvements are evaluated to ensure that they are in line with our ROI guidance. We view these projects as “Revenue Generating” since they will create operational savings through time that is greater than the ini-

tial cost of the project. We find this financially prudent planning balances our goal to improve environmental performance with our responsibilities to our investors.

An important piece of our improvement strategy is partnering with our utility providers to maximize the rebates we garner by completing these projects. In 2022, Essex totaled over \$425,000 in utility incentives. Additionally, as a part of our comprehensive plan, when we onboard a property, our team develops a detailed plan to bring the asset up to our operating standards.

As we look toward our next 15 years, we intend to focus on how to continue to improve environmental performance in ways that are most important and impactful to our residents and surrounding communities.



Photovoltaic Systems

8.5MW

Total PV Capacity

91PV

Solar Systems Installed

\$52.8M

Invested since 2016

\$4.3M

Electrical Savings since 2016

SINCE 2016, ESSEX HAS INVESTED \$52.8 million in photovoltaic (PV) systems in pursuit of or dual goals of reducing our dependence on brown energy and increasing our net operating income (NOI).

To reach our GHG emissions reduction goals, we need to reduce our energy usage while increasing the percentage of power we obtain from renewable sources. On-site PV solar systems are a major component of the latter strategy. Solar power also improves our performance in frameworks such as GRESB, CDP, and the forthcoming SEC regulations.

PV installations provide multiple financial advantages beyond our sustainability goals. PV systems lower our common area electric bills, which increases our NOI for those assets and provides protection against the volatility we are currently facing with utility pricing. We also take advantage of the 30% Investment Tax Credit, which increases the returns on these installation by several percentage points. In making the decision about where and when to install a system, we balance these economic advantages with cost data. The systems require large up-front capital investment, substantial maintenance costs, and ongoing operating expense such as cleaning and monitoring. Because we carefully balance these factors, we saw a 10.9% IRR in 2022.

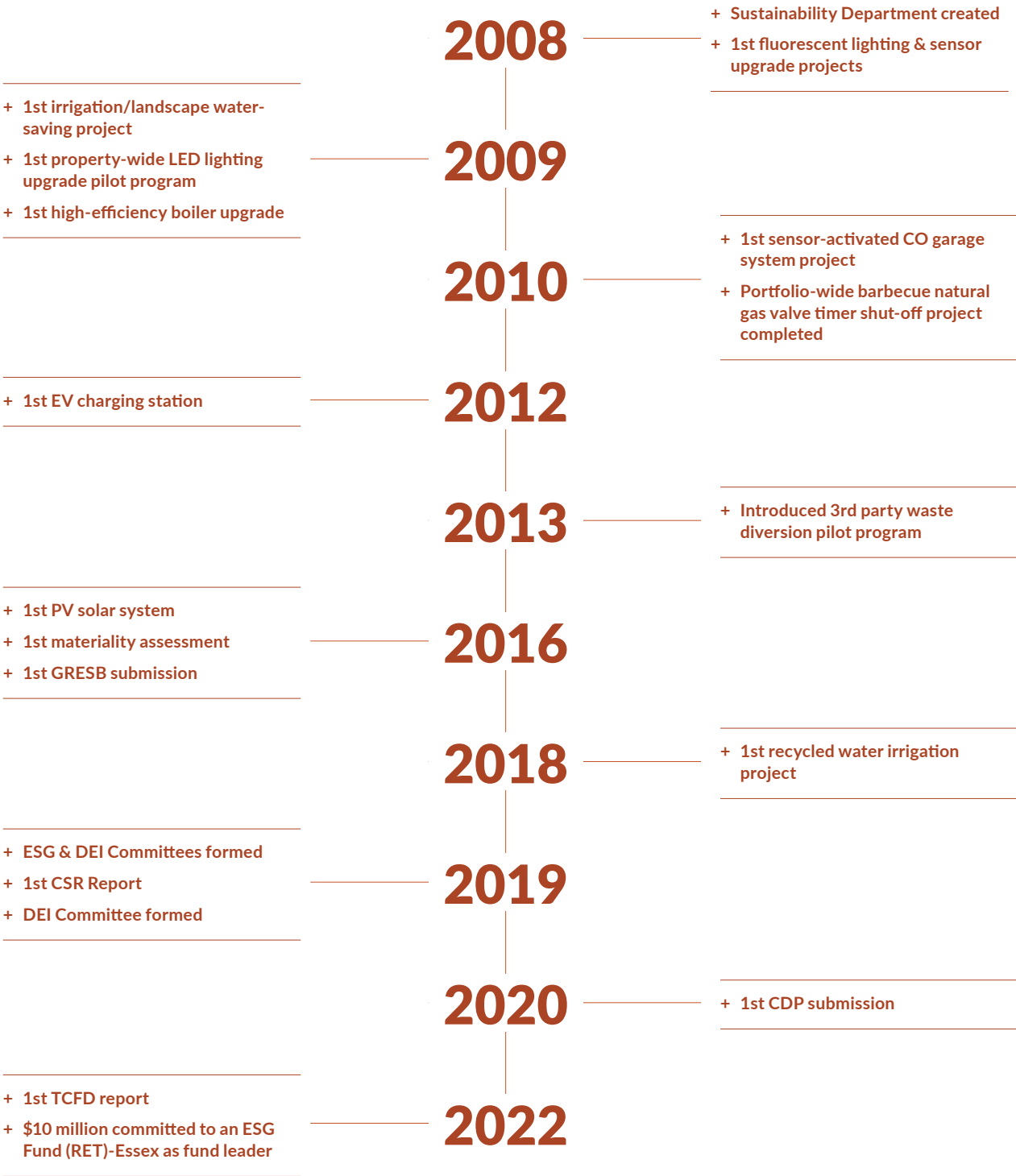
We evaluate the potential risks vs. reward of our systems during planning, installation, and operation. While planning, we look at the potential energy generation, the age and condition of the roof, and local and federal regulations and incentives. During installation, we face the same material and labor supply challenges that are plaguing the construction and green power industries at large. After the systems are operational, we monitor our systems against projected generation and returns. We proactively monitor the performance of these systems to ensure that they are functioning within the design standards.

Essex Installed Properties

	2016	2017	2018	2019	2020	2021	2022	TOTAL
# of systems installed	1	29	13	11	10	10	17	91
Capital spend	\$98,600	\$7,244,500	\$3,885,600	\$10,894,600	\$7,536,300	\$8,219,300	\$14,935,500	\$52,814,800
Estimated annual savings	\$9,000	\$734,200	\$290,900	\$892,500	\$616,200	\$600,100	\$1,220,100	\$4,363,300
Total Cumulative kW	23	1,410	3,007	4,780	4,982	6,746	8,496	



History of Sustainability at Essex



Energy and Emissions

We recognize the urgency of addressing climate change and acknowledge that reducing the GHG emissions of the built environment will be critical to keeping temperature rise below the Paris Agreement threshold of 1.5C. Our newly developed energy reduction goal aims to be consistent with the Paris Agreement and set us on track for long-term GHG reduction across our portfolio. We work to systematically reduce our GHG emissions by first reducing our energy consumption where possible, then sourcing our energy needs from on- and off-site renewable resources, and finally purchasing green grid power. Through these initiatives, we have reduced our like-for-like electric usage by 10% since 2018, and reduced our grid power purchase by 30%.

To reduce energy usage, we have focused on the following capital improvement projects. Our measurement and verification processes demonstrate that these projects deliver the greatest energy savings with an investment that minimizes rent increases, and with an ROI that meets our fiduciary duty to investors.

- + Lighting retrofits with energy-efficient fixtures and occupancy or daylight sensors as applicable
- + Energy efficient appliance packages
- + Pool heat pump installation
- + HVAC equipment retrofit
- + HVAC optimization
- + Envelope efficiency

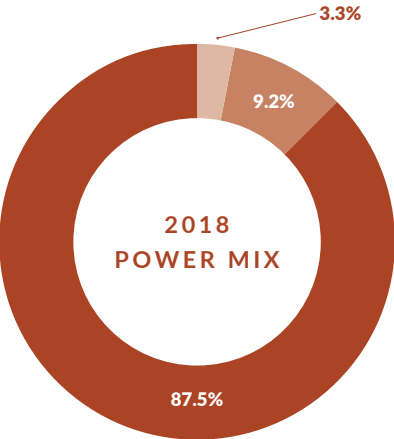
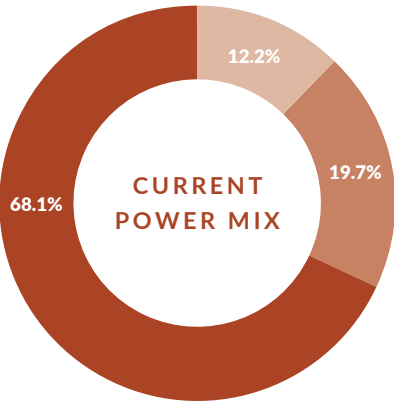
As the first step of our green power strategy, we install photo-voltaic (PV) panels on available roof space to source as much electricity as feasible from on-site solar generation. We have installed 91 systems over the past 5 years. We now generate 9,653 MWh of power with on-site solar. In addition to on-site solar generation, we purchase energy directly from green sources. Our green power purchases¹ comprise 20% (15,589 MWh) of our electricity demand.

¹A previous version of this report noted these green power purchases as green offsets, which Essex does not purchase.

-17.4%

Absolute Scope 1 and 2 GHG Emission Reduction From 2018 Baseline

Power Mix Summary



- SOLAR
- GREEN
- GRID

Sustainable Transportation 2022



Average Walk Score

67



Average Bike Score

61



Properties within .5 Mile
of Public Transportation

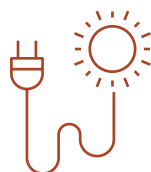
97%

EV Chargers Installed Through Year-End 2022



Properties

66



Chargers

574



Ports

775

Similar to our layered approach to operational GHG emissions reduction at our buildings, we take a multi-pronged approach to reducing transportation GHG emissions within our communities. We factor walkability and public transportation access into our acquisition and development due diligence process and invest heavily in EV infrastructure.

Essex first installed EV chargers at our properties in 2012. The initial installation was a dual port EV charging station located in San Diego, California. As

electric vehicles became more prevalent and resident demand increased the Sustainability team began including EV charging installations in annual budgets. In 2021, Essex began installing both shared and “resident-reserved” EV charging stations. Reserved EV spaces are a differentiator in the marketplace because they reduce range anxiety (the fear of running out of EV power). Essex has developed an implementation plan to address the growing demand for EV charging.

Water

We are aware that many of our assets are located in regions experiencing sustained drought conditions. As a result, water conservation is top-of-mind to us and our residents. We are continually implementing various capital improvement projects that work to reduce water consumption.

- + Low-flow fixtures in apartments and common areas
- + Drought-tolerant landscaping
- + Efficient irrigation system design and operation
- + Water-efficient HVAC equipment
- + Water audits
- + Leak detection monitoring

We track water usage at the whole building level at all our properties. With the cultural shift to working from home, we have seen an increase in our water usage since 2020. This rise has leveled off and we are working to develop a strategy around tenant outreach to encourage our residents to reduce their consumption.

Efficiency Projects	2018	2019	2020	2021	2022
Projected Annual Savings Amount	\$96,000	\$1,200,000	\$480,000	\$1,700,000	\$1,900,000
Investment Amount	\$450,000	\$13,900,000	\$2,200,000	\$11,800,000	\$6,200,000
Number of Projects Completed	6	47	34	53	31
Rebates Collected	\$556,894	\$275,279	\$1,379,567	\$283,548	\$427,767

By completing the above projects, we have been able to generate a combined annual kWh savings of 6.7 million, which is enough to power approximately 600 single family homes for one year.

We have collected \$10 million in rebates since 2009.

Waste

We are working diligently to increase our waste diversion rate and currently have diversion programs in place at each of our assets. We also collaborate with Zero Waste facilitators to improve our waste reduction strategies further. Our focus for the past two years has been to increase our composting efforts, as required by California law. We offer composting at 100% of our properties in California and in much of Washington as well.

Waste Diverted

40%



Waste recycled in 2022

6%



Waste composted in 2022

Villa Veneto Asset Life Cycle

Villa Veneto, San Jose, CA
Features Energy Efficient LED Lighting Upgrades

WE ACQUIRED VILLA VENETO, located in San Jose, California, in 2017. Since then, we have reduced the common area grid energy consumption by 92.8% through a combination of efficiency measures and on-site solar.

Immediately upon close, we began planning a lighting retrofit that was completed the following year. The retrofit reduced energy usage by 37%. In 2018, we also installed rooftop PV panels that offset the remaining usage.

We employ similar strategies for all our acquisitions—looking for proven capital improvements that improve the building's efficiency with a short return on investment window. Existing building stock composes a large percentage of our portfolio. Investments that improve the energy and financial performance of older buildings are an important component of a sustainability strategy.

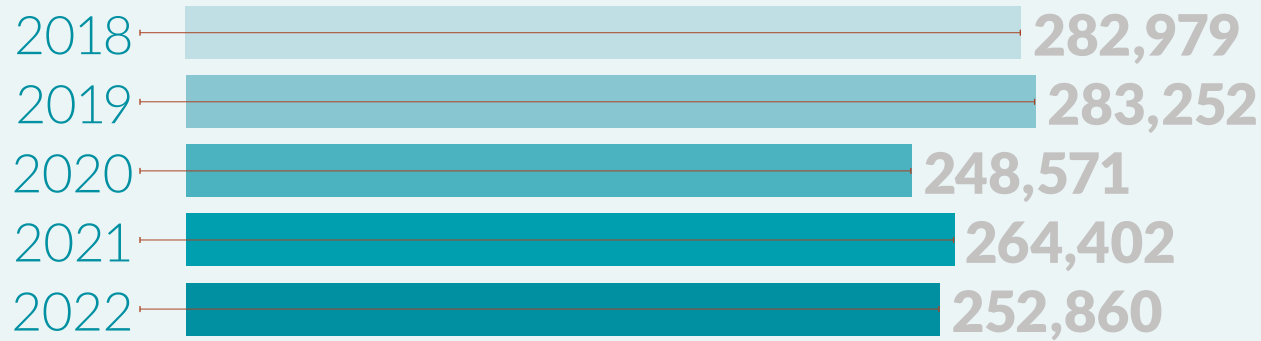


Performance Data

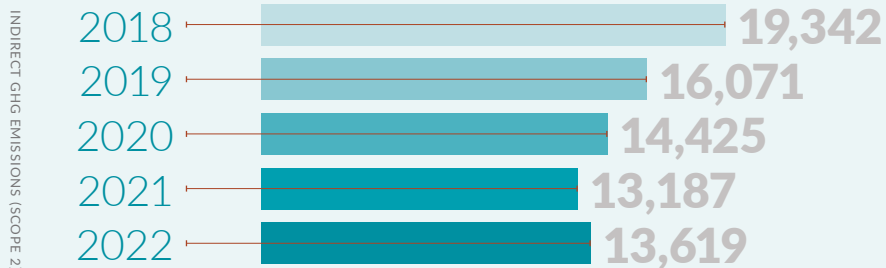
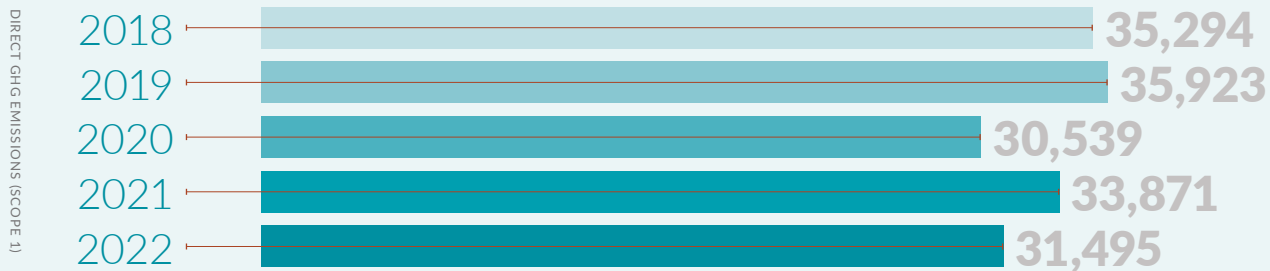
Metrics composed of 100% of data within our financial control

Energy Usage

Like-for-Like Energy Usage (MWh)



Like-for-Like Scope 1 and 2 GHG Emissions (MTCO2e)



Water Usage Over Time

Like-for-Like Whole Building Water Usage (Gallons¹)

3,067,163

2021

3,044,756

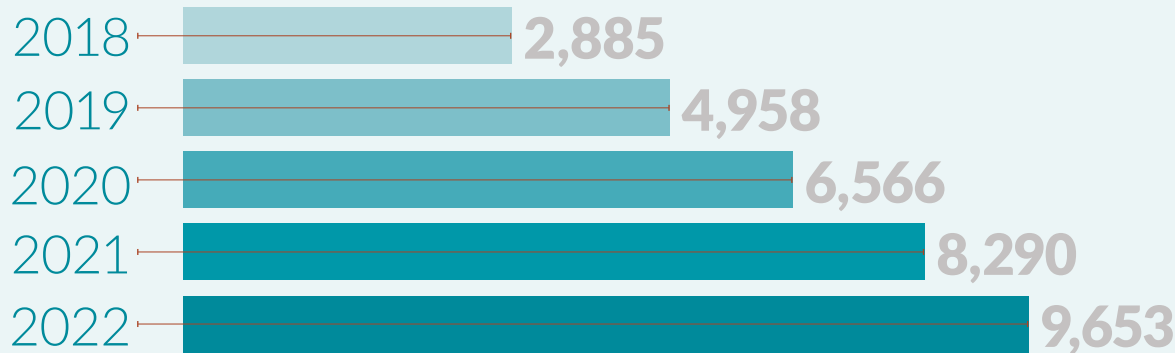
2022

Waste Diversion Rate

Waste Diverted in Like-for-Like Community Operations



Renewable Energy Generation (MWh)



¹2021 was chosen for the baseline year for water due to the effect the COVID-19 pandemic has had on our water usage. Due to increased "Work from Home", we determined 2021 to represent the new normal for our properties.

Regulations

Our Sustainability Department monitors national, state, and local laws and stays abreast of the rapidly changing regulatory environment, which could result in increased operating costs. We outline our regulatory and transitional risks in the Climate Change Risk and Opportunities section, below. In addition, we advocate at all levels of government for responsible, sensible legislation for the real estate and building industries. Please see the Governance section for more detail about how we work with Nareit and other industry groups to shape policy and programs in this area.

Climate Change Risk and Opportunities

Risk assessment, including climate risk, is a core business function at Essex. At a Board level, our Audit Committee tracks and analyzes ESG and Enterprise Risk Management (ERM) risks, using a structure explained in the Governance section of this report.

Climate change risks and opportunities, as defined by the Taskforce on Climate-Related Financial Disclosures (TCFD) framework, is increasingly a focus for us and our investors. Climate change will bring with it significant physical and transition risks for real estate assets. As an owner and operator, our responsibility to our residents and investors includes mitigating these risks and leveraging transitional opportunities.

We completed a Climate Risk Analysis in 2022 that outlines our physical and transitions risk over the short, medium, and long terms, See the accompanying table.

All our properties are located along the West Coast, which presents unique physical risks as well as a rapidly evolving regulatory environment. To address physical risks, we have created an interactive GIS map that charts the acute and chronic physical risks. In 2023, we plan to develop action plans that address the most urgent of these risks, using a two-pronged assessment criterion: the safety and comfort of our residents and the returns of our investors.

For the transition risks, we cataloged existing and potential national, state, and local regulations, surveyed our internal practices, and benchmarked against the actions of our peer companies.

Acute Indicators

- Extreme Heat Days
- Storms
- Wildfires
- Riverine Flood
- Coastal Flood

Chronic Indicators

- Cooling Degree Days
- Heating Degree Days
- Drought / Precipitation Variability
- Water Stress
- Sea Level Rise

Time Indicators

- Short Term: 1 to 3 years
- Medium Term: 3 to 5 years
- Long Term: 5 years or longer

Because many of our properties are located in California, we specifically focused on the California energy efficiency standards, also known as Title 24, or Building Energy Efficiency Standards, which may seek to reduce emissions through the imposition of standards for design, construction materials, water and energy usage, and efficient water management. Using this catalog of information, we developed a risk profile based on the ERM risk scale. The Audit Committee regularly engages with management to oversee that appropriate mitigation strategies are developed and implemented.

We are committed to transparently monitoring and reporting our climate risk over the long term, as a component of our overall risk management strategy and good governance responsibilities.

	PHYSICAL RISKS	TRANSITION RISKS	TRANSITIONAL OPPORTUNITIES
Short Term	<div>Increased storms could affect our apartment communities.</div> <div>Wildfires could threaten the viability and infrastructure of our apartment communities.</div> <div>Increased cooling degree days could increase energy costs for us and our residents.</div> <div>Heating degree days could increase energy costs for us and our residents.</div> <div>Drought/ Precipitation variability could impact infrastructure around our apartment communities.</div>	<div>Increased administrative costs associated with required climate disclosure regulations.</div> <div>Increased energy costs due to stringent renewable portfolio standards.</div> <div>Higher energy prices due to decarbonization of electric sector and grid development.</div>	<div>Align ESG and climate-related disclosure with voluntary disclosure frameworks.</div> <div>Expand capabilities and implement information management system(s) to monitor GHG emissions across the value chain, including Scope 3 emissions.</div> <div>Seek external assurance for key environmental and climate change performance metrics.</div> <div>Explore the viability of participating in Direct Access Lottery programs for purchasing power from competitive providers instead of regulated electricity utilities.</div> <div>Consider participating in demand response programs.</div> <div>Increase on-site renewable energy capacity (portfolio system size) and develop program to drive reductions in assets with highest energy usage intensity.</div> <div>Expand implementation of Crisis Management Planning and emergency preparedness focused on climate-related hazards and physical weather events.</div>
Medium Term	<div>Prolonged extreme heat or cold days could impact our energy consumption and costs.</div> <div>Riverine flood could cause damage to our facilities.</div> <div>Coastal flood could cause damage to our apartment communities.</div>	<div>Increase in administrative and compliance costs for meeting building benchmarking, audit, and retro-commissioning planning ordinances.</div> <div>Increase costs for energy and carbon retrofits due to changes in energy and carbon intensity requirements or regulations.</div> <div>Changes to renewable incentive programs that could result in longer payback times for on-site renewable energy systems or deletion of funds available or termination of program.</div> <div>Increased development and renovation costs due to more stringent building and energy code regulations.</div> <div>Higher insurance costs and/or reduced availability of insurance coverage.</div> <div>Higher cost of materials for development projects due to carbon pricing programs.</div>	<div>Define scope of properties subject to ordinances and determine action plan for complying with new audit and retro-commissioning requirements.</div> <div>Explore and pursue actions that can lead to exemptions from energy audit and retrocommissioning processes within applicable ordinances.</div> <div>Develop monitoring system for applicable rebates/subsidy programs for energy efficiency, electrification, or renewable energy technology and solutions.</div> <div>Expand capabilities for ongoing tracking of energy and carbon intensity and performance at building level.</div> <div>Explore the implementation of energy storage systems.</div> <div>Continue program of providing PV solar energy to residents.</div> <div>Maximize the implementation of viable PV systems prior to rollout of NEM 3.0 to grandfather in protections.</div> <div>Increase internal expertise in around designing and managing for net zero buildings.</div> <div>Expand incorporation of climate-related risk and resilience screening within the due diligence process for acquisitions and developments.</div> <div>Leverage applicable incentive programs for increasing building resilience.</div> <div>Implement embodied carbon reduction strategies that limit the use carbon-intensive materials and explore low-embodied carbon substitutes.</div>
Long Term	<div>Sea level rise could threaten the habitability of our apartment communities along the coastline.</div> <div>Water stress could impact our water costs.</div>	<div>Reduction in value of real estate assets due to not meeting energy or carbon intensity expectations (stranded asset risk).</div>	<div>Expand capabilities for tracking of energy and carbon intensity and performance at building level.</div> <div>Benchmark assets against pathways and develop energy retrofit and/or decarbonization planning for underperforming assets.</div> <div>Incorporate the evaluation of energy intensity, GHG intensity, and stranded asset risk within the due diligence process for potential acquisitions.</div>

Design & Construction

PART OF OUR SUSTAINABILITY strategy is to design our new development projects with an array of green building features designed to minimize GHG emissions and water usage, increase waste diversion rates, and provide a healthy indoor environment for our residents. We design our buildings with LEED standards in mind and pursue green certifications whenever feasible.



Livia at Scripps Ranch,
San Diego, CA
Targeting LEED Silver
Certification



9,919

Units in green-certified properties

100%

Properties in Energy Star

Green Certification	Number of Properties
BUILT GREEN	2
GreenPoint Rated	9
GreenPoint Rated Silver	1
LEED Certified	2
LEED Gold	7
LEED Gold ND	1
LEED Neighborhood (targeted)	1
LEED Silver	8
LEED Silver (targeted)	1
Total Communities Developed with Green Certifications	32

- + Site selection in walkable communities and near public transportation
- + Efficient envelope
- + Optimized HVAC systems
- + Low flow plumbing fixtures
- + Low/no VOC finishes
- + EV chargers
- + PV panels
- + Infrastructure for recycling and composting
- + Heat pump pool heater

LIVIA at Scripps Ranch

LIVIA at Scripps Ranch, which opens in 2023, is an example of our sustainable development practice. Located in the sought-after neighborhood of Scripps Ranch in northeast San Diego, California, LIVIA is the newest addition to the Essex Apartment Homes portfolio and is pending LEED Silver certification.

Co-developed by Essex and Monarch Group, LIVIA at Scripps Ranch is a four-story luxury apartment community with 264 units, resort-style amenities, and access to some of the best San Diego has to offer. Its convenient location makes it easy for residents to walk to nearby shops, restaurants, and desirable outdoor spaces like Spring Canyon Park. The community is also close to an elementary school and is a quick 20-minute drive to many beach towns and downtown San Diego. LIVIA offers electric vehicle charging stations for residents looking to reduce their carbon footprint.

Residents will find elevated design and sought-after features inside each apartment home, including energy-efficient lighting and windows, low-flow EPA WaterSense-certified water fixtures, and high-efficiency HVAC and DHW systems. Water-efficient building features, such as conscientious landscaping and responsible plant adaptation, are also found throughout the community.

As Essex continues its commitment to creating more eco-friendly buildings, LIVIA at Scripps Ranch truly embraces sustainable living.



Social



THE ESSEX VISION IS *Providing Great Communities in Which to Live, Work and Invest.* We believe that improving the experience for our residents and associates decreases resident turnover, increases employee productivity and retention, lowers operating and maintenance costs, and in turn drives higher returns for our investors . Over the past several years, we have invested in reorganizing many aspects of the Company to improve both the resident experience and the employee journey. These initiatives, which we continually validate through data collection and analysis, improve stakeholder engagement and reinforce our mission.

240 → 20

Properties

Collections¹

\$300,000+

Invested in Resident Engagement Events

85%



Satisfied Residents–Work Orders

¹Remaining stand-alone properties: 13

Property Collections

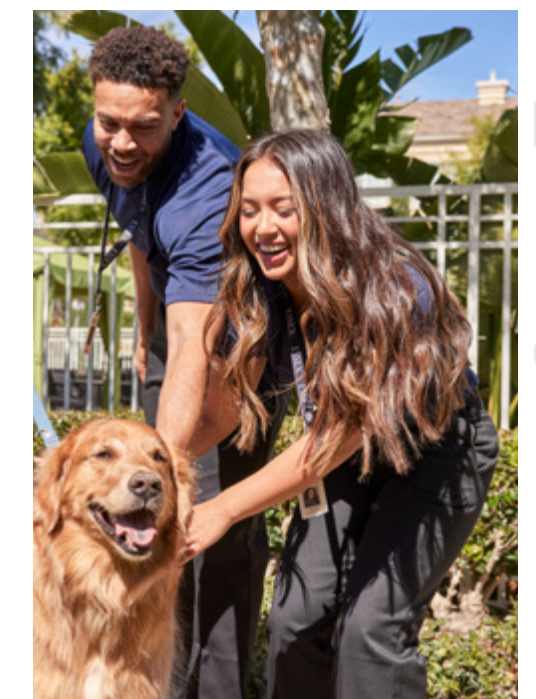
In 2021 and 2022, we grouped our properties into collections based on geography. Each collection is managed by a dedicated team of employees. The reorganization focused on improving the experience for our residents, prospective residents, and associates. From a resident perspective, they experience a seamless interface with a team of Essex associates that are ready to assist them. The collection method gives associates the opportunity to specialize and focus on one aspect of the job, instead of being expected to be a jack-of-all-trades and manage a property alone. A larger team means they can share coverage—this allows us to be more responsive to our residents while simultaneously providing a better work-life balance for our associates.

The property collections also streamline our marketing and leasing to prospective residents. The collection organization allows us to have dedicated sales professionals responsible for each col-

lection of properties. Along with software improvements, we now have a platform (SmartRent) where we can interact with prospective residents to schedule virtual and in-person tours, sign the lease, and arrange move-in.

In the transition to the collection model, employees were given opportunities to move into newly created positions and were offered training to support the transition. Essex associates had, on average, a 10% salary increase, and there was no need for layoffs

In 2023, the operations department is focusing their attention on the vendors that service our properties. Using a strategic lens similar to what we used during our property collections development, we aim to add efficiencies to our vendor process and focus on local business and women- and minority-owned businesses.



Smart Home

Aligned with our goal to provide high-quality communities, we have embraced a digital transformation of the way people interact with their apartments as well as Essex staff. We continued to expand our SmartRent program throughout our portfolio in 2022. SmartRent integrates electronic door locks, remote thermostats, water-leak sensors, and smart plugs.

We have also invested in digital tools to improve and streamline our residents' experience when they interact with Essex associates. A prospective resident can browse properties online, go on a virtual tour, and schedule a property visit. Funnel online leasing is now included at 27 communities with plans to expand. We are also adding lease renewals and enhanced payment processing to our system.

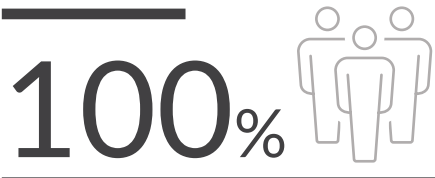
Current residents can contact Essex associates by phone, text, or email. On the associate side, we have an integrated web platform where we can respond to residents, log maintenance needs, and track progress on repairs. The platform has increased our efficiency, improved the resident experience, and reduced stress for our employees.

Affordable Housing Programs

In the markets where we operate, the availability of affordable housing is a critical component to economic growth. Essex takes pride in our ability to provide affordable housing across the portfolio, especially in areas where the need is high.

By the end of 2022, our direct development program encompassed four apartment communities, with 1,023 apartment homes under construction containing 76 affordable apartment homes. In these homes we are committed to maintaining rents at affordable levels, pursuant to an agreement with city governments that typically states that rents cannot exceed a specified percentage of area median income levels. In 2022, we provided affordable apartments at 43 communities and over \$29 million in rent subsidies, covering nearly 2,500 affordable homes available at below-market rates for our lower-income residents. An additional 4,323 homes across 16 of our communities are locally rent stabilized.

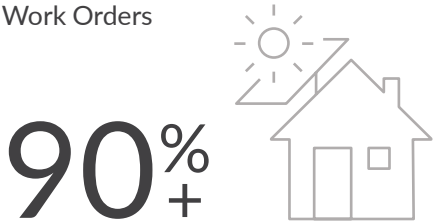
Smart ROIs



Communities on Funnel CRM



Communities Utilizing SightPlan for Work Orders



Communities Enrolled in Smart Home Program and Utilizing Smart Rent Access Codes



Pinnacle on Lake Washington, Renton, WA
Utilizes Smart Home Technology

Essex Cares



THE ESSEX CARES program is a framework through which we can put two of our core values into action: care about what matters and do right with urgency. We have structured the program with three distinct areas of focus: residents, associates, and community.

ESSEX CARES ABOUT RESIDENTS

In 2022, we continued our support of affordable housing through direct capital investment and by using our voice to advocate at the local level for affordable and discounted employee housing. We believe that our communities are stronger when everyone has an opportunity to afford a safe, welcoming home. We have partnered with the Housing Industry Foundation (HIF) for over 30 years to work toward increasing affordable housing in our communities.

Again in 2022, we worked with HIF’s Affordable Housing Initiative (AHI) program to offer housing subsidies at select communities, allowing public and nonprofit sector employees to live in the community where they work. AHI helps match qualified individuals and families with apartments at up to 50% below market rates for up to three years, and all current AHI residents can live in apartment homes less than a 30-minute commute to their jobs. On average, the reduced rent creates up to \$12,000 per year in savings for each of these residents. We contributed approximately \$90,000 in donated rent during 2022, providing affordable housing to eight households.

“Essex Property Trust has been an invaluable partner in HIF’s mission to prevent homelessness in Santa Clara and San Mateo Counties for over 30 years. As a Board Member and generous partner in the Affordable Housing Initiative, Essex has provided workers in the education and nonprofit sectors affordable housing, improving their quality of life and financial stability while allowing them to live in the communities they serve. Essex’s significant financial support of HIF, through our annual September Summit and most recently, our Major Gifts Campaign, has helped us to grow our programs and assist more families in need. Thank you for your support and partnership!”

STEVE SULLIVAN | EXECUTIVE DIRECTOR,
HOUSING INDUSTRY FOUNDATION



“It was an honor and privilege to be given the opportunity to volunteer at Maitri. I had tried to be a volunteer at Maitri some 10 years ago and because of their requirements and life in general, I gave up the idea to volunteer with this amazing organization. However, with the opportunity given by Essex, I am now not only an official volunteer with Maitri but also have completed my 40 Hour CA State Domestic Violence Certification requirements to be of further value to this organization. Thank you, Essex, for giving me this awesome opportunity.”

PAM PRASAD | SENIOR PARALEGAL
Organization Supported: Maitri

We also completed the final phase of our HIF collaboration to relocate Fosters Landing residents as the affordable housing program in that community came to an end. Over the past two years, we have leveraged early relocation grants, short-term rental subsidies, hands-on case management, and HIF’s AHI program to transition 62 families to new homes.

ESSEX CARES ABOUT ASSOCIATES

The shift to a post-pandemic period has been a welcome change for our associates. We are proud that several of the Essex Cares initiatives implemented during COVID, such as extra refresh days for our associates, have found their way into our core business practices. 2022 brought its own challenges, one being a very strong inflationary environment. To help our associates meet expenses during this difficult time, Essex provided 80% of our associates with an inflation grant. We also invested approximately \$5 million to provide subsidized housing to more than 800 associates in 2022.

ESSEX CARES ABOUT COMMUNITY

Our Community Assistance Program supports our local communities by making monetary, in-kind, and volunteer contributions to organizations focused on DEI initiatives, the environment, food insecurity, and the digital divide. We donated over \$280,000 to community groups during 2022, including Habitat for Humanity, Human Rights Campaign, Akomi Dance Center, National Urban League, and local food banks. In addition to monetary contributions, Essex associates volunteered 444 hours at organizations such as St. Anthony’s Foundation in San Francisco, Martha’s Kitchen in San Jose, and the Mobile Gift Shop in Santa Paula, and Birthday Dreams in Kirkland.

One project of which we are particularly proud is our renovation of the Maitri Domestic Violence Shelter. In partnership with HIF, we provided a \$10,000 donation, along with vendors and Essex volunteers to transform the shelter by refreshing the exterior garden and fencing, rehabbing the kitchen and bathroom, and fully painting the interior. This project combined our financial and manpower contributions to multiply our impact for Maitri.



“I had so much fun on the farm with the E-Team! Thank you, Essex, for allowing us this time to bond with our peers and give back to our community. The time spent at The Giving Farm has inspired me to give back even more on my own time!”

JODY LADD | LEASING CONSULTANT
Organization Supported: The Giving Farm

Employee Journey

We pride ourselves on being an employee-centric organization and view the associate experience as a journey that unfolds over the long term. We seek to engage, enable, and empower associates because thriving employees drive business performance.

We want to hear from employees and we design programs that respond to their concerns and ambitions. In 2022 we launched a new employee engagement survey platform that allows us to query employees about 10 engagement drivers, including how employees see their work as part of the larger Essex objectives and whether they feel supported in their work. Engagement is benchmarked externally to the industry (based on team size, demographic make up of the team, or geographical location) and against own company scores. In an effort to be transparent yet maintain anonymity, we share the results with all Essex employees, and leaders have access to dashboards where they can monitor their employees' engagement on an anonymous basis.

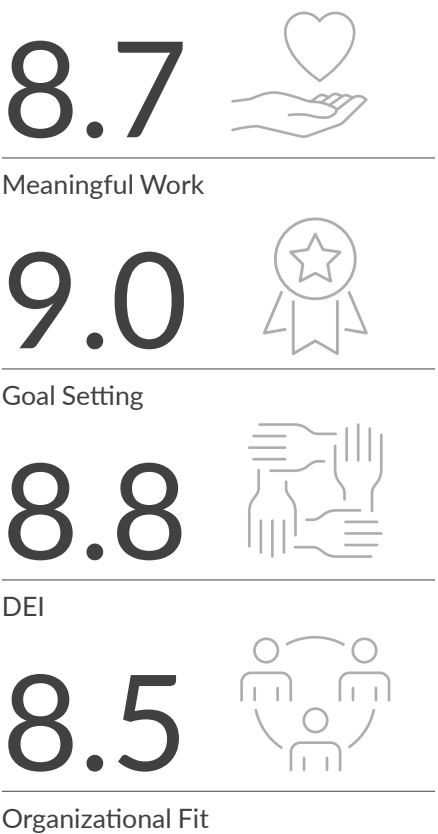
We also use the results of these surveys to inform the programs that support our employees' journeys. These programs can be described in six areas: learning and development, talent management, recognition, wellness, benefits, and diversity. All of our employee engagement programs are data-driven and have extensive monitoring and review processes. We monitor the engagement and ROI of each program, and make adjustments as necessary.

In addition to more structured feedback, we also value hearing ideas and contributions from all corners of the Company. We encourage associates to share their thoughts within and across teams. To facilitate this, we have implemented several methods including our Speak Up platform, where employees can candidly share their feedback, concerns, and ideas. Additionally, we hold monthly Company-wide webinars (Coffee Talk) hosted by our Senior Management Committee. Coffee Talk is open to all associates and provides an interactive panel discussion, open forum Q&A, and leadership updates.

Our goal with all of our associate programs is to create a company where employees feel valued, connected to our mission and objectives, and are active contributors to our success.



Associate Engagement Drivers



Talent and Performance Management

One important engagement driver for our employees is the opportunity to advance within Essex, so we strive to promote internally. We encourage employees to apply for open positions to advance their careers and direct hiring managers to consider current associates. We also strive to prepare associates for advancement through our performance review process, which provides actionable feedback and documents employee development over time, and the learning and development program, which builds associates' skills. We aim to set up our associates for success so they feel prepared to apply for advancement and continue to contribute to our business.

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

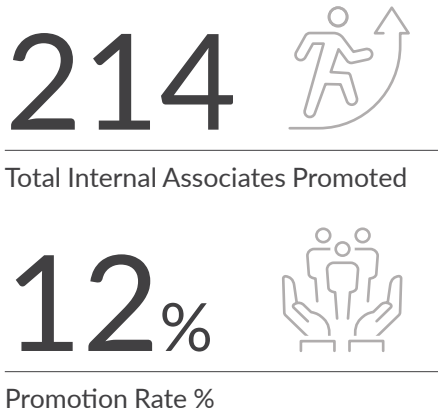
Performance management is a continuous process that supports our associates' development by providing feedback, coaching, and recognition. The process is centered on setting, tracking, and evaluating goals for each associate. Associates each set goals and link their individual goals to those of Senior Management. By doing so, associates can see the strategic direction for the Company

and understand how their job contributes to Essex's mission and vision. Goal achievement and linkage is reviewed and analyzed later in the year. Managers use this analysis to provide actionable feedback that furthers an associate's professional development and advancement.

Additionally, in 2022, we completed the rollout of our Career Profiles program that invites associates to upload their professional profile, including a résumé, awards, education, skills, and career aspirations, to a talent database. Managers monitor employee trends and individual profiles to better support our associates on their desired career paths. It also helps us identify interests and skill sets for new positions from our entire employee base, thereby opening opportunities to diverse candidates who may not have been considered before.



Associate Promotions



Learning and Development

We continue to make significant investments in support of our associates’ professional advancement through learning and development programs. In 2022, we overhauled the Learning Management System (LMS) that we use to identify training needs, deliver digital content, and record performance outcomes. The new LMS, which launched in autumn 2022 and is integrated across Essex, provides more impactful learning curriculum for our associates.

Employees now have access to thousands of digital and in-person trainings that can improve all aspects of their job performance, including leadership, software, building operations, and communications. Our LMS is integrated with our HCM system and uses artificial intelligence to recommend courses based on job role, professional interests, and identified areas for improvement. The LMS incorporates feedback from performance reviews and manager comments to direct employees toward course recommendations that can improve their journey here at Essex. Moving forward, we plan to monitor the performance and impact of the new system and make refinements where needed.

Learning and Development ¹	2022
Total Investment in Training and Development	\$490,000
Total Associates to Receive Training	2,549
Average Hours of Training per Employee	9
Total Associates Receiving Job-Specific Training	1,413
Total Associates Receiving Leadership Training	217
Total Associates Receiving Health & Safety Training	431
Total Health & Safety Training Hours	7,594
Total Onboarding Training Hours	1,955
Total Associates Receiving DEI Training	336

¹Includes 100% of the training conducted since October 2022, when our new LMS went live, plus an approximation of the training hours that occurred before the transition.

Total Rewards

Our rewards and recognition program is an opportunity to recognize milestones along our employees’ journey and celebrate associates who have shared a great idea, exhibited a winning mentality, invented a remarkable innovation, or have gone the extra mile to help a resident or fellow associate.

We offer several different types of financial rewards for outstanding performance in five key areas.

- + Operational excellence
- + Team player
- + Customer service excellence
- + Community and corporate superstar



Rewards in 2022, Totaling Nearly



Emerging Leaders Program

Operated under the learning and development umbrella, our Emerging Leaders program develops high-achieving employees for leadership roles at Essex. Each year we select a cohort that has a particular focus, which allows us to tailor the program for a group of associates at a similar point in their journey. The 2021 cohort was made up of individual contributors in the operations department. In 2022,

“The Emerging Leader program was challenging because it required me to think differently and commit differently to changing what I needed to change and appreciate what I was already skilled at. The program facilitator provided enormous insights into critical thinking and leadership development with focus on conflict resolution, communication styles, and management techniques. I walked out of this program as a much more confident and effective person, and I intend to use and further develop the leadership tools I have been given to further my career and personal relationships.”

BILLY PHAN | DIVISION MANAGER, REDEVELOPMENT

“The inflation has been hard and when I looked back at the grant that Essex gave us, it really made me grateful to work here. I feel like my pay matches my skillset and job duties. Our paid holidays are plentiful. Our LMS provides so much additional training and really good training at that. I feel trusted to do my job without being micromanaged or under a microscope, which I greatly appreciate. So, I just wanted to say thank you.”

ESSEX ASSOCIATE FEEDBACK

we invited corporate directors and senior managers to participate. Once chosen, the emerging leaders complete 90+ hours of training in leadership skills, including strategy and communication, delegation, time management, team development, and conflict resolution. Following completion of the program, we look to these individuals for promotions and other leadership opportunities with the Company.



Wellness



- Physical:** Encouraging physical activity & making it easier to choose healthy lifestyles.
- Financial:** Providing financial services & education.
- Community:** Celebrating those who give back to the community through service.
- Career:** Developing our associates' strengths to help them foster long-term career growth.
- Social:** Helping associates' work-life balance & encouraging connection & friendship at work.

179

Associates Receiving Annual Biometric Screenings

1,225

Associates Registered in Vitality

“Not long ago, my family suffered three losses over six months, which took a significant toll on my mental health. With my dad’s passing, I also became the primary caretaker for my elderly mother. Thankfully, our EAP was there with free counseling sessions and the ARAG legal services, which allowed me to work to establish a trust for my mom. Plus, Essex programs include paid volunteer time, annual park passes, and education reimbursement programs, which I am currently utilizing to earn a master’s degree. The more I engage in wellness, the healthier and more balanced my life is.”

ELIZABETH RODRIGUEZ,
Director of Community Management

Healthiest Employers Finalist in S. CA, Bay Area, and WA Two Years Running



OUR EMPLOYEES’ WELL-BEING is central to our success as a company, so we have devoted significant investment to our wellness program, which is built around six pillars. Emotional wellness is at the center, surrounded by physical, financial, community, career, and social wellness.

In support of these pillars, we introduced two new wellness programs in 2022. The first is a paid parental leave to bond with a new child. This leave is available to all Essex birth and non-birth parents, including parents through adoption and foster care. Paid parental leave reinforces our commitment to supporting working families and creates a competitive, modern, and equitable workplace for parents.

We also introduced a new mental well-being benefit to intentionally solve for access issues within the mental health space and support our associates in their mental health journey. Through our partner, we offer a network of therapists and other mental health professionals who can provide easy access to high quality, personalized care to our associates and their families, free of charge. We hope this program provides our associates support to increasing their well-being during what continues to be a challenging time.

In addition, we continue to offer a comprehensive wellness program, Vitality, through which we encourage employees to engage in their wellness through financial incentives for team-based wellness challenges, health questionnaires, goal setting, biometric screenings, and healthy lifestyle education. As with all engagement programs at Essex, we track various metrics for these programs and continually refine them based on the data.

A major component of mental health is achieving a work-life balance. We acknowledge that different departments have different staffing needs and tailor policies accordingly. For our corporate employees, we have introduced flexible, hybrid arrangements that balance time in the office with remote work. Our operations staff need to be available to address on-site issues and therefore have less flexibility for hybrid work. Our Property Collections reorganization works to distribute operational work across staff and provide a more consistent work schedule. We have also given on-site employees additional paid refresh days. In 2023 we will continue to evaluate what the future of work looks like at Essex for all our associates.

Associate Benefits

\$18/hr

Minimum starting compensation

Nearly \$5M

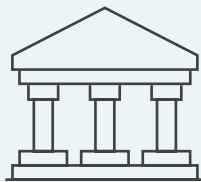
Housing discounts provided to 800+ associates in 2022

Up to \$6,000

Per employee 401K match



Internship program for college students



Premium health insurance coverage



Paid parental leave added in 2022

\$1,000

Automatic inflation grant to eligible associates in 2022

Nearly \$500,000

Paid in tenure bonuses to 200+ employees

20%

More apartments available for the associate discount program and no associate rent increase for 2022

PTO

Industry leading

Up to \$3,000

Tuition reimbursement



Commitment to Human Rights

ONE OF OUR CORE VALUES is to treat all people with dignity, fairness, and respect. This extends to protecting human rights across our workforce and supply chain in alignment with the United Nations' Universal Declaration of Human Rights. Our Human Rights Statement outlines our commitment to preventing forced and child labor, discrimination and harassment, and inequality in all parties with whom we do business. Our suppliers and partners are expected to adhere to our human rights principles and replicate those standards within their own organization and value chain.

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

Diversity and Inclusion

At Essex we embrace our diversity because it leads to better service for our residents and stronger business performance for our investors. Cultivating a sense of belonging for all Essex employees is engrained in our core values of Seek Fairness and Act with Integrity. We have built a strong foundation of encouraging and promoting the enhanced representation of women, people of color, military veterans, LGBTQ+, and disabled employees (across all intersecting identities) within the business and in leadership ranks. We actively invest in inclusion through management representation, our DEI Committee, associate training, employee resource groups (ERGs), company policies, and industry collaborations.

Essex is committed to pay equity and conducts a pay equity analysis on an annual basis. We developed a robust, multiple regression analysis model, which confirmed that we continue to maintain our gender pay parity. Our robust statistical analysis confirmed that gender was not a significant factor in determining pay decisions in 2022.

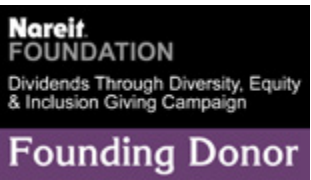
Inclusion starts at the top, and we are proud of the fact that our leadership and management teams come from a diverse set of backgrounds, experiences, and perspectives.



Gender Pay Parity



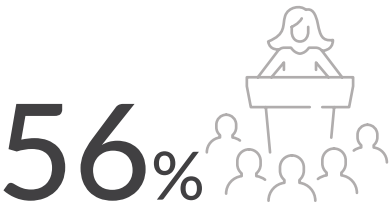
Awards and Recognition



Founding Donor



Of named executives officers are female



Of senior executives are female



DEI Committee

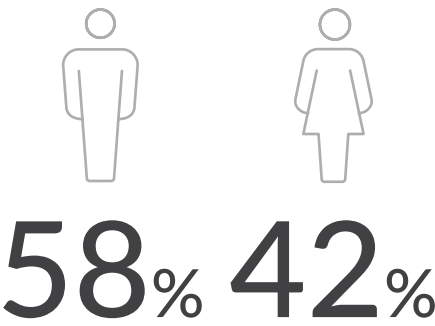
We formed our DEI Committee in 2019 and expanded it into two teams in 2021: the Steering Team and the Action Team. The Steering Team sets the purpose and goals for the committee and is made up of senior and regional management from across our portfolio. The Action Team drives the work throughout our company and champions the committee’s vision. In 2022, we strengthened our outreach capabilities by doubling the size of the team to 21 members. The expanded Action Team organized awareness events (employee-led panel, pride, and keynote speaker events), shared resources via our communication channels, supported internal and external branding, engaged in volunteer activities and donations, and encouraged their peers to participate in our DEI trainings.

Over the past several years, we have partnered with a DEI training and consulting firm and invested in DEI training for all our associates. Initially, we rolled out a base training across our company. We now offer individualized training based on each employee and their role. Individual contributors reflect on how DEI affect them and their work, while managers learn how to lead a diverse group of employees in ways that are effective and inclusive. We collect feedback at each training and refine our curriculum to meet our evolving needs. The foundational training is supplemented by keynote speakers and employee-led events, especially those organized by our ERGs.

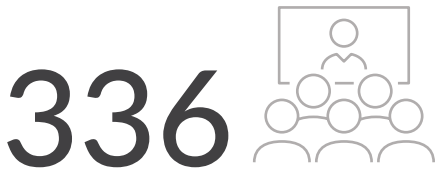
INDUSTRY COLLABORATION SPOTLIGHT

National Association of Real Estate Investment Trusts (NAREIT)/Fannie Mae Future Housing Leaders Intern Program. This program aims to attract diverse talent to the real estate industry by providing foundational training followed up by an internship at a company within the industry. Essex sponsored four interns in 2022 and plans to host more in 2023.

DEI Metrics



Total Workforce by Gender



Total Associates Receiving DEI Training



Total DEI Training Hours



Employee Resource Groups

A KEY COMPONENT OF OUR DEI Program is our ERGs, which are voluntary, employee-led associations open to all employees and sponsored by the DEI Committee. These groups play an important role in articulating, promoting, and supporting associates' collective concerns, achieving DEI goals, and progressing an inclusive culture within the Company. Our ERGs also help to build relationships, empower collaboration, increase morale, provide insights, and enhance Company engagement efforts. We encourage future ERGs and have published a road map for our associates so they know how they can work to form a new group.

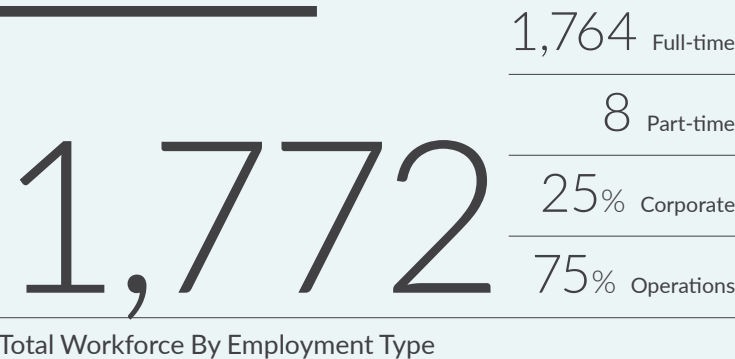


WOMEN AT ESSEX
2022 was a year of growth for Women at Essex. The group increased their membership and held more events such as book clubs, mental health days, invited speakers, and small group sessions.



RAINBOW ALLIANCE
Founded in 2021 and expanded in 2022, the group's self-described mission is to build community among LGBTQ+ associates and allies. Pride Month is a focus but the group work year-round to provide support and advocacy.

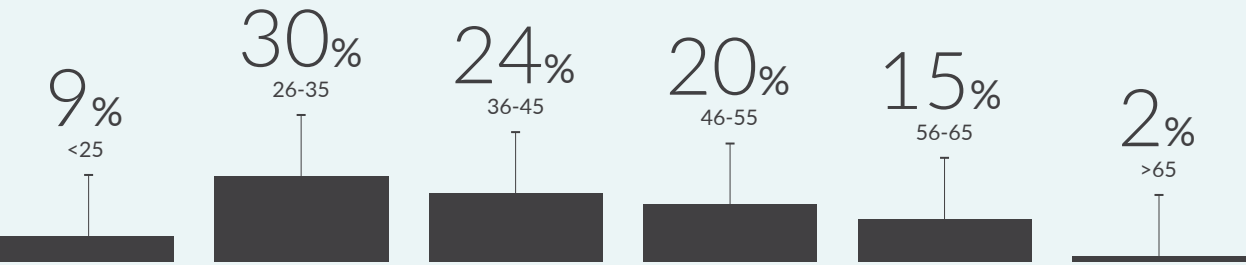
Demographic Metrics



54%

Managerial Positions Held by People of Color

12% Promotion Rate 27% Turnover Rate¹

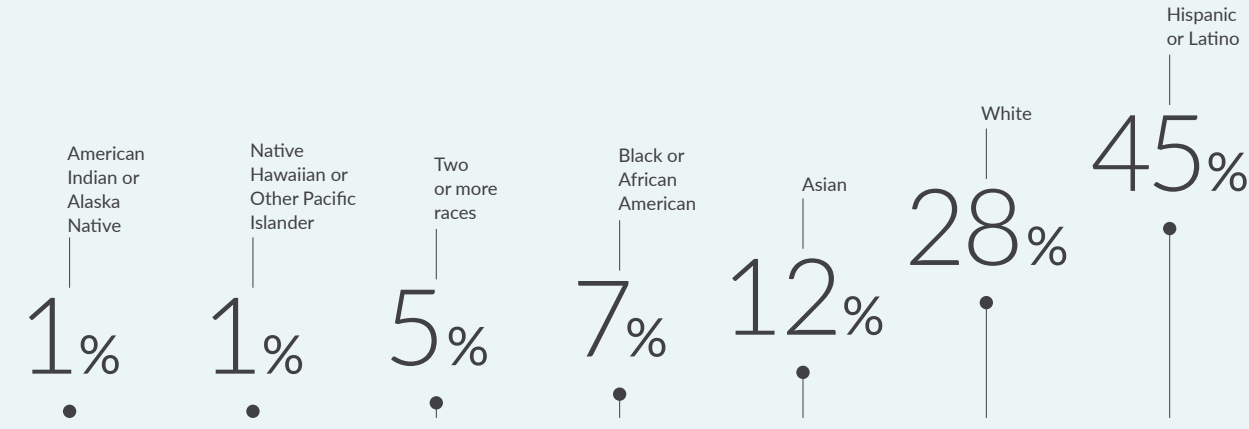


Total Workforce by Age Group

¹Voluntary average turnover rate. Lower than NAA industry average of 33%.

Workforce by Ethnicity

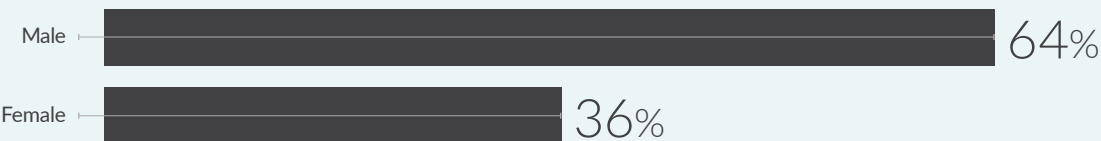
33% Chose not to respond



Corporate Associates



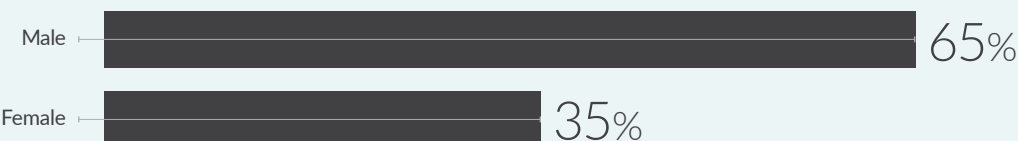
On-site Associates



Managers and Higher



New Hires



Gender Representation by Position

Expo, Seattle, WA
A LEED Gold Development



Governance

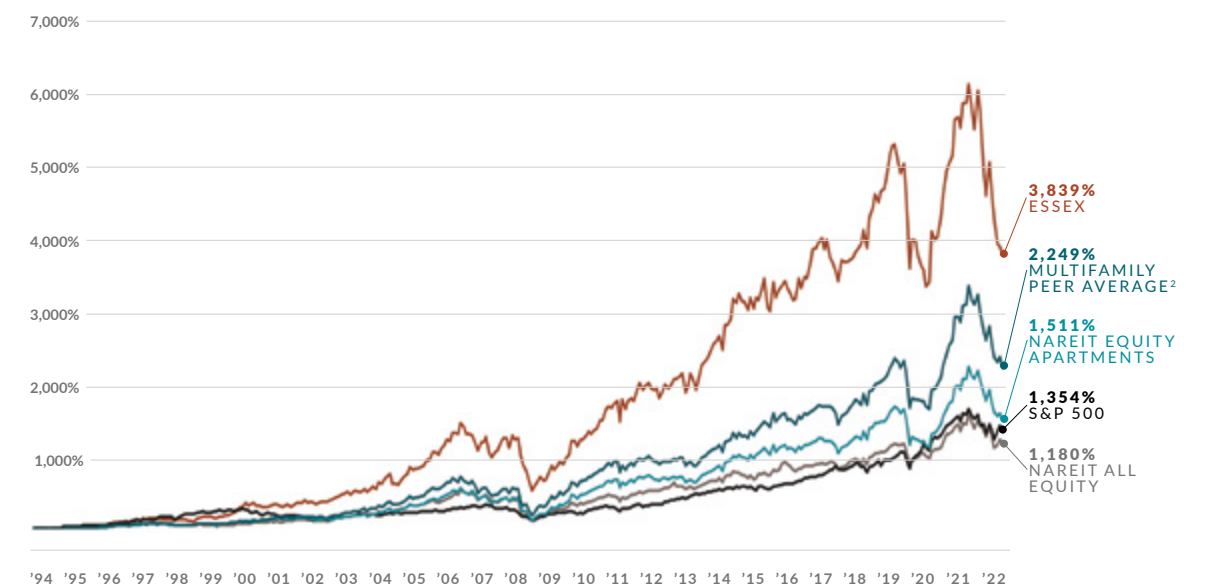
ESSEX'S COMMITMENT to strong corporate governance and integrated Board oversight is at the core of both our ESG and financial strategies and successes. Since our initial public offering (IPO) in 1994, we have maintained consistent, profitable returns for our shareholders while upholding our core values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

Sustainable Returns

Essex has generated among the highest total returns of all public U.S. REITs in existence since its IPO in 1994 through year-end 2022. In 2023, we announced our 29th consecutive annual dividend increase, continuing Essex's track record of increasing cash dividends as an S&P 500 Dividend Aristocrat. Our proven track record of delivering strong financial results is driven by our experienced leadership team's dedication to our ESG mission and a disciplined capital allocation process. We invest in markets that generate the

highest long-term rent growth, identified through our proprietary research process. We consider factors most important to our current and future residents — including proximity to major employment centers, local infrastructure, and access to high-quality services and amenities — when determining which communities to invest in. Our thoughtful investment decisions results in vibrant communities that provide our residents with an exceptional living experience and superior financial performance for stockholders.

Total Shareholder Return Since ESS IPO¹



¹June 1994 through December 2022

²Multifamily peer average includes five multifamily REITs (EQR, AVB, UDR, MAA, and CPT)

7.7%

FFO per Share CAGR
through 2022

6.1%

Dividend Growth CAGR
through 2022

29TH

Consecutive Dividend
increase announced
February 2023



An S&P 500 Dividend
Aristocrat-Only Apartment
REIT in Index

Our Board

Our Board leads our business and ESG performance at the highest level. We select our directors, based on their diverse relevant experience, in real estate, business, finance, administration, cybersecurity, ESG, and corporate governance. We also consider relevant non-professional factors like personality, integrity, and diversity. Four of our Board members have ESG experience and three have cybersecurity experience. Our Board conducts an annual self-evaluation process, as documented in our annual Proxy Statement. We do not have a tenure policy and refresh the Board consistently, with four new members over the past five years.

There are three committees on our Board: Audit, Compensation, and Nominating and Corporate Governance, two of which are led by women. Each committee has specific oversight related to corporate governance, ESG, and risk management, as outlined in the committees' charters, which are available on the Corporate Governance page of our website.

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

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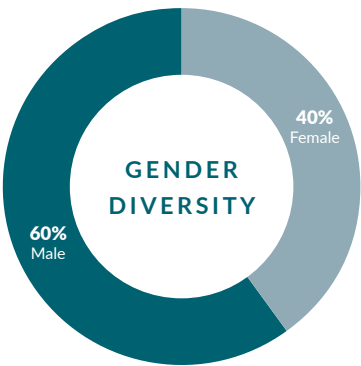
Board Experience
Average Tenure

70%

Director Independence

50 WOMEN
50 ON BOARDS

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



30%

Self-identify as Diverse

Audit Committee

The Audit Committee oversees the integrity of the Company's financial statements; compliance with legal and regulatory requirements; independent auditor's qualifications and independence; the performance of the internal audit function and independent auditors; and preparing an Audit Committee report, as required by the U.S. Securities and Exchange Commission (SEC). They also oversee our enterprise-level risk management (ERM) program, including ESG risks. They meet with senior management at least quarterly and review ERM, ESG, and cyber risks and the Company's strategy for minimizing them.

Compensation Committee

The Compensation Committee oversees the compensation of the Company's directors and executive officers, including evaluating and approving all compensation plans, policies, and programs for executive officers and non-executive employees. They ensure that our ESG goals and objectives, relevant to the CEO and other executive officers' compensation, are appropriate, equitable, and reflective of our performance in our market.

Nominating Committee

The Nominating Committee determines Board qualifications, nomination, composition, and evaluation. This committee is also expressly responsible for reviewing our ESG strategy, goals, and initiatives and providing updates to the Board on our progress. They monitor current trends and practices related to corporate governance and ESG, and recommend strategies to advance. They also continually evaluate our succession strategy.

Internal Audit

We maintain a knowledgeable Internal Audit team that internally and independently reviews and audits key Company activities on a continual basis, helping us maintain and improve the effectiveness of our risk management, controls, and corporate governance. This team conducts audit tests and evaluates our internal controls for gaps and process efficiencies (some audits also include Sarbanes-Oxley [SOX] compliance) and prepares reports for the Audit Committee, senior management, and key process owners. The reports include recommendations for process enhancements and solicit feedback for final audit reports. In 2022, we added an ESG specialist to the audit team and began preparing for the upcoming SEC rules.

Policies

By publishing our ESG policies, we affirm our commitment to these standards. Essex associates, suppliers, and partners must comply with these policies. We periodically review and update our policies and guidelines with the Board to ensure that the needs of our stakeholders are being met. To read complete versions of the policies, please visit our [Corporate Governance website](#).



HUMAN RIGHTS



CLIMATE CHANGE



ENVIRONMENTAL



HEDGING AND PLEDGING



CODE OF BUSINESS
CONDUCT AND ETHICS



POLITICAL CONTRIBUTIONS
POLICY



VENDOR CODE OF
CONDUCT

Safety

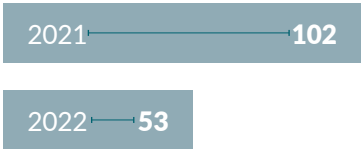
One of our most effective ways to manage and mitigate risk has been to establish a culture of safety across Essex. Beginning in 2020, we began a coordinated effort to increase our awareness around safety and the trainings that we offer to corporate and operations staff. Our work has paid off with our level of insurance claims falling year over year.

Our new Property Collections reorganization has improved our safety and risk management because it allows our operations staff to become experts in one area of operations with additional training and experience—factors that reduce risk. We continually review, test, and adapt our operations and emergency procedures to ensure that they meet all applicable regulations, including OSHA, state and local laws, and recommendations from our insurance carrier and our legal team. Our internal emergency manual outlines our protocols to be followed in the event of natural disasters (floods, earthquakes, and fires), medical emergencies, loss of services, and other asset-related risks. In every community, an Emergency Preparedness Kit is readily available.

Safety starts with our on-site teams—they are responsible for implementing policies and take accountability for effectively handling emergencies to ensure the safety of our communities. In 2022, we provided safety training refreshers for current and new associates during electrical, HVAC, and plumbing courses. We have moved much of our training online so that it is more accessible and convenient for our on-site staff to attend. We also embed safety discussions into E-hours and coffee talks, making the conversation a continual part of the workday. We monitor workplace comp claims and organize additional trainings for teams with an above-average number of claims.

In February 2022, led by a best-in-class consulting firm, we conducted a tabletop exercise based on a cyberattack scenario that included more than 20 associates from 12 key departments. The exercise and scenario, identified through our ERM risk assessment, reviewed and refined the risk mitigation and recovery strategies documented in the CMPs. We plan to hold another tabletop exercise, based on a new ERM risk scenario, in 2023.

Health and Safety



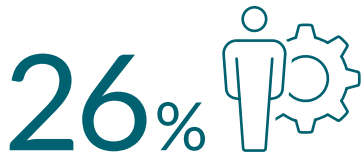
Total OSHA Recordable Cases IR Rate



Total Lost Time Days IR Rate



Workers' Compensation Claims Filed with Insurers



Change in Workers' Compensation Claims from 2021



Hours of cybersecurity and data privacy training

Keeping Data Secure

We take seriously our responsibility to protect all resident and employee data. All Essex employees, including all on-site staff, are required to attend annual cybersecurity training. We regularly review and update our cybersecurity practices and processes, including assessments conducted by an industry leading consultant in 2019 and 2022. We regularly conduct simulated phishing campaigns. Based on the results of those campaigns, we assign additional cybersecurity training, as needed. We regularly update these training sessions and campaigns based on the latest information around cybersecurity and social engineering tactics.

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

Ethical Company

Act with Integrity is one of our core values and embedded into our corporate culture. All associates attend training about our Code of Business Conduct upon hire and then have a refresher course every two years. We build upon the Code to guide our ethical conduct, including our Anti-Fraud Policy, Anti-Bribery Policy, Conflict of Interest Policy, Anti-Sexual Harassment training, and Human Rights Statement. We monitor compliance with all these policies at every level of the Company, from associates to directors. To maintain confidentiality, we have an anonymous compliance hotline, Convercent.

Our strong commitment to ethical business extends to our Policy Regarding Contributions to State and local public officials and candidates. All direct or indirect contributions toward political campaigns require approval from our Compliance Manager. Our lobbying activities and disclosures comply with all federal regulations and are focused on advocacy for rental property owners. We are committed to doing business in an ethical manner at all levels of Essex.

Responsible Procurement

Our vendors are an extension of the Essex team. They help us maintain safe, clean, and inviting communities, which is integral to our financial and ESG success. We hire local vendors in part because they benefit the communities where we operate. We seek out vendors with sustainable operations because it helps reduce our GHG, water usage, and waste.

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

1,100+

Third-party vendors

90% 

Local vendors used

Appendix

ESG Factsheet

SUPPLEMENTAL INFORMATION / ENVIRONMENTAL*

INDICATOR	UNIT	2018	2019	2020	2021	2022
Absolute Energy Usage - Electric	Megawatt hours	88,276	85,079	80,099	77,546	79,115
Absolute Energy Usage - Natural Gas	Megawatt hours	194,703	198,173	168,472	186,856	173,745
Total Energy Usage	Megawatt hours	282,979	283,252	248,571	264,402	252,860
Like-for-Like Energy Usage - Electric	Megawatt hours	88,276	85,079	80,099	77,546	79,115
Like-for-like Energy Usage - Natural Gas	Megawatt hours	194,703	198,173	168,472	186,856	173,745
Total Like-for-Like Energy Usage	Megawatt hours	282,979	283,252	248,571	264,402	252,860
Percentage of Electric Energy Usage Derived from On-site Renewable Sources	Percentage	3.27%	5.83%	8.20%	10.69%	12.20%
Total Renewable Energy Generation	Megawatt hours	2,885	4,958	6,566	8,290	9,653
Installed Capacity of Solar Power	Kilowatts	3,007	4,780	4,982	6,746	8,496
Direct GHG Emissions (Scope 1)**	Metric tons of carbon dioxide equivalents	35,294	35,923	30,539	33,871	31,495
Indirect GHG Emissions (Scope 2)**	Metric tons of carbon dioxide equivalents	19,342	16,071	14,425	13,187	13,616
Total Investment in Low Carbon Opportunities	USD	\$452,538	\$13,851,535	\$2,203,899	\$11,822,937	\$6,157,172
Absolute Whole Building Water Usage	Gallons	2,950,835	2,882,631	3,163,214	3,067,163	3,044,756
Like-for-Like Whole Building Water Usage	Gallons	2,950,835	2,882,631	3,163,214	3,067,163	3,044,756
Like-for-Like Water/Occupant Ratio	Gallons	63,712	62,240	68,298	65,540	65,062
Total Waste Generated in Like-for-Like Community Operations	Metric tons	73,193	77,707	77,707	78,431	82,793
% of Community Waste Recycled in Like-for-Like Community Operations	Percentage	36%	34%	33%	37%	40%
% of Community Waste Composted in Like-for-Like Community Operations	Percentage	4%	3%	4%	5%	6%

SUPPLEMENTAL INFORMATION / SOCIAL

TOTAL WORKFORCE BY CONTRACT TYPE	2018	2019	2020	2021	2022
Permanent	1,822	1846	1797	1752	1772
Temporary	5	3	2	5	14
Total	1,827	1,849	1,799	1,757	1,786

TOTAL WORKFORCE BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME)	2018	2019	2020	2021	2022
Full-time	1,794	1,815	1,771	1,734	1,764
Part-time	33	34	28	23	8
Total	1,827	1,849	1,799	1,757	1,772

TOTAL WORKFORCE BY GENDER	2018		2019		2020		2021		2022	
	#	%	#	%	#	%	#	%	#	%
Male	1,035	57%	1,047	57%	1,040	58%	1,019	58%	1,030	58%
Female	792	43%	802	43%	759	42%	738	42%	738	42%

NEW HIRES BY GENDER	2018		2019		2020		2021		2022	
	#	%	#	%	#	%	#	%	#	%
Male	230	53%	248	43%	281	65%	324	59%	363	65%
Female	207	47%	332	57%	151	35%	226	41%	196	35%

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

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

SUPPLEMENTAL INFORMATION / SOCIAL

TOTAL WORKFORCE BY AGE GROUP	2018		2019		2020		2021		2022	
	#	%	#	%	#	%	#	%	#	%
<=25	198	9%	202	11%	180	10%	176	10%	166	9%
26-35	568	32%	573	31%	544	30%	527	30%	534	30%
36-45	438	25%	437	24%	426	24%	422	24%	422	24%
46-55	380	21%	387	21%	375	21%	351	20%	348	20%
56-65	205	12%	224	12%	232	13%	246	14%	262	15%
>65	20	2%	26	1%	42	2%	35	2%	40	2%

NEW HIRES BY AGE GROUP	2018		2019		2020		2021		2022	
	#	%	#	%	#	%	#	%	#	%
<=25	108	20%	133	23%	105	24%	145	26%	107	19%
26-35	198	41%	226	39%	175	41%	204	37%	216	38%
36-45	82	20%	107	18%	75	17%	103	19%	109	19%
46-55	55	12%	70	12%	54	13%	67	12%	82	15%
56-65	36	8%	36	6%	20	5%	31	6%	44	8%
>65	1	0.2%	8	1%	2	0.5%	1	0.2%	6	1%

GENDER REPRESENTATION BY POSITION	2022			
	MALE #	MALE %	FEMALE #	FEMALE %
Corporate - Top Executives, VPs, Assistant VPs, Directors, and Managers	74	49%	76	51%
Corporate - Below Manager Position	100	37%	173	63%
Field - Regional Directors/Managers, Community Managers, and Assistant Managers	89	34%	173	6%
Field - Leasing Specialist, Leasing Managers, Relationship Reps, Bookkeepers	110	34%	216	6%
Field - Maintenance Supervisors and Techs	548	98%	11	2%
Field - Porter, Landscape, Painter, Security Guard, Amenities Attendant	109	55%	89	45%

TRAINING AND CHARITABLE CONTRIBUTIONS	UNIT	2018	2019	2020	2021	2022
Total Training Hours	# of person-hours	46,272	36,296	50,303	36,349	23,180
Total Investment in Training and Development	USD	\$307,092	\$305,105	\$392,754	\$374,883	\$490,000
Total Charitable Contributions	USD	\$24,910	\$47,816	\$93,583	\$202,374	\$284,897

HEALTH AND SAFETY	UNIT	2019	2020	2021	2022
Lost Time Case Rate (LTC Rate)	LTC Rate	2.34	1.70	2.52	1.60
Total Recordable Incident Rate (IR Rate)	IR Rate	5.72	5.33	6.28	3.39

GRI CONTENT INDEX

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
	Publish a GRI Content Index	See below
	Provide a Statement of Use	Essex has reported in accordance with the GRI Standards for the period, January 1st, 2022–December 31, 2022.
GRI 2: GENERAL DISCLOSURES		
2-1	Organizational details	About This Report - p. 2, About Us - p. 4, Back Cover
2-2	Entities included in the organization's sustainability reporting	About This Report - p. 2
2-3	Reporting period, frequency and contact point	About This Report - p. 2
2-5	External assurance	Assurance Letter - p. 2
2-6	Activities, value chain, and other business relationships	About Us - p. 4, 2022 10-K , Responsible Procurement - p. 60, 2022 Annual Report
2-7	Employees	Social - p. 36, Supplemental Information/Social - p. 62
2-9	Governance structure and composition	Our Board - p. 56
2-10	Nomination and selection of the highest governance body	Our Board - p. 56
2-11	Chair of the highest governance body	Our Board - p. 56
2-12	Role of the highest governance body in overseeing the management of impacts	Our Board - p. 56
2-13	Delegation of responsibility for managing impacts	Our Board - p. 56
2-14	Role of the highest governance body in sustainability reporting	Our Board - p. 56
2-15	Conflicts of interest	Ethical Company - p. 59
2-17	Collective knowledge of the highest governance body	Our Board - p. 56
2-18	Evaluation of the performance of the highest governance body	Our Board - p. 56
2-22	Statement on sustainable development strategy	President's Letter - p. 8, ESG Strategy - p. 10
2-23	Policy commitments	ESG Strategy - p. 10, Policies - p. 57
2-26	Mechanisms for seeking advice and raising concerns	Employee Journey - p. 42, Commitment to Human Rights - p. 49
2-28	Membership associations	Bay Area Council, Building Industry Association Bay Area (BIA), California Apartment Association (CAA), Housing Industry Foundation (HIF), National Association of Home Builders (NAHB), National Association of REITs (Nareit), National Multifamily Housing Council (NMHC), San Francisco Apartment Association (SFAA), Silicon Valley Organization (SVO), Urban Land Institute (ULI), Washington Multi-Family Housing Association (WMFHA)
2-29	Approach to stakeholder engagement	Stakeholder Engagement - p. 16, Social - p. 36
2-30	Collective bargaining agreements	No employees covered by collective bargaining agreements.
3-1	Process to determine material topics	Materiality Assessment - p. 17
3-2	List of material topics	Materiality Assessment - p. 17
3-3	Management of material topics	Materiality Assessment - p. 17
201: ECONOMIC PERFORMANCE		
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Risks and Opportunities - p. 32
201-3	Defined benefit plan obligations and other retirement plans	Associate Benefits - p. 48
GRI 300: ENVIRONMENTAL ASPECTS		
302: ENERGY		
302-1	Energy consumption within the organization	Energy and Emissions - p. 25, Performance Data - p. 30, Supplemental Information/Environmental - p. 62
302-4	Reduction of energy consumption	Energy and Emissions - p. 25, Performance Data - p. 30, Supplemental Information/Environmental - p. 62

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
303: WATER		
303-5	Water consumption	Water - p. 27, Performance Data - p. 30, Supplemental Information/Environmental - p. 62
305: EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions - p. 25, Performance Data - p. 30, Supplemental Information/Environmental - p. 62
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions - p. 25, Performance Data - p. 30, Supplemental Information/Environmental - p. 62
305-5	Reduction of GHG emissions	Energy and Emissions - p. 25, Performance Data - p. 30, Supplemental Information/Environmental - p. 62
306: EFFLUENT AND WASTE		
306-3	Waste Generated	Supplemental Information/Environmental - p. 62
306-4	Waste diverted from disposal	Waste - p. 27, Performance Data - p. 30, Supplemental Information/Environmental - p. 62
GRI 400: SOCIAL ASPECTS		
401: EMPLOYMENT		
401-1	New employee hires and employee turnover	Demographic Metrics - p. 52
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social - p. 36
401-3	Parental leave	Wellness - p. 46
404: TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee (focused personal and professional development hours)	Learning and Development - p. 44
404-2	Programs for upgrading employee skills and transition assistance programs	Learning and Development - p. 44
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Performance Management - p. 43
405: DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	Demographic Metrics - p. 52, Our Board - p. 56
405-2	Ratio of basic salary and remuneration of women to men	Diversity and Inclusion - p. 50
413: LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	Social - p. 36

SASB INDEX

SASB CODE	ACCOUNTING METRIC	RESPONSE AND/OR LOCATION
ENERGY MANAGEMENT		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Energy consumption data covers 100% of our floor area under operational control, corresponding primarily to common areas and shared services. For additional information, refer to p. 62 - Supplemental Information/Environmental.
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	(1) 252,550 MWh (2) 87.5% (3) 12% For additional information, refer to p. 62 - Supplemental Information/Environmental.
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	-4% For additional information, refer to p. 62 - Supplemental Information/Environmental.
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	(1) 67% (2) 0%
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Essex actively monitors and benchmarks energy performance throughout its portfolio and conducts quarterly financial utility analyses to identify outliers and opportunities for implementing initiatives and technologies aimed at improving the energy efficiency and carbon footprint of our communities, as well as lowering utility expenses, producing financial returns, and/or contributing to the long-term value of our assets. For all new developments, Essex pursues green building certifications and strategies that not only reduce the energy intensity and carbon impact of the buildings and its occupants, but also contribute to the overall climate resilience of our properties and capture the benefits of transitioning to a low-carbon economy For additional information, refer to p. 22 - Photovoltaic Systems, p. 27 - Efficiency Projects, p. 34 - Design and Construction
WATER MANAGEMENT		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 100% of total floor area. Water withdrawal corresponds primarily to whole building consumption. (2) 24,431,443 leasable square feet.
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 3,044,756 KGal (2) 46% For additional information, refer to p. 62 - Supplemental Information/Environmental.
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	-1% For additional information, refer to p. 62 - Supplemental Information/Environmental.
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Essex actively monitors water performance to identify conservancy and investment opportunities, as well as to detect inefficiencies. To address potential water stress and drive water use efficiency throughout the portfolio, conservancy goals have been established for reducing direct water use in common areas and indirect use throughout tenant-controlled areas and shared services. Strategies focus on improving resident awareness & engagement and investing in the implementation of native landscaping, smart irrigation technologies, and leak detection systems, as well as the installation of water-efficient appliances and low-flow solutions within residents' homes. For additional information, refer to p. 27 - Water

SASB CODE	ACCOUNTING METRIC	RESPONSE AND/OR LOCATION
MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS		
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	(1) 0% of new residential leases contain a cost recovery clause for resource efficiency related to capital improvements. (2) Not applicable.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	(1) 97.7% (2) 6.6%
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Essex's Smart Home program highlights smart home features such as electronic door locks, remote thermostats, water-leak sensors, and smart plugs. By using the latest high-performance, scalable, and future-proof technologies, this transformational strategy automates our apartments and promotes efficient living for our residents. To further educate our residents on how they can support our wide range of sustainability and energy conservation initiatives, we include a "Green Community" addendum to all leases. Refer to p. 38 - Smart Home.
CLIMATE CHANGE ADAPTATION		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	3,270,712 leasable square feet (6% of total leasable square feet).
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Essex completed a Climate Risk Analysis in 2022, which provided a more in-depth assessment of the climate-related risks we face and the potential solutions for mitigating such risks. The analysis explored the transitional and physical risks facing our portfolio. Following extensive research, we developed a risk profile, based on the ERM risk scale, to assess transition risk. For our physical risks, we built an interactive GIS map that leverages several databases to track physical climate risks in our property locations and provides a real-time look at each property's physical risk profile. We established recommendations for physical and transition risk mitigation based on this analysis. Refer to p. 32 Climate Change Risk and Opportunities for risk mitigation and resiliency strategies and targets associated with climate change risk. Refer to our latest 10-K Report for additional risk factors associated with climate change.

TCFD DISCLOSURE	2022 DISCLOSURE
GOVERNANCE	
Board oversight of climate-related risks and opportunities	Essex's commitment to strong corporate governance ensures oversight capabilities are maintained for both Environmental, Social, and Governance (ESG) and Enterprise Risk Management (ERM) risk at the Board level. Our Audit Committee oversees ERM, including ESG Risks, and our Nominating and Corporate Governance Committee oversees ESG goals and strategy. This dual reporting structure helps ensure that there are appropriate checks and balances relating to our ESG efforts.
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>Essex has developed a robust and well-integrated ERM function. The company's ERM approach allows for both the identification and assessment of risk across a number of risk areas, and the articulation of mitigating efforts and associated ownership responsibilities to achieve those efforts. A company-level ESG committee oversees ESG reporting, goal setting and development of Essex's ESG report and a company-level ERM committee oversees ERM strategy and objectives.</p> <p>As we continue our efforts to develop and integrate ESG more completely into our business strategy, we are also looking to integrate climate risks into our ERM risk analysis. The completion of our Climate Risk Analysis sets the foundation for our initial risk analysis and the identified risk factors can now be included in annual assessments.</p> <p>Our approach ensures effective governance, oversight of ESG strategy and risks and incorporation of mitigating measures.</p> <p>ERM COMMITTEE</p> <ul style="list-style-type: none">• Senior Vice President and General Counsel (Chair)• Group Vice President and Deputy General Counsel• Vice President, Internal Audit• Senior Manager, ESG Reporting• Special liaisons as appropriate depending on need (insurance, data analytics, IT/Cyber Security) <p>ESG COMMITTEE</p> <ul style="list-style-type: none">• Senior Vice President and General Counsel (Chair)• President and Chief Executive Officer• Group Vice President, Asset Management• Group Vice President, Private Equity and Finance• Senior Director, Sustainability• Senior Director, ESG & Sustainability• Senior Manager, ESG Reporting
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	See Climate Change Risk and Opportunities - p. 32
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>As an owner and operator of multifamily apartment complexes, we are aware of the potential risk's climate change can have on our business. These risks include issues such as physical disruptions from weather related events, rising insurance and energy costs, access to land for development, and the safety of our employees and residents.</p> <p>We see this as a chance to leverage our understanding of climate risk to better identify potential investment opportunities and to inform strategic decisions on operations.</p> <p>Since 2008, Essex's Sustainability department has ensured that we invest strategically in proven technologies focused on energy efficiency, renewable energy generation, and water conservancy. Climate-related risks and opportunities have further influenced our sustainability strategy through Solar photovoltaic systems to help us generate on-site clean energy, cool roofs to help minimize air conditioning use, LED retrofits to reduce energy consumption in our common areas, water-saving irrigation and landscaping, and water-efficient improvements including low-flow toilets, plumbing fixtures, and appliances.</p> <p>Additionally, in September 2021, Essex amended and restated its \$1.2 billion unsecured line of credit facility to, among other amendments, incorporate a sustainability-linked pricing component which could reduce the borrowing spread up to 2.5 basis points if certain environmental goals are achieved, thereby deepening our commitment to ESG efforts. The Company met the goals outlined in the sustainability-linked pricing component for 2021 and 2022.</p>

TCFD DISCLOSURE	2022 DISCLOSURE
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>We are actively integrating climate risk planning into our ERM universe so that we can more effectively identify and address climate-related risks and impacts associated with our business.</p> <p>The findings from Essex's recently completed Climate Risk Analysis will be used to inform scenario planning efforts that will guide our work to further reduce Essex's greenhouse gas (GHG) emissions and to ensure that our portfolio is more climate resilient.</p> <p>Essex's sustainability goals, specifically our 2030 target focused on reducing Scope 1 and 2 GHG emissions by 35% against a 2018 baseline, have all helped Essex in our desire to contribute to the 2-degree scenario.</p> <p>Over the course of 2023, we will be refreshing our ESG strategy and initiatives to further contribute to our scenario planning capabilities.</p>
RISK MANAGEMENT	
Describe the organization's processes for identifying and assessing climate-related risks.	<p>Essex is acutely aware of the implications climate change can have on our business. The safety of our residents and the resilience of our assets are our top priorities. With properties in California and Washington, we understand that we are faced with the threats of physical climate risks as well as a rapidly changing policy landscape that we need to be prepared to address. To understand the scope of those concerns, Essex commissioned a Climate Risk Analysis in 2022, which provided us with a more in-depth assessment of both the risks we are facing and the possible solutions for mitigating those risks. We are committed to putting those recommendations in place and ensuring the resiliency and longevity of all our properties</p> <p>The analysis explored the Transition and Physical risks facing our portfolio. To assess Transition risk, we completed extensive deskside research, surveyed our internal practices and benchmarked against the actions of our peer companies. With that analysis complete, a risk profile was developed based on the ERM risk scale and recommendations were established to address identified risks.</p> <p>For our Physical risks, an interactive GIS map was built that accounts for the various physical risks that may threaten our holdings. This map leverages several databases that track physical climate risks in these areas and provides a real-time look at each property's physical risk profile. Recommendations were made based on that analysis for risk mitigation.</p>
Describe the organization's processes for managing climate-related risks.	<p>Essex's Crisis Management and Business Continuity Planning and on-site Emergency Procedures Manuals contribute to the preparedness of our communities toward climate-related physical hazards that include fires, floods, and extreme weather events.</p> <p>We further develop mitigation strategies for identified climate risks. Those risks are then integrated into our larger ESG strategic planning and connected to our ESG goals. These efforts are utilized to ensure that we are managing climate-related risks across our enterprise.</p>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>Essex's potential acquisitions and developments are subject to a due diligence process that incorporates environmental assessments, including the review of specific climate-related physical hazards, such as wildfires and flooding, as well as the resiliency toward these potential impacts. For all new developments, Essex is committed to obtaining green building certifications that not only reduce the carbon impact of the buildings and its occupants, but also improve the overall resiliency of our properties by mitigating climate-related vulnerabilities through their design, construction, and operation.</p> <p>We deepened our established ERM process in 2021 to address and identify climate-related risks. By incorporating climate risks into the ERM process, strategies can be refined to address and mitigate concerns based on both the risk level and time horizon determined by the analysis.</p>

TCFD DISCLOSURE	2022 DISCLOSURE							
METRICS AND TARGETS								
<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Properties are assessed against 10 hazard categories which are broken into “acute hazard” and “chronic stressor” category as follows:</p> <p>ACUTE INDICATORS</p> <ul style="list-style-type: none"> • Extreme Heat Days • Storms • Wildfires • Riverine Flood • Coastal Flood <p>CHRONIC INDICATORS</p> <ul style="list-style-type: none"> • Cooling Degree Days • Heating Degree Days • Drought / Precipitation Variability • Water Stress • Sea Level Rise <p>In addition, Essex tracks new policy or laws are expected to come into effect that could impact the portfolio in the future. Based on these discussions, assets are assessed and have budgets for anticipated regulatory changes.</p>							
	<p>Essex's GHG emissions indicators cover areas under operational control, corresponding primarily to usage and emissions from common areas and shared services. We currently track limited Scope 3 emissions for approximately 50% of our portfolio using Energy Star Portfolio Manager® and disclose annually through GRESB Real Estate Assessment reporting. We are in the process of establishing additional systems to track and report Scope 3 emissions across our entire portfolio.</p> <p>Refer to p. 62 - Supplemental Information/Environmental for Scope 1 and 2 GHG emissions</p>							
	<table> <tr> <th>GOAL</th><th>RISK ADDRESSED</th></tr> <tr> <td>Reduce Scope 1 and Scope 2 GHG Emissions by 35% from 2018 baseline by 2030</td><td>Policy and Legal Risk, Market Risk</td></tr> <tr> <td>Reduce whole building like-for-like water usage by 10% from 2021 baseline by 2030</td><td>Policy and Legal Risk, Market Risk</td></tr> <tr> <td>Divert 50% of waste by 2030</td><td>Policy and Legal Risk, Market Risk</td></tr> </table>	GOAL	RISK ADDRESSED	Reduce Scope 1 and Scope 2 GHG Emissions by 35% from 2018 baseline by 2030	Policy and Legal Risk, Market Risk	Reduce whole building like-for-like water usage by 10% from 2021 baseline by 2030	Policy and Legal Risk, Market Risk	Divert 50% of waste by 2030
GOAL	RISK ADDRESSED							
Reduce Scope 1 and Scope 2 GHG Emissions by 35% from 2018 baseline by 2030	Policy and Legal Risk, Market Risk							
Reduce whole building like-for-like water usage by 10% from 2021 baseline by 2030	Policy and Legal Risk, Market Risk							
Divert 50% of waste by 2030	Policy and Legal Risk, Market Risk							



Canyon Oaks, San Ramon, CA
Features Water-Efficient Irrigation and Landscaping



LRQA Independent Assurance Statement

Relating to Essex Property Trust, Inc. (Essex) GHG Emissions, Water and Waste Inventories for Calendar Year 2022

This Assurance Statement has been prepared for Essex Property Trust, Inc. (Essex) in accordance with our contract.

LRQA was commissioned by Essex Property Trust, Inc. (Essex) to provide independent assurance on its greenhouse gas (GHG) Emissions, Water and Waste Inventories (“the Report”) for the Calendar Year 2022 against the assurance criteria below to a limited level of assurance using LRQA’s verification procedure and ISO 14064 - Part 3 for greenhouse gas data. LRQA’s verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Essex operations and activities in the United States and specifically the following requirements:

- Verifying conformance with:
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol) for the GHG data¹
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Direct (Scope 1) and energy Indirect (Scope 2) GHG emissions;
 - Energy Use;
 - Water use; and
 - Waste generated including landfilled, recycled and composted.

The Report excluded GHG emissions and energy use from diesel fuel combustion in emergency generators and mobile equipment; and GHG emissions from refrigerant leaks.

LRQA’s responsibility is only to Essex. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Essex responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Essex.

LRQA’s Opinion

Based on LRQA’s approach nothing has come to our attention that would cause us to believe that Essex has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

¹ <https://ghgprotocol.org/corporate-standard>

² **Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Table 1. Summary of Essex Environmental Data for Calendar Year 2022:

Scope of GHG emissions	CY 2022 Tonnes CO ₂ e
Scope 1 GHG emissions	31,495
Scope 2 GHG emissions (Location-based) ¹	17,392
Scope 2 GHG emissions (Market-based) ¹	13,619
Scope of Energy Use	CY 2022 MWh
Total Energy (direct and energy indirect) ¹	252,860
Scope of Water Usage Inventory	CY 2022 million gallons
Water use	3,045
Scope of Waste Generated Inventory	CY 2022 million pounds
Waste (trash)	97.8
Waste (recycle)	73.0
Waste (compost)	11.7

Note 1: Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015.

LRQA’s Approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewed an overview of the processes used at the corporate level for the management of data and information related to the Scope 1 and Scope 2 GHG emissions; energy use, water use; and waste generated;
- Interviewed relevant staff responsible for managing and maintaining data and information and for preparing the Report at the corporate level;
- Reviewed Essex processes for defining and collecting Scope 1 and Scope 2 GHG emissions, energy use, water use and waste generated data; and
- Verified the Scope 1 and Scope 2 GHG emissions, energy use, water use and waste generated for calendar year 2022 through a review of aggregated level data and information provided by Essex.

LRQA’s Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.



Signed

Dated: April 25, 2023

Andrea M. Bockrath
LRQA Lead Verifier
On behalf of LRQA, Inc.
2102 CityWest Blvd., Houston, TX 77042

LRQA reference: UQA00002296

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The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

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ASSURANCE STATEMENT

We commissioned Lloyd's Register Quality Assurance (LRQA) to independently assure the accuracy and completeness of our 2022 water, waste, and GHG emissions data. LRQA's review procedure is based on current best practices and in accordance with ISAE 3000 and ISAE 3410. For GHG emissions, LRQA provided a limited level of assurance in line with ISO 14064-Part 3.

FORWARD-LOOKING STATEMENTS

The data summarized in this report was sourced from responsible business units within the Company and limited assurance provided by LRQA for 2022 environmental data. Certain information set forth in this report contains forward-looking statements, and though such statements are based on what the Company reasonably believes to be achievable, there can be no guarantee because actual results, and future events could differ. This material has been distributed for informational purposes only.

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Pacific Electric Lofts, Los Angeles, CA
A Rider's Paradise Offering a Transit
Score of 100