
Creating Quality Communities in Premier Locations



ESSEX

PROPERTY TRUST, INC.



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

About this Report

Welcome to the third annual Corporate Social Responsibility (CSR) Report for Essex Property Trust, Inc., in which we provide an update and overview of our Company-wide CSR activities. Since 2008, we have pursued continuous improvements that have strengthened our commitment to the four pillars of creating quality communities: improving our residents' well-being, creating a positive work experience for our employees, reducing our environmental footprint, and delivering long-term results for our investors. This report presents an opportunity to demonstrate our achievements in 2020 and report on our progress integrating CSR into our core business and on our efforts to improve every aspect of our Company.

This CSR report has been prepared in accordance with the Global Reporting Initiative (GRI) standards (core option) and the Sustainability Accounting Standards Board (SASB) standards.

Please review the indexes at the end of this report for further information. If you have any questions concerning this report, please contact our Corporate Social Responsibility team at CSR@essex.com.

Pictured on Cover: 500 Folsom in San Francisco, CA - a LEED Gold development.



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About Essex

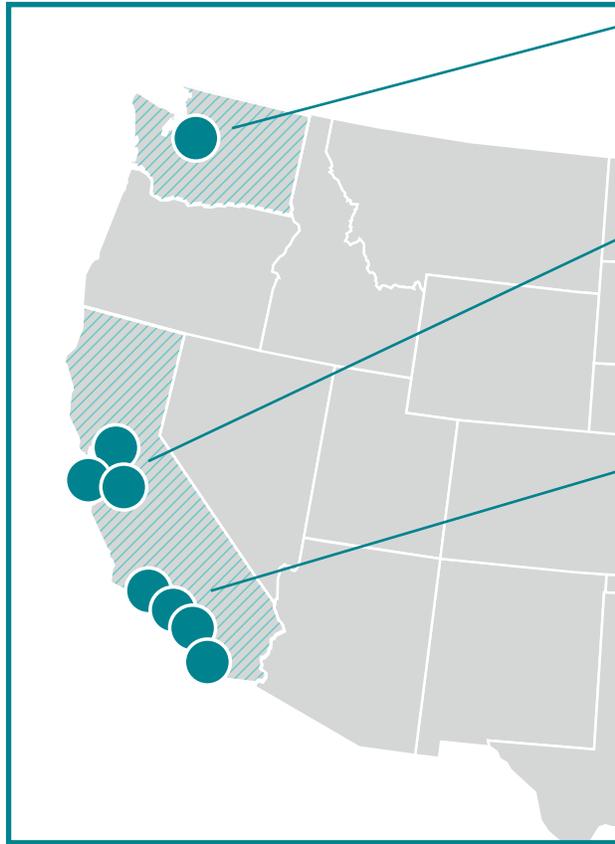
Essex is the only public multifamily REIT dedicated exclusively to the coastal metropolitan areas in California and Washington – areas with favorable demographics, strong job growth, diverse demand drivers, and limited new housing production.

Our unique portfolio and disciplined capital allocation process sets us apart from our peers while also contributing to one of the highest total returns of all public REITs in existence from our initial public offering in 1994 through year-end 2020. Our experienced management team, research-driven approach to portfolio management, and strong financial condition contribute to long-term value creation for our shareholders. If you would like more information, please visit our website at www.essex.com.



Aviara

DEDICATED EXCLUSIVELY TO THE WEST COAST



17%¹

SEATTLE

42%¹

NORTHERN CALIFORNIA

Santa Clara 20%
Oakland² 14%
San Francisco MD 8%

41%¹

SOUTHERN CALIFORNIA

Los Angeles 16%
Orange County 11%
San Diego 8%
Ventura 6%

(1) Represents percent of pro rata NOI as of 12/31/20, rounded to the nearest percent
(2) Oakland includes Alameda and Contra Costa Counties

- Established in **1971**
- Focused on **eight coastal** markets located in California and Washington, each having **vibrant economies and high barriers to new housing production**
- 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 2020
- S&P 500 Dividend Aristocrat with a 27-year history of **increasing its cash dividend**
- Top executives share an **average tenure of roughly 16 years**
- **S&P 500** company
- **Investment-grade** rating for debt obligations

KEY FIGURES 2020



100,000+

NUMBER OF RESIDENTS



1,799

NUMBER OF EMPLOYEES



246

NUMBER OF APARTMENT COMMUNITIES



\$108+

DIVIDENDS PER SHARE FROM 1994 TO 2020

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.



DEVELOPMENT

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



CO-INVESTMENT PLATFORM

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

President's Letter

We are pleased to present you with our annual Corporate Social Responsibility (CSR) Report, containing an overview of our Environmental, Social, and Governance (ESG) activities and accomplishments in the last year. 2020 was a year of extraordinary disruption across the globe due to the COVID-19 pandemic. With little warning, many new challenges emerged, including widespread unemployment, government regulations that constrained on-site management, and additional safety protocols to protect residents and employees. I am pleased to report that the Company responded decisively and with urgency to these challenges and remains well positioned both financially and operationally for the opportunities ahead. I would like to express my sincere gratitude to all Essex associates who excelled during this difficult year; their efforts inspired others and improved the lives of residents who make a home at an Essex community.

The safety and well-being of our Essex Team continued to be among our highest priorities during the pandemic, closely followed by our commitment to resident safety and satisfaction. The Company formed its PPE Response Team at the onset of the pandemic to identify and implement safety protocols to limit the spread of COVID-19 and protect the Essex Team and our residents. During the year, we spent over \$4.1 million on direct and incremental COVID-19-related protocols and products, including face masks, hand sanitizers, HVAC filters, and other personal protective equipment (PPE). Our colleagues worked diligently in response to resident needs, and their swift actions and hands-on approach helped create a safer on-site environment. The pandemic and its consequences often led to disruption, fear, and confusion, requiring significant improvements in employee and resident communications. As a result, the Company substantially expanded its corporate communications program, launching a weekly management-hosted video conference, available to all employees. In 2020, the Company facilitated over 100,000 virtual meetings with employees, totaling over 11 million minutes.

Reacting to the pandemic required strong and quick action. In late March, we were among the first to adopt a series of programs to assist those impacted by COVID-19, including halting evictions, offering payment plans to residents, delaying rent increases, improving resident communications, and enhancing safety protocols. As the long-term consequences of the pandemic became clear, we also established the Essex Cares program to assist residents, associates, and

communities experiencing financial hardships caused by the COVID-19 pandemic. Essex raised over \$400,000 through employee and director contributions, and the Company committed \$3 million, to fund grants focused on catastrophic hardships, especially when they impacted employees and long-term residents. The Essex Team also joined together in Company-wide charitable activities, including an initiative to support the broader community by providing over 257,000 meals for people facing hunger.

Prior to the pandemic, apartment leasing and resident interactions were already evolving because of new technologies and changes in consumer preferences. These trends were greatly accelerated by the pandemic, given “shelter-in-place” orders and new protocols to keep residents and employees safe while remaining open for business as an “essential service.” As a result, we compressed several years of change into 2020, by expanding virtual and contactless tours, online leasing, automated payments, and mobile resident service requests. This evolution is expected to continue, with the recent piloting of a fully online and seamless leasing process allowing prospective residents to lease one of our apartment homes from nearly anywhere by smartphone or computer. We believe that greater use of technology improves accessibility and efficiency while reducing our consumption of resources, thereby aligning with our CSR goals.

In 2020, we also completed the Company-wide rollout of SightPlan to manage property service and maintenance functions, including apartment inspections and preventative maintenance, all on one mobile platform, allowing residents to track the progress of each service request in real-time and to rate their service experience. With residents spending more time at home during the pandemic, we promoted a sense of community by implementing Home with Essex, providing online access to resources and activities available to all residents, including online classes, activities, and special events. These technologies have improved and streamlined essential processes, while keeping us safely and conveniently connected to our customers.

Many on-site energy and water efficiency initiatives and outcomes in our communities were impacted by shelter-in-place orders, resulting in residents spending more time at home and disrupting the availability of installation labor for new systems.



CENTURY TOWERS IN SAN JOSE, CA

Even with these additional challenges, we continued to build upon our commitment to reduce our carbon footprint by rolling out additional solar power systems and setting greenhouse gas emission reduction targets. Last year alone, we increased the amount of renewable energy generated on-site by 35% compared to 2019, generating 6,736 MWh of clean energy at our communities. We are taking additional measures to update our assessments of potential physical and transitional risks and opportunities related to climate change and to integrate these into our risk management processes.

Housing production is systemically important for growing jobs and the economy, especially at affordable price points and in expanding technology centers. We finance apartment development through both direct development and our preferred equity programs. At year end, our direct development program consisted of six apartment communities with 1,853 apartment homes under construction, with a total estimated cost of approximately \$1.1 billion. These newly developed communities contain 184 affordable apartment homes with rent caps generally tied to median incomes. Overall, our apartment communities and development pipeline contain 2,592 affordable apartment homes, resulting in rent subsidies of approximately \$28 million in 2021.

The events of 2020 were accompanied by a global reckoning on race and social inequality. We are proud of the extraordinary diversity of the Essex Team and our residents, and we believe our diversity sets the foundation for our competitive advantage, in that better decisions are made by people with a variety of backgrounds, cultures, perspectives, creative experiences, talents, and knowledge. During 2020, we have added many related accomplishments and have set new targets to foster an inclusive environment where employees feel a sense of belonging and trust. Examples include our new “Women at Essex” affinity group and a cumulative 2,850 hours of training focused on Diversity, Equity, and Inclusion and awareness of

unconscious bias in the workplace. Related to these efforts, Essex received the Nareit Diversity & Inclusion Bronze Award, a testament to our associates’ contributions to creating a diverse and inclusive workplace.

Thoughtful financial management and a commitment to dividend safety resulted in the recent announcement of our 27th consecutive annual dividend increase. As a result, we are proud to be among a very elite group of companies that together comprise the S&P 500 Dividend Aristocrats Index.

Although 2020 has been a year of extraordinary challenges from COVID-19, Essex is positioned to emerge from the pandemic a stronger and more resilient company. With our CSR strategy, company vision, and core values, we will continue to invest in our communities, our associates, and innovative solutions that reduce our environmental impact in pursuit of sustainable returns for many years.



“Doing the right thing is part of our Company DNA and has never been as essential as in 2020. I am humbled and proud to work with the dedicated associates who have made such a significant difference in the lives of our residents during these troubling times.”

MICHAEL J. SCHALL
President and Chief Executive Officer



CORTESIA AT RANCHO SANTA MARGARITA IN RANCHO SANTA MARGARITA, CA

CSR Strategy



PROVIDING BETTER COMMUNITIES TO CALL HOME

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



PROVIDING A BETTER PLACE TO WORK

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



PROVIDING A BETTER ENVIRONMENT

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



DELIVERING BETTER RETURNS

With a strong reputation for leadership and ethical guidelines, we provide sustainable returns for our shareholders. Our financial track record is a testament to our focus on dividend growth and a disciplined investment process.

Creating Better Communities

Our Journey to Date

For more than a decade, we have pursued new initiatives aimed at integrating sustainable practices into our communities. These initiatives spanned from our development and renovation projects to all aspects of our business. In 2008, we completed our first Green-certified development project. Since then, we have achieved Green or LEED certifications on 28 additional communities that we developed, representing 9,186 sustainable apartments. We were leaders in the industry by establishing our Resource Management department in 2008, which organized partnerships with local communities to participate in energy efficiency programs and complete countless energy conservation projects throughout our portfolio.

Corporate Social Responsibility

At Essex, we all work hard to create better communities, and our integrated CSR strategy reflects these efforts. Effective and measurable, our CSR roadmap is fully incorporated in a responsible way into our daily operations, supporting and improving our general business strategy. We monitor our portfolio's environmental performance and continually strive to improve our environmental impact. Our CSR strategy guides us in our related efforts and reporting, preparing us for ongoing opportunities to innovate and stand out in our sector.

CSR Governance

We encourage our E-Team to take CSR into consideration each day. At the property level, we depend on community managers and maintenance team members to oversee the management of their property's environmental impact and engage with residents and the local community.

At the corporate level, our CSR Committee defines our strategy, sets long-term targets, and monitors environmental and social performance across the portfolio. Senior management and various departments are represented in this committee, which is chaired by the CEO and sends a clear message about Essex's commitments to achieve CSR goals. The CSR Committee was established in April 2019 and meets approximately six times per year. The average attendance level was over 90% in 2020. With the increased focus on CSR throughout the Company, a CSR specialist was appointed in 2019 to align our efforts and track achievements across our communities. The CSR Committee's targets and strategy are reported to the Nominating and Corporate Governance Committee of the Board (the "Nominating Committee"), which formally oversees ESG goals and initiatives including Diversity, Equity, and Inclusion ("D&I") efforts and CSR strategy. The Nominating Committee, as well as our management team, reports to the Board on ESG matters.

CSR Goals

GOAL STATUS: ✓ achieved → on track 🍃 new target

🦠 delayed due to COVID-19

PROVIDING BETTER COMMUNITIES TO CALL HOME

RESIDENTS

STATUS	TARGET	PROGRESS
→	Increase residents' feedback through surveys.	Great Places to Live - p. 15
→	Improve our residents' experience by offering events and desirable amenities.	Home with Essex - p. 15
✓	Implement 100% paperless lease and work orders by 2020.	Smart Living and Digital Transformation - p. 19
→	Develop and launch green programs focused on our residents.	Smart Living and Digital Transformation - p. 19
→	Expand affordable apartment programs where financially feasible.	Affordable Housing Programs - p. 15
→	Actively participate in voluntary affordable apartment programs.	Affordable Housing Programs - p. 15

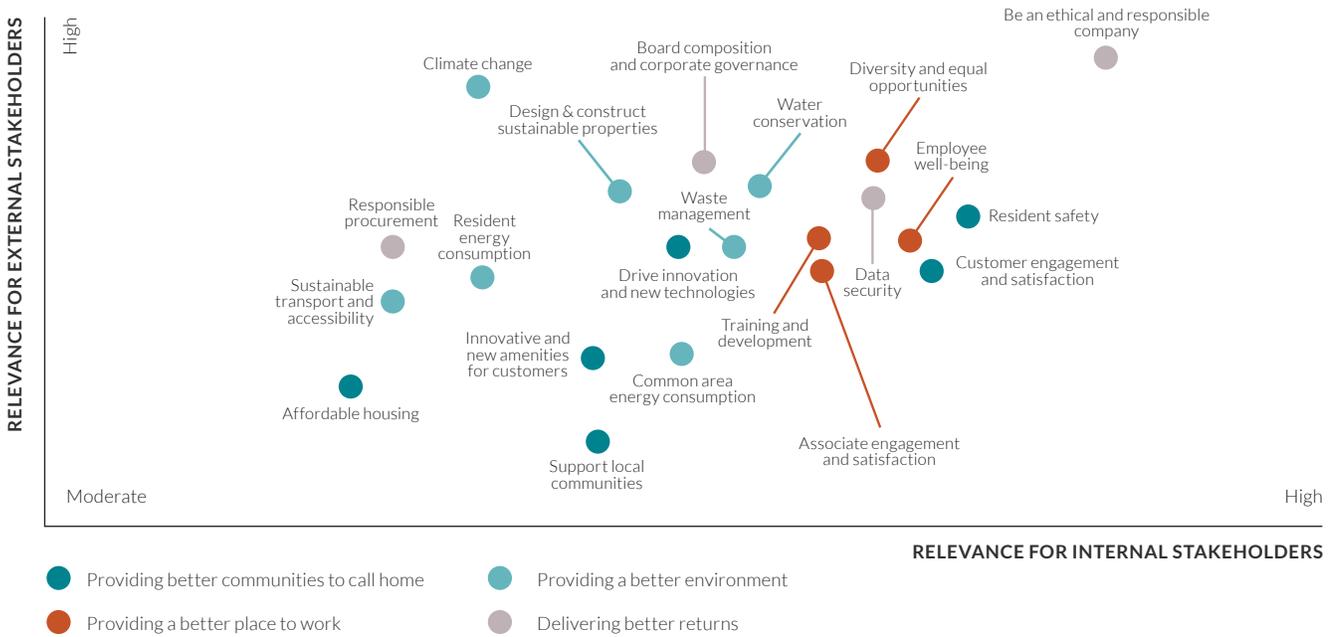
PROVIDING BETTER COMMUNITIES TO CALL HOME		
COMMUNITY		
STATUS	TARGET	PROGRESS
→	Double charitable efforts by 2022 from 2016 levels.	Supplemental Information/Social - p. 46
→	Implement an in-kind charity donation match program with our associates of up to \$500K.	Essex Cares - p. 18
→	Implement special discount programs that will provide up to 15% discount on rent to teachers, police officers, and firefighters to help them live and work within the same city.	Affordable Housing Programs - p. 15
PROVIDING A BETTER PLACE TO WORK		
ASSOCIATES		
STATUS	TARGET	PROGRESS
✓	By 2019, increase the minimum wage of all associates to \$15 per hour.	We Go the Extra Mile - p. 25
✓	By 2020, over 75% of our on-site associates participate in the Steps to Success career development program.	Steps to Success - p. 21
→	Continue our commitment to associates' charitable organizations and support their volunteer activities.	Employee Volunteer Program - p. 23
→	Continue our commitment to training and development programs and continue to attract, cultivate, and retain a diverse workforce.	Steps to Success - p. 21
🌿	Support the formation of additional employee-led affinity groups that align with the purpose of the Diversity, Equity, and Inclusion Charter, by establishing guidelines to inform associates as to how to establish such groups.	
🌿	By 2021, identify and enhance recruitment pool by region, adding a minimum of two additional sources of diverse candidate pools.	
🌿	Maintain an above average Associate Engagement Score with a focus on workplace health and safety, fostering fair and equitable practices, and nurturing human capital through learning and development.	
PROVIDING A BETTER ENVIRONMENT		
DIRECT WATER USE		
STATUS	TARGET	PROGRESS
→	Between 2016 and 2022, spend at least \$6 million to complete water-reduction improvement projects.	Water Consumption - p. 34
→	By 2021, increase water usage efficiency by utilizing benchmarking solutions to monitor usage and track utility data.	Environmental Compliance - p. 35
INDIRECT WATER USE		
STATUS	TARGET	PROGRESS
🌿	By 2020, formalize and implement green initiatives to promote awareness among residents and associates of water conservation programs.	Water Consumption - p. 34
→	By 2022, over 50% of our communities will have installed water-efficient plumbing fixtures, toilets, or leak detectors.	Water Consumption - p. 34
ENERGY CONSUMPTION		
STATUS	TARGET	PROGRESS
→	By 2022, 10% of electricity usage within Essex's control will be from renewable sources.	Climate Change - p. 33
→	By 2022, electricity consumption within Essex's control will be reduced by 10% of our 2016 levels.	Energy and Carbon Impact - p. 33
→	Install energy-efficient lighting fixtures, smart thermostats, and other energy-saving devices for renovations and new development projects.	Patina at Midtown - p. 17
SUSTAINABLE HOMES		
STATUS	TARGET	PROGRESS
→	Endeavor to achieve green building certifications on all new development projects.	Sustainability Certifications - p. 35
CLIMATE CHANGE		
STATUS	TARGET	PROGRESS
🌿	By 2025, reduce our Scope 1 & 2 GHG emission intensity by 9% of our 2019 levels.	
🌿	By 2021, update our climate change risk assessment on asset-level physical risks and portfolio-wide transitional risks and opportunities.	
DELIVERING BETTER RETURNS		
BOARD DIVERSITY		
STATUS	TARGET	PROGRESS
✓	Increase board diversity to include three female directors by the end of 2021.	Corporate Governance - p. 43
✓	Comply with applicable California laws governing board diversity.	Corporate Governance - p. 43

Stakeholder Engagement

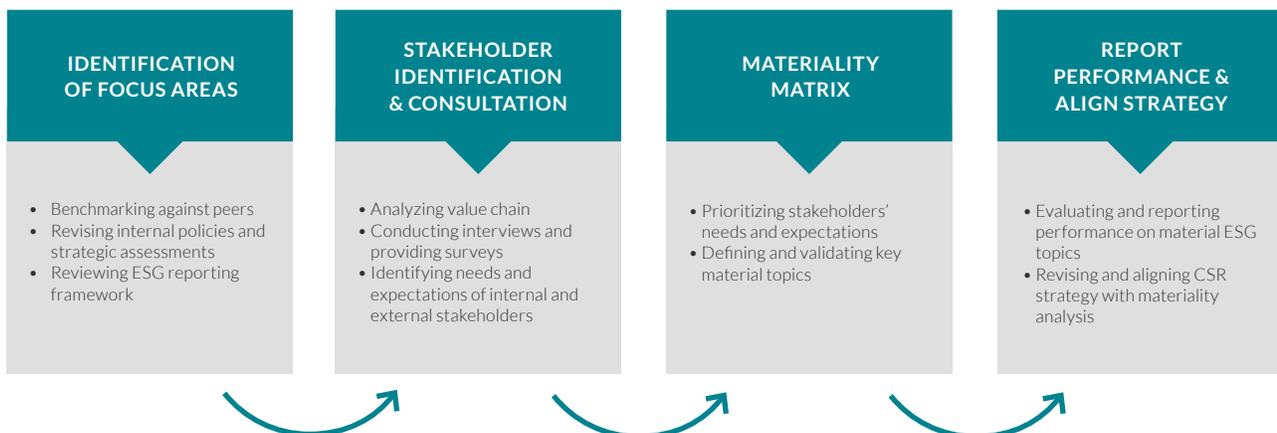
We utilized strategic documents, peer reporting, and reporting frameworks to help shape our CSR strategy. To ensure our strategy encompasses a wide range of perspectives, we performed a Materiality Assessment in 2019 in which we asked residents, investors, employees, and vendors what issues and aspects of CSR mattered most to them.

Our Materiality Matrix contains the overall result of identifying and prioritizing stakeholders' needs and expectations. It helps visualize material topics according to their level of relevance among internal and external stakeholders.

Materiality Matrix



MATERIALITY ASSESSMENT



STAKEHOLDERS AREAS OF INTEREST		ENGAGEMENT CHANNELS											
		ESSEX WEBSITE	ANNUAL AND 10K REPORT	CSR REPORT	INTRANET (BUZZ)	E-HOUR BULLETINS	ALERTLINE (GRIEVANCE HOTLINE)	ANNUAL SHAREHOLDER'S MEETING	RESIDENT ENGAGEMENT SURVEY	ASSOCIATE ENGAGEMENT SURVEY	COMMUNITY LEASING OFFICES	ONLINE RESIDENT PLATFORMS	COFFEE TALK WEBINARS
	<ul style="list-style-type: none"> - Share Value and Financial Performance - Corporate Governance and Business Ethics - Financial and ESG Transparency - Business Strategy - Risk Management 	✓	✓	✓				✓					
	<ul style="list-style-type: none"> - Recognition - Compensation and Benefits - Workplace Climate - Training & Development - Workplace Health & Safety - Environmental Impact - Diversity & Inclusion 	✓		✓	✓	✓	✓		✓				✓
	<ul style="list-style-type: none"> - Quality Homes - Service Excellence - Safety and Well-being - Environmental Impact - Community Development - Business Ethics 	✓		✓				✓			✓	✓	
	<ul style="list-style-type: none"> - Financial Performance - Contractual Conditions - Workplace Health and Safety 	✓	✓	✓			✓				✓		
	<ul style="list-style-type: none"> - Community Development - Environmental Impact 	✓		✓							✓		
	<ul style="list-style-type: none"> - Business Ethics - Financial and ESG Transparency - Health & Safety - Community Development - Environmental Impact - Human Rights 	✓	✓	✓									

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our CSR strategy is aligned with the United Nations' international sustainable development goals (SDGs) to provide a sustainable future for all. We have integrated these SDGs where we can have a positive impact towards creating a better future.

				
TARGETS	Achieve gender equality and empower all women and girls.	Ensure access to affordable, reliable, sustainable, and modern energy for all.	Make cities and human settlements inclusive, safe, resilient, and sustainable.	Take urgent action to combat climate change and its impacts.
RELEVANCE	Essex is an equal opportunity employer that stimulates a diverse workforce, providing leadership positions to female associates.	Essex contributes to a cleaner energy mix by providing direct renewable energy to its communities and increasing the energy efficiency of its operations.	Essex supports creating sustainable cities and communities by stimulating the use of more sustainable modes of transportation and integrating properties near major job nodes.	Essex contributes to reducing its direct carbon footprint and promotes a more sustainable way of living for its residents, minimizing indirect carbon impact.
ACTIONS IN 2020	2,850 hours of training provided to Essex employees on Diversity, Equity, and Inclusion in the workplace and launched a Women at Essex affinity group. See page 28 for more information.	During 2020, Essex increased the amount of renewable energy generated on-site by 35%, totaling 6,736 MWh of clean energy. Read more on pages 33 and 37.	Essex has connected 69 communities with EV charging stations, and 97% of our communities are near public transportation.	Essex reduced its energy usage and GHG emissions by 6% and 13% respectively between 2016 and 2020. A new GHG reduction target has been set to reduce our carbon impact by 9% between 2021 and 2025.



PROVIDING BETTER COMMUNITIES TO CALL HOME

At Essex, our core business involves people. All Essex associates are focused on ensuring residents enjoy living at our communities, and they achieve this by listening to and, where appropriate, acting upon resident feedback; upgrading our portfolio to make our properties more attractive places to live; and providing the most desirable amenities and services.

Great Places to Live

We take the extra step to make sure each resident feels at home. We actively monitor resident engagement levels, and resident satisfaction is a focal point for us. In 2019, we piloted a new resident engagement survey for two communities through the Review Builder tool. We changed our methodology to assess our residents' needs using a quicker tool that provides input throughout the year on all key services we provide to them. Review Builder provides a simplified feedback process that allows our associates to create action plans tailored to our residents.

In 2020, we successfully rolled out Review Builder to the entire portfolio. With an overall 86% satisfaction rate in 2020, including 92% for our maintenance teams, residents were again expressing appreciation for the services we provide. Looking forward, we aim to maintain a 100% associate response rate to all feedback residents provide through this new resident engagement tool.

Residents' Health, Safety, and Well-being

Not only do we strive to provide safe and healthy living areas, we promote a healthier lifestyle for our residents. We offer high-quality wellness amenities; as of 2020, 89% of our communities had a fitness center and 85% had a swimming pool. Although access to our fitness centers was reduced during most of 2020 due to the pandemic, we strived to provide online fitness resources and solutions through the Home with Essex program.

In case of emergency, our internal emergency manual describes how to act during natural hazards (floods, earthquakes, and fires), medical emergencies, loss of services, and other asset-related risks. An Emergency Preparedness Kit is available in every community. In 2019, we rolled out new wireless emergency phone technology to monitor our elevators and increase reliability.

Our most important assets are the local teams that implement policies and take ownership and responsibility for handling emergencies quickly and efficiently. Health and Safety training is provided to local teams, and emergency procedures are in place and frequently tested.

Home with Essex

During normal times, we organize various events to welcome residents into the community. These activities were limited during the pandemic to minimize the direct contact between residents and keep them safe. In order to keep our residents connected and active during the lockdown, in April 2020 we developed Home with Essex, providing online access to resources and activities available to all Essex residents to continue a sense of community and help residents find comfort during these unprecedented times. Activities have

included virtual yoga classes, cooking classes, trivia nights, and special events for the children living in our communities with their families. Also, to ensure our residents could stay connected to their families, colleagues, and friends, we provided additional extra-fast internet options that are available now for 136 communities.

Affordable Housing Programs

Housing production is systemically important for growing jobs and the economy, especially at affordable price points and in expanding technology centers. At year end, our direct development program consisted of six apartment communities with 1,853 apartment homes under construction containing 184 affordable apartment homes in which rents are subject to a rent cap that is generally tied to median incomes.

In 2020, we provided affordable apartments at 43 communities and over \$23 million in rent subsidies covering over 2,516 affordable homes that are available below market rate for our lower income residents. An additional 2,647 homes across 9 of our communities are locally rent stabilized. We also provided \$62K in affordable housing subsidies through the Housing Industry Foundation (HIF) Affordable Housing Program in 2020.

As the availability of affordable housing continues to be acute in the communities in which we operate, we have also committed to create a new Subsidized Housing Program that provides rental discounts at selected communities of up to 15% for public workers such as teachers, police officers, and firefighters, giving them the opportunity to work and live in the same city.

"The support we received from Essex was unexpected. I have never felt so reassured and comforted by any company as I did the day Ashley, from the Essex Resident Response Team, reached out to me. Since COVID-19 hit, we lost 3 family members and my husband had lost his job. It was heartbreaking.

Everything was falling apart. Ashley lent me her ear and she always reassured me that Essex would do everything in their power to help us. She was not kidding. She reached out to me with the most amazing payment and debt relief plan.

I am forever grateful to Essex, as well as Ashley, for being there for my family when we were going through a situation no one was prepared for. I look forward to the next couple of years in my home and I owe it all Essex!"

Catherine

Resident at Wilshire Promenade in Fullerton, CA.

PROVIDING BETTER COMMUNITIES TO CALL HOME

Investing in community engagement activities and innovation creates communities where people want to live and feel at home. Our local teams build a sense of belonging for our attractive multifamily portfolio.

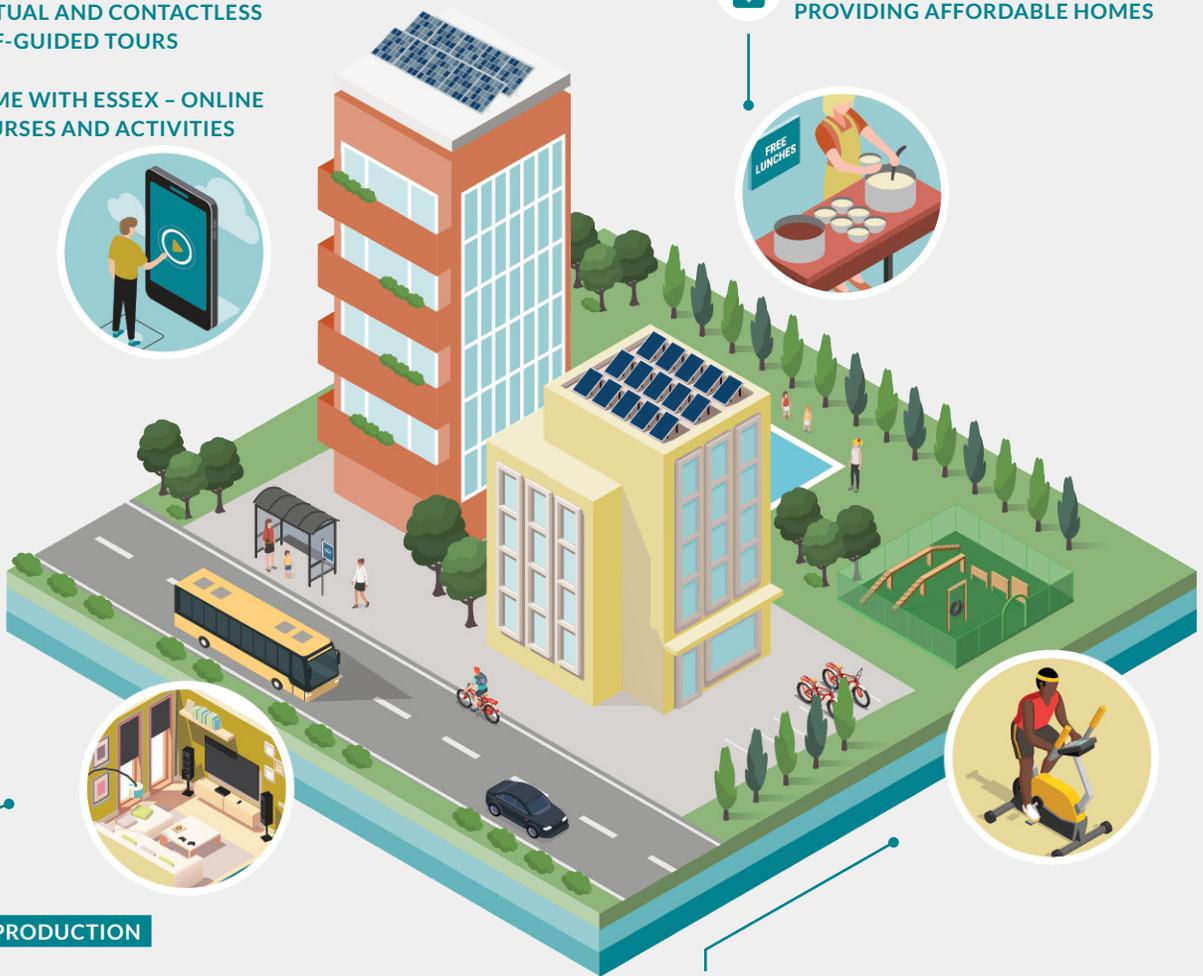
SMART LIVING

-  SMART HOME PROGRAM
-  ONLINE LEASING & WORK ORDERS
-  VIRTUAL AND CONTACTLESS SELF-GUIDED TOURS
-  HOME WITH ESSEX - ONLINE COURSES AND ACTIVITIES



COMMUNITY ENGAGEMENT

-  ESTABLISHED THE ESSEX CARES PROGRAM
-  257,000+ MEALS PROVIDED THROUGH LOCAL FOOD BANK DONATIONS
-  OVER 1,000 POUNDS OF REUSABLE IT EQUIPMENT WAS REFURBISHED AND REPURPOSED
-  \$23 MILLION IN RENT SUBSIDIES PROVIDING AFFORDABLE HOMES



HOUSING PRODUCTION

-  SYSTEMICALLY IMPORTANT FOR GROWING JOBS AND THE ECONOMY
-  2,516 AFFORDABLE APARTMENT HOMES ARE AVAILABLE BELOW MARKET RATE
-  2,647 APARTMENT HOMES ARE LOCALLY RENT STABILIZED
-  184 AFFORDABLE APARTMENT HOMES IN DEVELOPMENT

RESIDENT ENGAGEMENT

-  100,000+ RESIDENTS
-  NEW ENGAGEMENT SURVEY TOOL
-  RESIDENT ASSISTANCE PROGRAM PROVIDED OVER \$460K IN GRANTS
-  \$446K PROVIDED TO OUR RESIDENTS THROUGH THE RESIDENT REFERRAL PROGRAM



PATINA AT MIDTOWN

Midtown, San Jose CA

Patina at Midtown is a brand-new apartment community located in the eclectic Midtown district of San Jose, CA, and is on track to receive a LEED ND Silver certification.

Some of the major components of this project that contribute to achieving this certification are our on-site environmental clean-up efforts where contaminated soil was excavated and over 75% of construction and demolition materials were recycled.

The community has a sustainable building design, access to quality public transportation, and a compact parking footprint with on-site bicycle storage rooms. Patina is an energy-efficient building utilizing Energy Star appliances, low-flow plumbing fixtures, LED lights, and electric vehicle charging stations.

The most prominent aspect of this project lending itself towards our LEED Silver certification is its proximity to downtown San Jose and Willow Glen. Our residents enjoy convenient access to a variety of restaurants and bars as well as arts and entertainment options. A quick five-minute walk takes them to Del Monte Park, where they can find playgrounds, picnic areas, and two dog parks. With Diridon Station less than a mile away, our residents benefit from easy access to quality public transportation as well as many of Silicon Valley's top employers.





Essex Cares

In 2020, the Company established the Essex Cares program to provide direct aid to the Company's residents, employees, and communities. Essex Cares is governed by a committee made up of designees from senior management, corporate departments, and executive advisors and is chaired by the SVP of Human Resources. The committee establishes the programs and strategy for Essex Cares and reviews and approves requests for assistance grants.

Programs created within Essex Cares will assist in-need segments of the community including those experiencing financial hardships caused by the COVID-19 pandemic. Company officers made initial contributions in 2020 to fund the first phase of Essex Cares programs. Additional funding was raised through contributions from all members of our senior management team, all members of our Board of Directors, and from many generous associates through a voluntary paid time off donation program. Essex committed \$3 million and raised over \$400K through employee and director contributions in 2020, resulting in a total fund of \$3.4 million, and began providing grants to our residents in need. In 2020, Essex also established an Employee Emergency Relief Program, which is designed to provide contributions to employees and families experiencing hardships such as death or disability.

Resident Assistance Program

Essex has a long history and track record of supporting our residents, and that is especially true in times of need. The Resident Assistance Program offers an immediate bridge between crisis and stability for households threatened with unforeseen and temporary financial setbacks that limit their ability to perform their lease obligations.

During the COVID-19 pandemic, over 7,000 of our residents have been impacted in ways such as having lost or reduced employment or needing to take care of loved ones. Residents who are impacted by COVID-19 may need temporary rent relief, and Essex

helps these residents through these challenging times, including through a program offering a one-time grant to qualifying households. Between 2020 and Q1 2021, we have provided 105 grants, with a total value of over \$460K, to Essex's residents.

Community Assistance Program

We believe no person should be forced to choose between paying their rent and providing the essential resources they or their families need. This is a dilemma neighbors in our community are faced with every day, which was unfortunately exacerbated by the effects of COVID-19. We created the Community Assistance Program with the aim to help alleviate the growing issues surrounding food insecurity and the digital divide impacting our residents and members of the local community.

Due to financial hardship, many of our residents and members of our local communities are struggling to stay in their homes, and even purchase groceries and other day-to-day essentials. Food banks nationwide are also struggling to keep up with the demand caused by the pandemic. The Community Assistance Program helps our residents and communities within Essex markets through monetary donations to local food banks, technology device donations to human-I-T, and grocery assistance to our residents. Thanks to the contribution of our associates, the program provided over 257,000 meals to people in our communities facing hunger in 2020. Additionally, through the assistance of human-I-T, more than 1,000 pounds of reusable IT equipment was refurbished and repurposed in 2020, providing technology to low-income families and underserved communities.

"We were so excited to receive the Essex Cares grant that we were jumping up and down! This grant has released some of the stress we have been living every single day since this pandemic started.

We feel very blessed and we send a heartfelt thank you to Essex Cares. We have enjoyed our 8 years of living in a super great surrounding and receiving this grant will wipe away a lot of tension. Thank you so very much for your kindness!"

Richard and Gail

Residents at Alessio in Los Angeles, CA.

Smart Living and Digital Transformation

At Essex, we continually invest in the future of living comfortably. In 2020, we accelerated the implementation of our Digital Transformation Program, including various technology initiatives that have allowed us to safely and consistently remain connected with our residents.

For example, during 2020 we updated our website to provide 360-degree online tours that allow prospective residents to remotely explore available units for a completely virtual experience. In addition, we installed tour locks (smart locks) in over 2,000 units throughout all our communities so vendors and potential residents can visit a unit without needing in-person contact with our associates, allowing for social distancing and keeping both our prospective residents and associates safe. Prospects are given more flexibility to visit our communities, and they highly appreciate this self-tour opportunity.

For our prospective residents, we have also launched a new platform called Funnel, which redefines the way we interact and communicate with our prospects from initial contact to lease signing. The platform helps increase the efficiency of our Contact Center agents when communicating with our prospects. They can book, cancel, and reschedule appointments in real-time through the website and Funnel. The platform continues to add new functionality, including a completely resident-driven online process for leasing apartments, with instant approval, which we began testing at five communities in the fourth quarter of 2020, and is expected to be rolled out across the rest of the portfolio beginning in 2021.

Our innovative Smart Home Program is implementing new technologies in our communities including electronic door locks, remote thermostats, water leak sensors, and smart plugs. This transformational strategy automates our apartments using the latest scalable, futureproof, and high-performance technologies. We introduced the Smart Home Program at 11 communities in 2019 and deployed it in all new development projects during 2020. Due to the pandemic, our goal of rolling out this technology to as many as 20,000 units was delayed due to installation labor availability during the pandemic and will resume once conditions permit.

Thanks to the Digital Transformation Program, we have achieved the 2020 target to implement 100% paperless lease and work orders. This was accomplished by processing 100% of work orders through SightPlan and providing paperless lease capabilities through the On-Site and Funnel platforms.



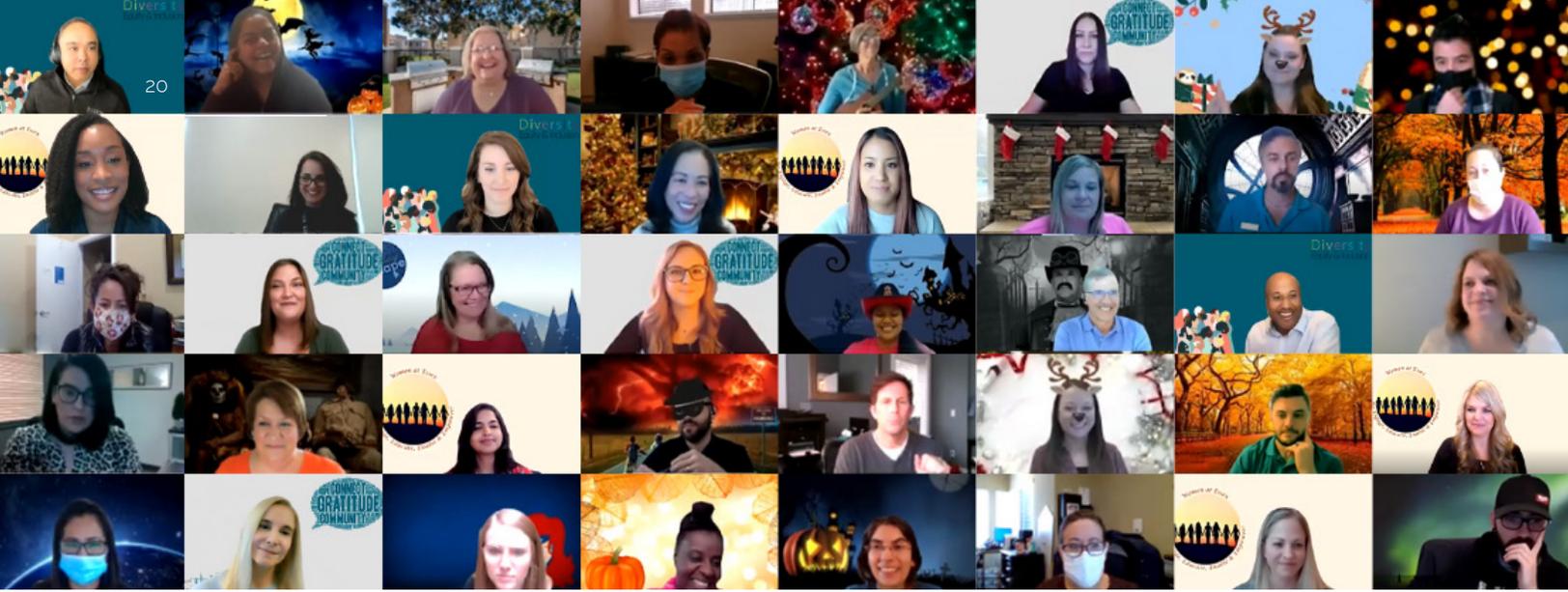
Our Response to COVID-19

In light of the challenges resulting from the COVID-19 pandemic, Essex has implemented a wide range of policies to protect and support its residents, employees, and local communities. The health and safety of our residents and employees remain Essex's top priority, as well as providing the necessary resources and flexibility during this disruption.

As an essential business operating in 2020, the Company's on-site teams supported our residents by providing administrative, operational, and maintenance assistance during the COVID-19 pandemic. To best protect and support the Company's associates working on-site, as well as to safeguard the health and safety of our residents, the Company spent over \$4.1 million on new COVID-19-related protocols, PPE, and other expenses, including over \$400K to upgrade HVAC filters to improve indoor air quality.

Essex also developed the Resident Response Team, comprising 60 on-site and corporate associates during the pandemic, to maintain on-going communication and financial assistance for residents who have been impacted by COVID-19. Every resident who submitted a hardship form was personally contacted by a team member to assist them during this difficult time. We provided multiple assistance solutions to residents, like repayment plans, debt relief, relocation support, or fee waivers for moving to a different apartment, equivalent to over \$2 million in financial relief for residents between 2020 and Q1 2021. In a continued effort to help residents maintain their home with Essex, the Resident Response Team also connected residents with local and state rental assistance programs and participated in the application and approval process for various programs. In addition to offering several assistance solutions, this team also responded to residents most in need of life essentials by providing grocery assistance.





PROVIDING A BETTER PLACE TO WORK

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

Working Together

At Essex, we engage, enable, and empower our associates to thrive. We aim to ensure these three key aspects are integrated into every process of the associate journey. Our mission, vision statements, and corresponding values are fully embedded in Essex. Having this strong cultural and value-based framework has allowed us to continue operating and serving our communities despite the challenges presented by the current pandemic.

What stood out the most in 2020 is the employee-centric approach in managing our operations. To continue to stay connected with associates in these troubling times, we created virtual Coffee Talks where senior leadership, through Company-wide webinars, provided regular communication about how the Company is addressing COVID-19 impacts and protocols, as well as news from around the Company, interactive panel discussions, and more. Many associates appreciated the transparency and openness, which provided comfort and support during their work.

An Engaged E-Team

At Essex, we strive to provide better places to work every day with meaningful jobs in a positive team environment. Engagement surveys help us measure our success in these areas. In 2020, we changed our methodology for measuring engagement levels to a pulse survey format. The new engagement tool is shorter and is able to be used more frequently, allowing senior management to better understand engagement levels throughout the year.

The results of the 2020 survey indicate that 93% of surveyed associates consider that their day-to-day work directly impacts the Company's mission and vision, 91% believe that their opinions and ideas matter at Essex, and 93% feel that the Company supports diversity, equity, and inclusion in the workplace.

Digital Transformation in the Workplace

In a rapidly changing era, consumers demand more technological and innovative tools, and associates need to be fully equipped to keep up with demand and work more effectively. 2020 has again shown the importance of embracing innovation and upgrading our tools and systems, allowing the business to continue and to operate remotely.

To ensure our associates stayed connected, we have set up online accounts for employees enabling them to organize meetings remotely. In 2020, over 100,000 virtual meetings were facilitated, totaling over 11 million minutes. With the significantly increased use of IT across our organization, we have taken meaningful steps to prevent e-waste from being sent to landfills.

In 2019, we started with a pilot of SightPlan, a digital platform allowing residents and our associates to view and process work orders and provide real-time updates. By the end of 2020, over 1,500 associates were using SightPlan. It makes the work for community managers more efficient by streamlining all service requests, unit by unit inspections, and preventative maintenance tasks in one mobile platform. Residents can track the progress of each service request in real-time and can rate their service experience.

Steps to Success

The Company values leadership at every level and demonstrates this by providing opportunities for all associates to develop personal and professional skills and by offering programs to encourage employee retention and advancement. Through our Steps to Success Program, we provide unique learning opportunities that support associates in their career growth. In 2020, we revamped our learning and development strategy by incorporating all training programs into the Steps to Success Program to signify that everything from an associate's first day to their last day is an individually tailored journey. This includes onboarding programs for all associates, continued learning opportunities (in addition to the core curriculum) for core positions, peer-to-peer mentoring programs for on-site personnel, succession planning, and an Emerging Leaders program for high potential associates.

With over 82% of associates participating in this program, we exceeded our 2020 target of reaching 75% participation rate. Over 50,000 hours of training and development programs were provided to associates, totaling a \$392K investment in human capital in 2020.

Additionally, the Company provides its associates with outside educational benefits by offering an annual \$3,000 tuition reimbursement to further support professional growth. To identify, retain, and reward highly committed personnel, the Company offers a tenure program, which involves a cash gift for every five years of service, as well as excellence awards and a spot bonus recognition program to reward associates for good teamwork, good ideas, and good service. The Company encourages internal promotions and hiring for open positions. In 2020, the Company promoted 10% of its employees to higher positions in the Company. Additionally, the Company engages in succession planning for its leadership and managerial positions, and its executive team identifies and mentors the Company's top talent to ensure strong leadership for our future.



COMMUNITY MANAGER OF THE YEAR

Interview with Julie Workman

What do you consider makes a great community manager? What should be their priorities?

As a community manager, you have two priorities: your residents and your team! To be able to foster a great team and to offer your residents the best possible service, you must be good listener and understand people on an individual basis. You should also love to see people grow, succeed, and surpass their challenges. This means empowering your team by investing in their training and development, knowing what motivates them, and recognizing their hard work in providing residents with a great place to live!

How would you describe your team and culture on-site?

I can describe my team with one word: empowered! Their skillset, motivation, and creativity has made us successful. The level of empathy and communication within the team allows us to work collectively towards common goals and provide our residents with the exceptional customer service they deserve.

We are also a team that takes to heart one of Essex's core values, Care About What Matters, by encouraging volunteer activities and organizing charitable drives to support underserved sectors of our surrounding communities and to aid our neighbors in times of crisis. We believe that our job is bigger than just coming to work, it's about supporting our community one good deed at a time.

How did you and your team respond to the challenges related to the COVID-19 pandemic?

During the onset of the pandemic, we immediately implemented additional safety protocols, prioritizing the well-being of our residents, associates, and vendors. These safety measures, along with social distancing, changed the way we work overnight. Maintaining a strong level of communication became a key element in acting decisively during a rapidly evolving situation. We had residents that experienced financial hardships and personal loss. For us, it became a top priority to make sure our residents knew that they are not alone and to provide support to those impacted by the pandemic.

Health and Well-being

The well-being of our associates is a priority to us and providing tools to create a healthy work-life balance leads to happy and healthy employees.

Vitality was introduced in 2018 and encourages associates to organize their lives in a healthier way. Vitality provides financial incentive to increase engagement and offers team-based wellness challenges, health questionnaires, goal setting, and healthy lifestyle education. Essex currently has 68% of its associates registered on the platform with 52% demonstrating consistent engagement. In addition to incentives of up to \$250 annually in gift cards, associates can

earn up to \$480 annually in medical premium credits, which translates to a discount of up to 26% of the individual medical premium.

Each year, the program includes free biometric screenings and rewards points for completing preventative care including annual exams for medical, dental, mammograms, and flu shots. Essex also hosts two well-being challenges per year with an emphasis on physical activity and mental health. In 2020, we expanded Vitality's offering to include the Apple Watch and Active Rewards programs with a 19% adoption rate in the first year. In 2021, the program will offer education campaigns on mental health and financial well-being.

Employee Volunteer Program

The Company believes volunteering can create positive change in the communities where our associates live and work and that the Company's commitment to giving back helps to attract and retain associates. The Employee Volunteer program aims to support and encourage eligible associates to become actively involved in their communities, such as by joining neighbors in a park clean-up, bringing a meal to persons with a life-threatening illness, being a mentor to a person with disabilities, distributing food at a food bank, or helping build a home.

Essex provides eligible associates (with manager preapproval) the ability to take up to eight work hours each calendar year to participate in volunteer activities. Essex strongly believes that both our workforce and the community will benefit from associates who make a permanent commitment to volunteering.

To promote teamwork throughout Essex, we launched the "Week of Thanks," an annual week-long Company-wide volunteering event, in 2020. With the Week of Thanks, we encourage departments to organize volunteering events and come together to make a positive impact in their local communities. Due to COVID-19, we organized this volunteering event online, with workplace gratitude guidance, a gratitude wall, a panel discussion, and other virtual meetings to showcase what our associates have done to support the community.



Safe Workspaces

We have safety policies in place that coincide with an Injury & Illness Prevention Program, which seeks to prevent workplace accidents and protect the health and safety of the Company's associates. In 2020, the Company provided safety training to community managers, maintenance supervisors, and maintenance technicians on topics including Industrial Safety and Health, Confined Space Awareness, Electrical Safety and Protection, Active Shooter Training, Fire Extinguishing, Elevator Inspection Training, Safety Data Sheets, Safe Lifting the E-Way, Ladder Safety, and Heat Stress in the Workplace.

Essex is dedicated to providing associates with a safe work environment. Essential parts of our Safety Policy include:

- Complying with the requirements of federal, state, and local codes as they pertain to safe and healthful working conditions.
- Developing, adopting, and enforcing adequate safety standards and criteria for all operations.
- Supplying associates with necessary and approved protective equipment and training on its proper use.
- Developing and teaching associates safe working habits and techniques.
- Encouraging each associate to take an active interest in their own safety by developing good working habits and by bringing unsafe working conditions to the attention of management or the Human Resources department.

ESSEX NEXT

Mission

**CREATING QUALITY COMMUNITIES
IN PREMIER LOCATIONS**

Vision

**WE PROVIDE GREAT COMMUNITIES IN WHICH
TO LIVE, WORK, AND INVEST**

Values

1. Act With Integrity
2. Care About What Matters
3. Do Right With Urgency
4. Lead at Every Level
5. Seek Fairness

EMPLOYEE JOURNEY AT ESSEX

Engaging

We provide several methods for our associates to communicate among their teams and across all departments. With our Speak Up initiative, we provide a great way for our associates to communicate to anyone within our organization when they want to share their thoughts, ideas, and concerns.

Enabling

The best ideas and initiatives are recognized during our annual Awards Ceremony. Associates who have shown a special winning mentality, remarkable innovation, or who have gone the extra mile are awarded.

Empowering

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

BEHAVIORAL VALUES

1. We are driven by purpose
2. We embrace honesty
3. We pursue excellence
4. We see it/own it/do it
5. We attract and develop the best
6. We do great together
7. We support work-life balance
8. We are respectful and dependable

EXCELLENCE PROGRAM AWARDS FOR OUTSTANDING PERFORMANCE

Operational Excellence

For proposing new ideas to save the community money, discovering (in)efficiencies, or finding a way to save the day.

Team Player Awards

For helping or training fellow teammates, or assisting a sister community in times of need.

Customer Service Excellence

For receiving a high review online or through resident engagement studies.

Community and Corporate Super Star

For recognition of associates who have gone above and beyond.



2,263

TOTAL EXCELLENCE AWARDS ISSUED



\$217,379

TOTAL SPEND IN SPOT BONUSES



\$102,640

IN STRETCH BONUSES



346

ANNUAL AWARDS ISSUED



\$424,000

IN TENURE BONUSES

We Go the Extra Mile

We extend our associates great opportunities and an attractive benefits package that includes competitive compensation and equal pay. We provide health care premium reductions to those that complete certain milestones, such as fitness goals and periodic doctor visits, as part of our vitality and wellness program.

The main offerings for 2020 include:

- Tenure Program – a cash gift beginning at 5 years of service and every 5 years thereafter.
- Internal transfers and promotions – 10% internal promotion rate during 2020, providing great opportunities for professional growth.
- All employees earn a minimum of \$15 per hour.
- Medical and dental coverage with minimal annual healthcare cost increase for associates.
- Tuition Reimbursement Program (up to \$3,000).
- 123 referral bonuses, totaling \$70,750, were provided for new positions filled through associates’ networks.
- Spot recognition program - 58 stretch and 209 spot bonuses provided to associates as a token of appreciation for their work.
- Housing discount for associates who choose to live at Essex communities – over 613 associates have taken this opportunity and choose to live in one of our communities, collectively receiving over \$3.6 million of annual subsidy.
- Flexible work from home policy - recognizing the impacts of the pandemic and the shifting dynamics of hybrid work models in the future.
- Internship Program for college students.
- Commuter benefits – pretax benefit offered to all associates.
- Life/AD&D insurance – 100% Company sponsored.
- Vitality and Wellness Credit programs.
- Retirement support:
 - Automatic 401 (k) enrollment at 3% contribution rate.
 - Company matches 401 (k) up to \$6,000 annually.
 - Free financial advice.
- Voluntary benefits offered – legal, identity theft, vision, accident, additional life and disability coverage.
- Associate discount programs – mobile phone (AT&T, Verizon), Whirlpool, etc.
- Legal services.
- Pet insurance.
- Time-off including PTO and holiday pay - included additional Special Circumstances Sick Leave, Voting Time-off, and Refresh Days in 2020.



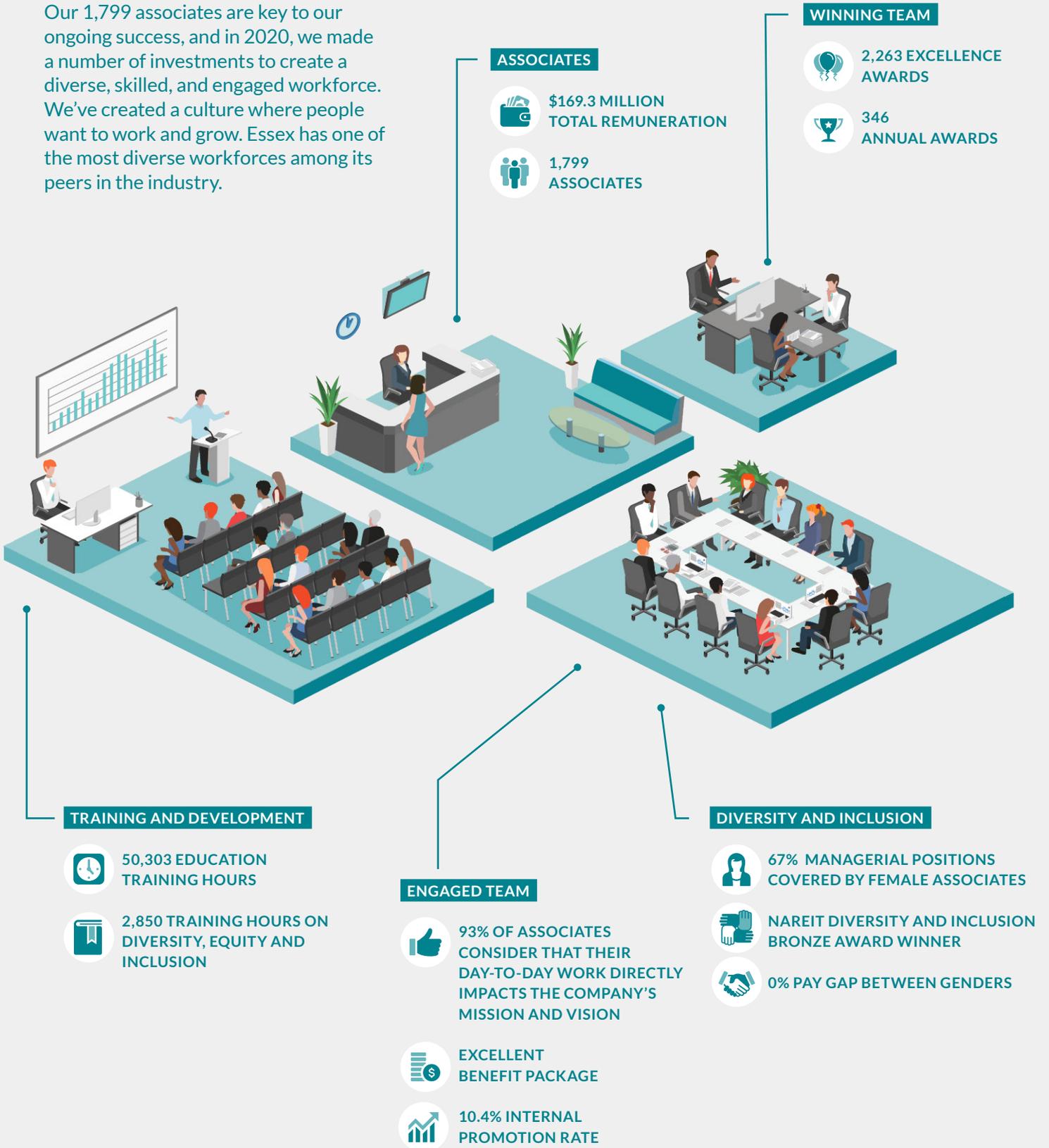
Commitment to Human Rights

At Essex, we believe in treating everyone with dignity, fairness, and respect. We have published our Human Rights Statement in 2020 to underline the human rights principles and labor standards we respect in alignment with our core values: Act With Integrity, Care About What Matters, Do Right With Urgency, Lead at Every Level, and Seek Fairness.

Respecting human rights in accordance with internationally recognized principles and standards, including the United Nations’ Universal Declaration of Human Rights; providing equal employment opportunities; promoting a safe, diverse, and inclusive working environment; and providing fair compensation are key elements of our human rights commitment. In 2019, we increased the minimum wage for all our associates to \$15 per hour, showing we go beyond commitments and take concrete measures to support human rights.

PROVIDING A BETTER PLACE TO WORK

Our 1,799 associates are key to our ongoing success, and in 2020, we made a number of investments to create a diverse, skilled, and engaged workforce. We've created a culture where people want to work and grow. Essex has one of the most diverse workforces among its peers in the industry.



ASSOCIATES

- \$169.3 MILLION TOTAL REMUNERATION
- 1,799 ASSOCIATES

WINNING TEAM

- 2,263 EXCELLENCE AWARDS
- 346 ANNUAL AWARDS

TRAINING AND DEVELOPMENT

- 50,303 EDUCATION TRAINING HOURS
- 2,850 TRAINING HOURS ON DIVERSITY, EQUITY AND INCLUSION

ENGAGED TEAM

- 93% OF ASSOCIATES CONSIDER THAT THEIR DAY-TO-DAY WORK DIRECTLY IMPACTS THE COMPANY'S MISSION AND VISION
- EXCELLENT BENEFIT PACKAGE
- 10.4% INTERNAL PROMOTION RATE

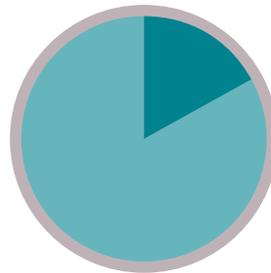
DIVERSITY AND INCLUSION

- 67% MANAGERIAL POSITIONS COVERED BY FEMALE ASSOCIATES
- NAREIT DIVERSITY AND INCLUSION BRONZE AWARD WINNER
- 0% PAY GAP BETWEEN GENDERS

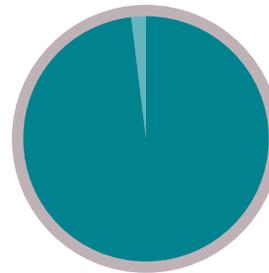
People Performance Indicators 2020



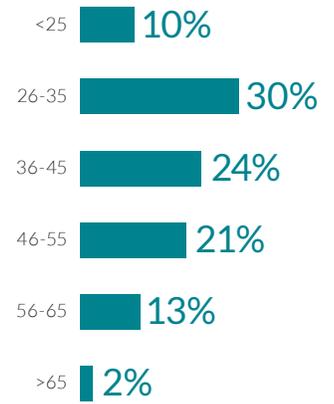
TOTAL WORKFORCE



ROLE



FORM OF EMPLOYMENT



AGE GROUP

TRAINING & DEVELOPMENT



50,303

TOTAL TRAINING HOURS FOR ALL EMPLOYEES



28 hours

AVERAGE TRAINING HOURS PER EMPLOYEE



2,141*

EMPLOYEES RECEIVED TRAINING

*Includes turnover



10.8%

PROMOTION RATE

EMPLOYEE TURNOVER



26%

TURNOVER RATE

DIVERSE WORKFORCE

- 44% Hispanic or Latino
- 29% White
- 12% Asian
- 7% Black or African American
- 6% Two or more races
- 1% Native Hawaiian*
- 1% American Indian or Alaska Native
- 1% Chose not to respond

ETHNICITY

*or other Pacific Islander

COMPANY'S MANAGEMENT



58%

MANAGERIAL POSITIONS ARE HELD BY PEOPLE OF COLOR

All associates received preventing workplace harassment training and ethics training. EPA regulated training was provided to community team members.

Diversity and Inclusion

At Essex, we believe the diversity of our employees; their backgrounds, experiences, talents, knowledge, and creativity; and the appreciation of all their individual differences are the foundation for our competitive advantage. Our mission is to encourage diversity throughout the organization by promoting a broad range of perspectives, ideas, and experiences that diversity provides, fostering an inclusive environment where all employees feel a sense of belonging and trust. Diversity, equity, and inclusion are ingrained in Essex culture and incorporated within our core values of “Seek Fairness” and “Act With Integrity.”

In 2019, the Company formed the Diversity and Inclusion (D&I) Committee, whose chairperson reports directly to the CEO on the committee’s activities, and further expanded the initiatives and members in 2020. In 2020, our associates formed Women at Essex, an employee-led affinity group, fostering a sense of community and inclusion for a diverse mix of women and men at the Company through discussions and activities intended to engage, educate, enable, and empower the Company’s employees. Additionally, the Company implemented Diversity, Equity, and Inclusion listening sessions where associates were invited to engage with one another through sharing personal and professional experiences involving diversity, equity, and inclusion, fostering a more positive and inclusive environment throughout the Company.

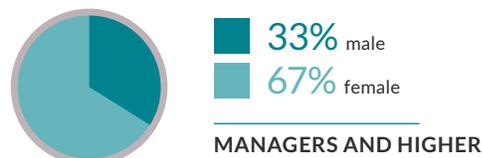
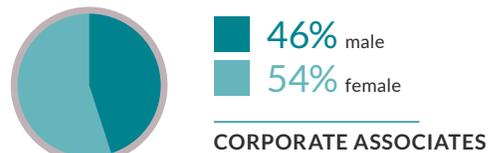
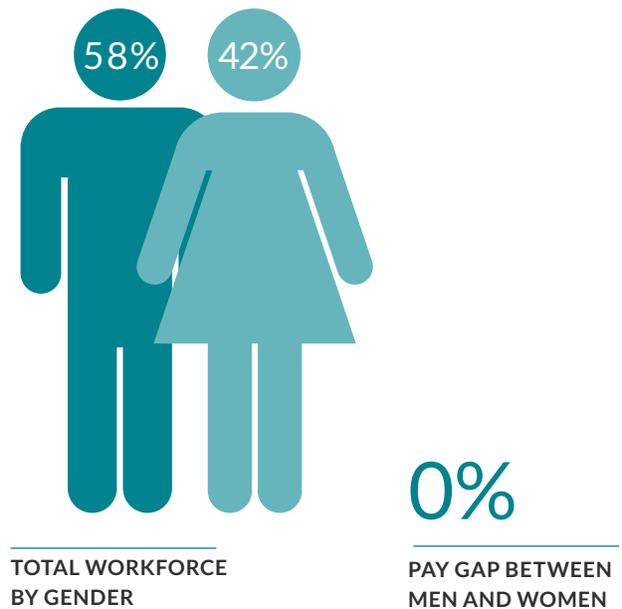
All associates are offered training aimed at preventing workplace harassment, including harassment based on age, gender, or ethnicity. In 2020, the Company also provided 2,850 hours of training focused on Diversity, Equity, and Inclusion (DEI) and awareness of unconscious bias in the workplace. This training program covers the foundation of DEI, the definition and manifestation of unconscious bias, research studies, and real-world examples. All associates also have the option to create their own personalized action plan to apply their DEI learning in their own life and work.

Essex has one of the most diverse workforces among its peers in the real estate industry. As of December 31, 2020, the Company’s workforce was approximately 44% Hispanic or Latino, 29% White, 12% Asian, 7% Black or African American, 1% Native Hawaiian or other Pacific Islander, 1% American Indian or Alaska Native, and 6% two or more races. The Company’s workforce was 42% female and 58% male, of which corporate associates were 54% female and on-site operational associates were 40% female.

The Company had 365 females in positions of manager or higher, representing 67% of managerial positions. Two of the four highest ranking officers within the Company are female.

The Company is committed to paying employees equally and conducts an equal pay analysis on an annual basis. Our pay equity analysis for 2020 indicated a zero percent (0%) pay gap between men and women.

EQUAL OPPORTUNITIES



Dedicated and Diverse Senior Management Team

Essex has among the most diverse team of Named Executive Officers compared to other public real estate companies. Essex's diverse senior management team leads to a wide range of backgrounds, thought, experiences, and perspectives. The Company's diversity and inclusiveness also means expanded access to the broadest pool of prospective employees, officers, and directors. The Company's goal is to make better informed decisions, which requires both an array of objectives and exceptional communication involving key issues and opportunities. We have learned through experience that when these elements come together, we become a team of collaborative, cohesive, and diverse decision-makers.

Essex's engaged senior leadership is demonstrated regularly at all levels of the Company. For example, each January, the senior leadership team participates in an off-site strategic planning and goal-setting retreat, senior executives are regularly invited to present to the Board of Directors on relevant topics, and, following the onset of the COVID-19 pandemic, our senior management team hosted weekly video chats available to all associates

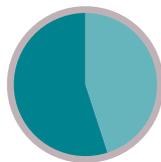
and participated in employee engagement events. These "Coffee Talks" have become a mainstay of the inclusive and diverse culture at Essex.

Essex senior management is also committed to fostering a strong sense of leadership across the Company. Three members of senior management are members of the Diversity & Inclusion Committee, and two are members of the Essex Cares Committee, contributing to community and employee initiatives to assist those in need and foster a more diverse and inclusive environment.

- 2 of 4 Named Executive Officers are female
- 4 of 9 senior management are female
- 3 of 9 senior management are members of the D&I Committee
- 2 of 9 senior management are members of the Essex Cares Committee
- Male and female senior management participated in Women's Affinity Group panels and Company-wide Q&As
- Unconscious bias training completed by senior management
- Weekly senior management meetings (held virtually in 2020)

50%

OF NAMED EXECUTIVE OFFICERS ARE FEMALE



■ 56% male
■ 44% female

SENIOR MANAGEMENT

100%

PARTICIPATION IN EMPLOYEE ENGAGEMENT EVENTS





OUR RESPONSE TO COVID-19

The safety and well-being of our Essex Team is a priority to us, and our principled approach to doing right by our associates guided us in ensuring they remained gainfully employed and adequately compensated throughout the pandemic. We believe providing tools to create a healthy work-life balance leads to happy and healthy employees. We implemented flexible work from home where possible and have provided all employees with access to additional mental health and wellness resources. Corporate associates received 24 hours of paid time off in 2020, and on-site associates received 40 hours. An additional 80 hours of paid time off was provided for every associate that has been impacted by COVID-19. All employees were provided Refresh Days to recharge and regain the necessary energy to serve our communities in these challenging times.

As an essential business operating in 2020, the Company's on-site teams supported residents by providing administrative, operational, and maintenance assistance during the COVID-19 pandemic. The Company undertook extensive and thoughtful COVID-19 safety measures, purchasing and requiring PPE and establishing physical distancing and other health and safety procedures for its on-site employees, increasing cleaning protocols at its sites and offices, prohibiting all non-essential work-related travel, and requiring masks to be worn at all offices and when entering resident homes.

To best protect and support the Company's associates working on-site, the Company spent over \$4.1 million in connection with COVID-19-related protocols and other related costs. We have provided over \$1 million in PPE for on-site associates and invested over \$400K to replace our HVAC filters with higher quality ones providing cleaner indoor air quality.



KEY FACTS ON OUR COVID-19 RESPONSE



1,457,500

GLOVES



648,960

SHOE COVERS



216,900

KN95 MASKS



2,595

FACE SHIELDS



3,800

COVERALLS



1,772

HAND SOAP



8,472

PAPER TOWELS



226,000

SURGICAL MASKS



21,666

HAND SANITIZER



300,000

ALCOHOL PADS



40,616

TOILET PAPER



6,288

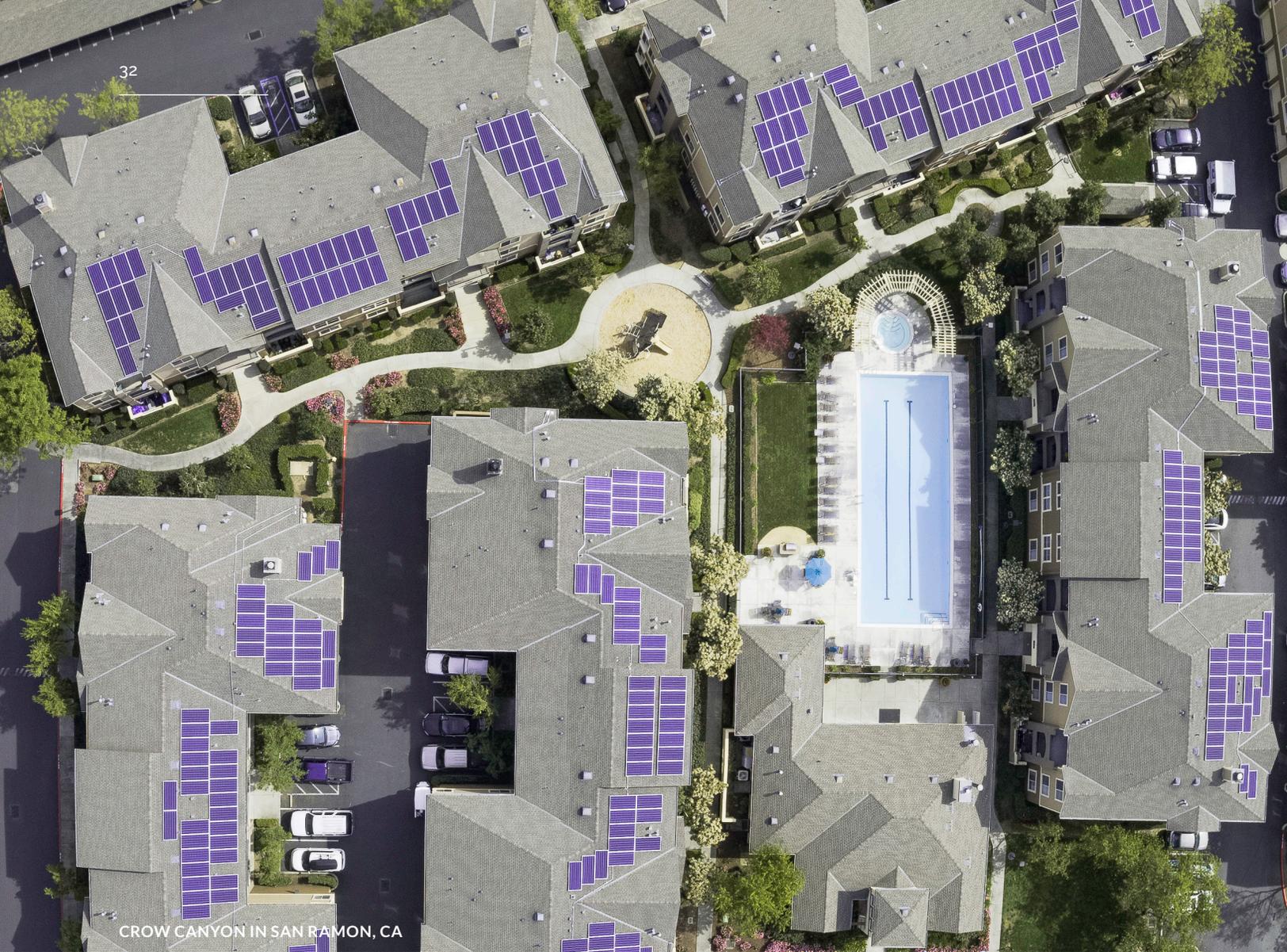
DISINFECTANT
SPRAY



1,920

THERMOMETERS





CROW CANYON IN SAN RAMON, CA

PROVIDING A BETTER ENVIRONMENT

Essex works towards a better environment by taking sustainable actions. By reducing our use of natural resources and managing waste responsibly, we limit our environmental impact and lower operating costs. This will improve resident satisfaction and increase shareholder value.

Environmental Stewardship

We continue to lead the industry to minimize our communities' environmental impact through renovations and developing new sustainable homes. Our communities, the core of our business, present the greatest potential to increase our sustainability efforts and reduce our environmental impact through solutions and technology focused on energy efficiency, renewable energy generation, water conservation, and waste management.

Resource Management

A specialized Resource Management department has been managing the resource consumption of our properties since 2008. Their focus is to ensure we invest strategically in proven technologies and solutions that increase our resident's quality of living and reduce their utility costs. The department has achieved remarkable results over the years, implementing different energy and water conservation programs as well as improving waste management and recycling options.

Resource Management's focus also includes solar energy systems, LED retrofits, EV charging stations, and equipment upgrades. In 2020, community waste management plans were reviewed and updated with third-party services to better manage trash, recycling, and composting. Over the last 10 years, the Resource Management team has implemented nearly 2,000 projects throughout the portfolio focused on energy efficiency, renewable energy generation, and water conservancy.

Energy and Carbon Impact

The location and type of housing are two of the most significant determinants of energy consumption-related environmental impact. The Company is dedicated to multifamily housing developments and is focused on owning and developing communities near major employment and public transit centers. Multifamily housing is one of the most environmentally sustainable housing options, and housing near transit centers further helps to reduce energy consumption by offering effective public transit options to access work locations.

During 2020, we continued to actively monitor electricity, water, and gas consumption. We have an active program in place to improve and/or update HVAC systems and lighting, and we're committed to finding opportunities to reduce our energy consumption. In 2020, we consumed 252,134 MWh of energy throughout our whole portfolio. Within our like-for-like communities, our total energy usage was 209,820 MWh, a 9% reduction from 2019. While we continue to improve our energy efficiency on an ongoing basis, this sharp reduction in 2020 energy consumption is largely due to the implementation of safety protocols and adjustments

in operations taken in response to the COVID-19 pandemic, leading to the temporary closure and restriction of non-essential shared amenities and services.

Climate Change

At Essex, we are aware of the global challenges associated with climate change and are committed to actively monitoring and managing climate-related risks that have the potential to impact our business and communities.¹ Physical hazards and transitional risks and opportunities related to climate change are considered in our business and investment decisions, with the objective of improving the resiliency of our properties, reducing our carbon footprint, and capturing the benefits of transitioning to a low-carbon economy.

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 towards these potential impacts. For all new developments, Essex has 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.

Our properties' Emergency Procedures Manuals contribute to the preparedness of our communities towards climate-related physical hazards that include fires, floods, and extreme weather events. In addition, Essex carries insurance for its properties, providing limited coverage against floods and fires as well as other natural hazards and potential environmental liabilities.

We are taking additional actions to update our assessments on property-level physical risks (acute and chronic physical hazards) and transitional risks and opportunities related to climate change and to integrate these into our risk management processes.

We aim to reduce our carbon footprint and our impact on climate change. Generating renewable energy on-site helps us be less dependent on grid electricity. In 2019 and 2020, we invested nearly \$11 million in solar projects that contributed to the generation of 6,736 MWh of clean energy, representing 8% of our total electricity usage in 2020. This means we are nearing our 2022 target to ensure 10% of electricity usage within Essex's control will come from on-site renewable sources. Additional investments will be made in 2021 to increase our installed capacity, even further transforming our assets into sustainable communities. Solar photovoltaic (PV) systems help us generate on-site clean energy, and cool roofs help minimize air conditioning use. Our LED retrofits reduce energy consumption in our common areas, and we incorporate Energy Star appliances and upgrade lighting fixtures in our apartments.

(1) Consult our latest 10-K Report for the [risk factors associated with climate change](#).

To provide a higher level of transparency on how Essex is managing its carbon impact, we participated in the Carbon Disclosure Project (CDP) Climate Survey for the first time in 2020. We are committed to participating in this initiative in the coming years and will continue to disclose our approach to managing our carbon footprint.

Water Consumption

Water conservation is important to Essex, and we have prioritized this effort for over a decade. To date, 118 Essex communities have water-saving irrigation and landscaping, and 49% of our communities have water-efficient fixtures. In the last two years, we invested \$710K on water-efficient improvements including low-flow toilets, plumbing fixtures, and appliances.

Water is precious, especially at our California properties. We put strategies in place to reduce our water consumption throughout our portfolio, including by installing native landscaping, two-way smart irrigation systems, and other water-saving devices. Since 2016, we have spent \$3.8M installing drought tolerant landscaping, native plant species, water-efficient irrigation systems,

and other improvements, covering over 332,000 square feet of landscape areas. Due to the COVID-19 pandemic, we could not fully carry out all the water-saving initiatives planned for 2020, but these will continue to be rolled out in 2021, including a resident outreach program to raise awareness of water usage and communicate water-saving ideas and best practices.

Waste Management

At Essex, we are committed to finding the best waste management solutions in every region that will encourage our associates and our residents to recycle, reduce, and separate on-site waste. In 2020, we continued working with third-party vendors to optimize the waste processes at 168 communities. This action continues to help us achieve savings and increase recycling rates.

We provide our residents with accessible separation bins and regular tips on waste separation. In 2020, we collected over 81 thousand tons of waste, of which 42% was redirected from landfill. The impact of the COVID-19 pandemic and stay at home order, including the increase of residents working and studying from home, has contributed to increased waste

SMART HOT WATER TECHNOLOGY

As part of our ongoing commitment to reduce carbon emissions, Essex is using smart hot water management systems across our portfolio. As of 2020, this technology has been implemented in 128 multifamily communities serving over 30,000 units.

This innovative smart technology platform captures, analyzes, reports, and adjusts to the specific hot water needs of each property, reducing system runtime and providing energy savings. This is achieved by connecting sensors to key system components and integrating smart technology to monitor, optimize, and deploy customized temperature setback strategies to the hot water systems. Ultimately, this leads to efficient and safe hot water delivery to Essex's valued tenants.

In 2020 alone, we saved over 654K therms of gas usage, which reduced our greenhouse gas emissions equivalent to taking 748 passenger cars off the road for one full year. In 2021, we are striving for even more!



14.7%

REDUCTION IN
SYSTEM RUNTIME



654,216

THERMS OF NATURAL
GAS SAVED



30,000+ units

128 PROPERTIES



3,474 tons

CARBON REDUCTION
IN 2020

generated at our communities. While we understand that the waste our residents generate may stabilize in the near future, we are also preparing for sustained impact due to permanent flexible work from home arrangements, with the intent to maximize our waste diversion efforts under these new circumstances.

Environmental Compliance

Following stricter EPA regulations in the state of California regarding performance metrics for U.S. buildings, our properties comply with Energy Star. Through the Energy Star Portfolio Manager®, an online tool to measure and track energy and water consumption and greenhouse gas emissions, Essex submitted energy consumption data for 49% of its communities in 2020. Portfolio Manager benchmarks the performance of one building or a whole portfolio

of buildings. The average Energy Star score for our properties in 2020 was 76. This score is well above the average performance of comparable communities in the same region.

Sustainable Connections

Reaching beyond our direct environmental impact, we reduce the impact of our residents even further by selecting well-located properties. Ninety-seven percent of our communities are within half a mile of public transportation and many are near urban areas, employment centers, and entertainment venues.

Our urban communities allow our residents to walk to nearby destinations within minutes, and many of our communities include bicycle storage facilities. Additionally, 69 communities have EV charging stations installed, providing a sustainable alternative for those who need to use their cars.

Sustainability Certifications

Since the inception of green building certifications such as LEED, GreenPoint, and Built Green, Essex has created sustainable homes. We have over \$1 billion committed to projects currently under construction. In 2020, two new properties received green building certifications: Mylo achieved GreenPoint Rated Silver certification and 500 Folsom achieved LEED Gold. In total, we have now developed 32 properties that have received or are targeting green building certifications, covering 9,919 units.

Through our new development and construction activities, Essex creates sustainable homes for the future and is driven to ensure these projects achieve a green building certification whenever possible. In the last five years, 84% of the properties we built have received, or are currently targeting, green building certification and all our new development projects implement energy-efficient fixtures.



DEVELOPMENT COMMUNITIES WITH SUSTAINABILITY CERTIFICATIONS



NUMBER OF CERTIFIED PROPERTIES DEVELOPED BY 2022



29

DEVELOPED COMMUNITIES WITH GREEN CERTIFICATIONS AS OF 2020

PROVIDING A BETTER ENVIRONMENT

Essex creates a sustainable environment and minimizes our impact on the environment. We are committed to investing in sustainable solutions, renovations, and technologies.

ENERGY & CLIMATE CHANGE

- 93 COMMUNITIES WITH SOLAR ENERGY SYSTEMS
- 5.3 MW OF INSTALLED CAPACITY OF PV ENERGY SYSTEMS
- \$21.2 MILLION INVESTED IN THE PAST 5 YEARS IN RENEWABLE ENERGY



NATURAL RESOURCES

- 118 COMMUNITIES WITH WATER-SAVING IRRIGATION OR LANDSCAPING
- 168 COMMUNITIES WITH WASTE REDUCTION PROGRAMS
- 128 COMMUNITIES WITH ENERGY-SAVING SMART HOT WATER SYSTEMS

SUSTAINABLE TRANSPORT

- 65 AVERAGE WALK SCORE
- 61 AVERAGE BIKE SCORE
- 69 COMMUNITIES HAVE EV CHARGING STATIONS
- 97% OF ESSEX APARTMENTS ARE WITHIN HALF A MILE OF PUBLIC TRANSPORT

BUILDING CERTIFICATIONS

- 29 DEVELOPED COMMUNITIES WITH GREEN BUILDING CERTIFICATIONS
- 49% OF COMMUNITIES PARTICIPATE WITH ENERGY STAR (76 AVERAGE SCORE)



Environmental Impact 2020



47,711

GHG EMISSIONS*
in metric tons of CO₂eq

Our greenhouse gas emissions reached 47,711 metric tons CO₂eq, a cut of 11% from 2019. Between 2016 and 2020, we have increased the installed capacity of PV energy systems from 0.4 MW to 5.3 MW. Solar renewable energy generated by our communities increased by 35% in 2020. The PV projects that Essex has realized in the past 5 years generate over 6,736 MWh of renewable energy for our communities annually, making them less dependent on the grid. The mitigation of GHG emissions achieved by these projects is equivalent to removing over 1,000 vehicles from circulation.



6,736

RENEWABLE ENERGY
in megawatt-hour (MWh)



252,134

ENERGY USAGE*
in megawatt-hour (MWh)

By implementing on-site efficiencies and placing PV solar systems in our communities, we raised our energy efficiency and reduced our greenhouse gas emissions. Our 2020 total energy usage was 252,134 MWh, a reduction of 9% from 2019.



3,144,655

WATER USAGE*
in Kgallons

Whole building water usage in 2020 increased by 10%, compared to the previous year, primarily due to the impact of the COVID-19 pandemic and the increase of residents working and studying from home. A resident outreach program to raise awareness of water usage and communicate water-saving ideas and best practices has been established as a strategic water conservation goal.



81,603

WASTE MANAGEMENT**
in tons

58% Trash
38% Recycling
4% Compost

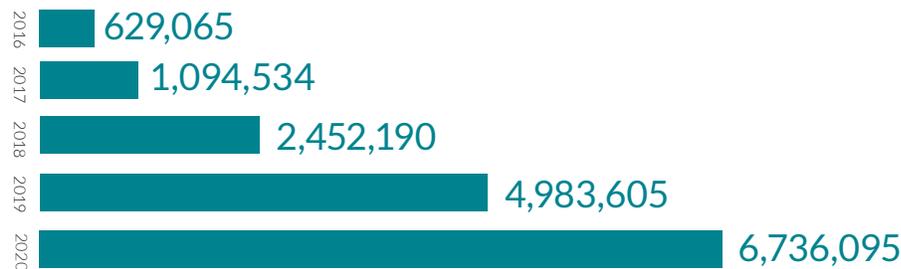
In 2020, we worked with third-party vendors to optimize the waste processes in 168 communities. We recycled 38% of the waste collected on-site and composted 4%.

10 YEARS OF RESOURCE MANAGEMENT

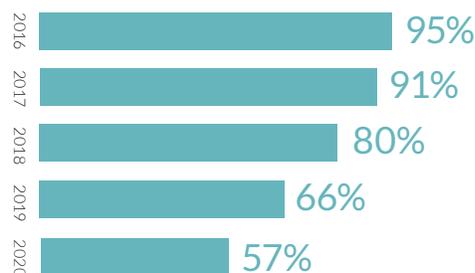
A specialized Resource Management department has been managing our properties' resource consumption for over a decade. This team ensures Essex invests strategically in proven technologies and solutions that increase our residents' quality of living and reduce their utility costs.

RENEWABLE ENERGY GENERATION

KWH PRODUCED THROUGH PV



DEPENDENCE ON THE GRID FOR THE PROPERTIES THAT INSTALLED PV



10 YEARS OF POSITIVE IMPACT



\$50.4 million

INVESTED IN ENERGY EFFICIENCY

- 867 lighting upgrade projects (\$37.1M)
- 221 efficient water heating projects (\$7M)
- 54 EV charging projects (\$1.3M)



\$22.1 million

INVESTED IN RENEWABLE ENERGY

- 62 PV solar systems installed (\$20.6M)
- 76 solar pool system projects (\$1M)
- 25 efficient heat pumps or solar domestic water heating projects (\$513K)



\$7.5 million

INVESTED IN WATER CONSERVANCY

- 209 drought tolerant landscaping, native plant species, or water-efficient irrigation projects (\$7.3M)

* The Energy Usage and GHG Emissions indicators cover 100% of floor area under operational control, corresponding primarily to usage and emissions from common areas and shared services. Water Usage covers 98% of total floor area and corresponds primarily to whole building consumption.

** The Waste Management indicator covers 99.5% of residential portfolio.



BRIO IN WALNUT CREEK, CA

DELIVERING BETTER RETURNS

At Essex, our Corporate Social Responsibility strategy is strongly linked to our business strategy and investment decisions. We are guided by high standards for performance and ethical behavior, while continuing our relentless pursuit of organizational excellence and improvement. As a publicly traded company, prudently managing our shareholders' investment is our highest responsibility.

Sustainable Returns

Through 2020, Essex has generated among the highest total returns of all public U.S. REITs since its IPO in 1994. Over that period, we've grown FFO per share and dividend per share at compounded growth rates of 7.8% and 6.4% respectively. The Company announced its 27th consecutive dividend increase in February 2021, and Essex is among an elite group of companies that is included in the S&P 500 Dividend Aristocrats Index. Our long-tenured management team has developed a capital allocation process that drives our financial results.

Essex seeks to invest in markets with the highest long-term rent growth, and our development and acquisitions teams bring decades of transaction experience in identifying and pricing potential investments. This results in thoughtful investment decisions that bring stronger financial results, which in turn help us create better communities. With 246 properties in our portfolio, no two communities are alike. We improve our resident profile by investing in properties at a variety of rental price points. We focus on market selection, local supply levels, employment growth, infrastructure, and traffic patterns that influence where people want to live.

Keeping Data Secure

Given our investments in innovative smart homes and data storage, we continued our heightened focus on cybersecurity, including policies and coordinated procedures to elevate associate awareness of cybercrime threats and data protection. During 2019, one of the Big Four accounting firms performed an assessment of our cybersecurity practices and processes. All associates are required to review and acknowledge our cybersecurity policy. We regularly distribute email phishing test campaigns to assess employee awareness and offer real-time, up-to-date content describing social-engineering tactics and techniques used by cybersecurity adversaries.

We work closely with a recognized third-party specialist to support our organization in keeping our data safe and secure. Any network or host threats our monitoring tools identify are analyzed and evaluated against global databases of known threats and threat actors. Our operations center team reviews and monitors 24/7 and conducts thorough investigations. The Company has not had any significant cyber breaches nor incurred any significant expenses in connection with cyber breaches since 2016.

Corporate Governance

Essex has been recognized for our secure and robust corporate governance strategy which includes the following best-practice policies:

- 7 out of 9 Directors on the Board are independent
- Board oversight
 - Separate Chairman and CEO
 - Independent Lead Director
 - Annual election for all directors
 - Regular executive session of independent directors
 - Annual performance evaluations of directors and committees
- Proxy access
- Shareholders' right to amend bylaws
- Executive compensation
 - Compensation clawback policy
 - Executive compensation focused on alignment and pay-for-performance
- Succession planning
- Anti-hedging and pledging policies
- Director and executive stock ownership guidelines
- No tax gross-ups in change of control policies/agreements
- Compliance with diversity laws for Directors

Audit Committee

The Audit Committee recommends appointing an independent registered public accounting firm to audit the Company's financial statements for the fiscal year in which they are appointed. This committee also reviews audit reports and takes appropriate action when needed. They monitor the effectiveness of the audit effort, the Company's financial and accounting organization, and its system of internal controls over financial reporting, and they review any complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. Additionally, the committee oversees enterprise-level risk management with a goal of monitoring financial risk exposures as well as cyber-related risks faced by the Company. At least annually, the Audit Committee meets with senior management to review cyber risks and the Company's strategy and performance in defending itself against cyber-attacks.

The Board of Directors has determined that no Audit Committee members have any financial or personal ties to the Company (other than director compensation and equity ownership as described in the Company's proxy statement) and that they meet the New York Stock Exchange standard for independence. All members of the Audit Committee are "audit committee financial experts" as defined by the SEC's Regulation S-K Item 407(d).

CREATING VALUE FOR OUR STAKEHOLDERS

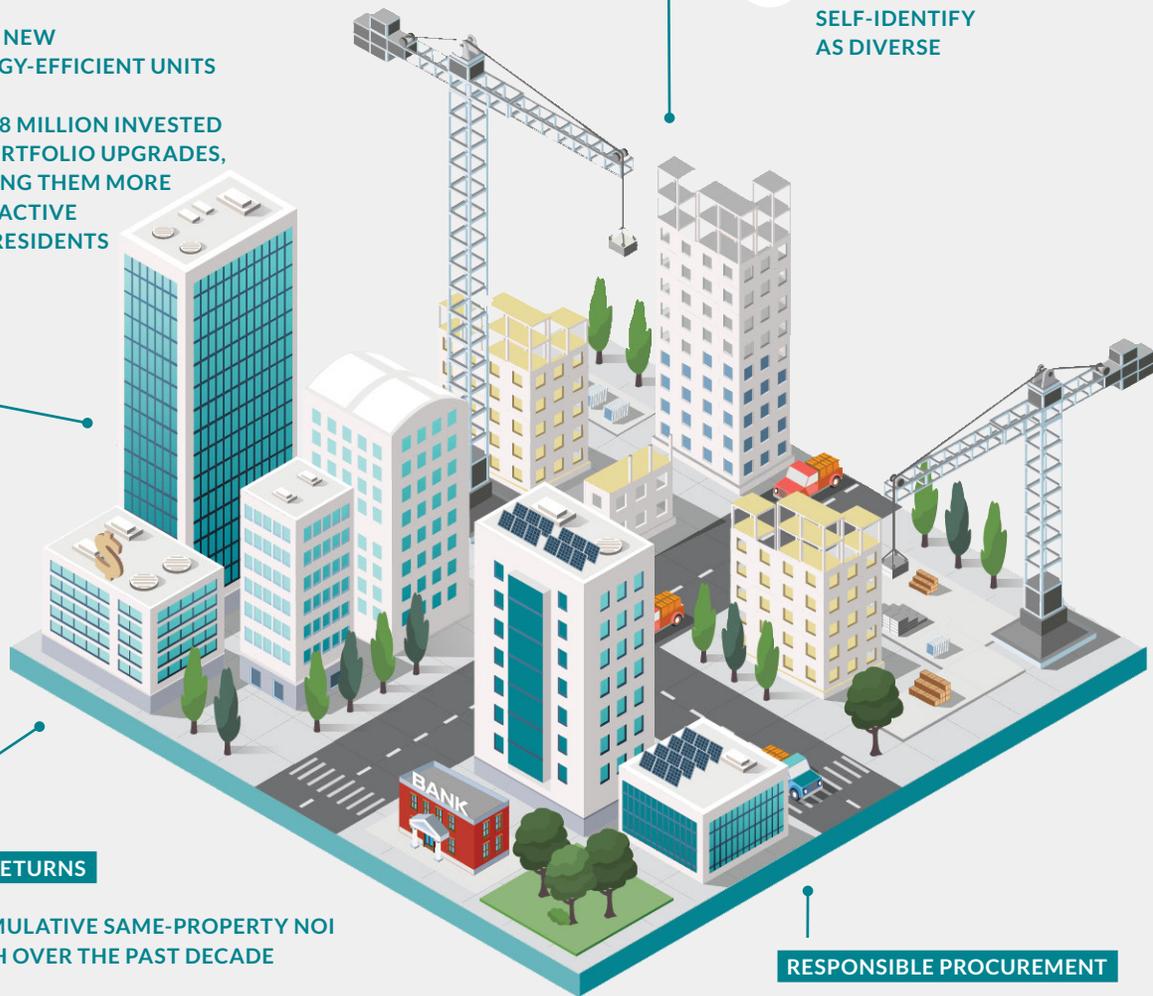
At Essex, we deliver better returns for all our stakeholders by investing in our communities, having strong governance, developing and acquiring sustainable communities, and procuring responsibly.

NEW DEVELOPMENTS

-  **\$1.1 BILLION IN NEW SUSTAINABLE CONSTRUCTION PROJECTS****
-  **1,853 NEW ENERGY-EFFICIENT UNITS**
-  **\$117.8 MILLION INVESTED IN PORTFOLIO UPGRADES, MAKING THEM MORE ATTRACTIVE FOR RESIDENTS**

STRONG GOVERNANCE

-  **78% OF THE DIRECTORS ON THE BOARD ARE INDEPENDENT**
-  **INDEPENDENT LEAD DIRECTOR ON THE BOARD**
-  **33% OF THE DIRECTORS ON THE BOARD ARE WOMEN**
-  **BOARD OVERSIGHT ON ESG MATTERS**
-  **2 DIRECTORS ON THE BOARD SELF-IDENTIFY AS DIVERSE**



SUSTAINABLE RETURNS

-  **68% CUMULATIVE SAME-PROPERTY NOI GROWTH OVER THE PAST DECADE**
-  **27-YEAR INCREASE IN DIVIDENDS***
-  **THE ONLY APARTMENT REIT IN THE S&P 500 DIVIDEND ARISTOCRATS INDEX**

RESPONSIBLE PROCUREMENT

-  **INVESTING IN LOCAL COMMUNITIES: OVER 85% OF SUPPLIERS ARE LOCAL**
-  **OUR VENDOR CODE OF CONDUCT ESTABLISHES ENVIRONMENTAL AND SOCIAL STANDARDS THAT ALL VENDORS MUST MEET**

* Announced in February 2021.

** Total estimated cost of development pipeline as of 12/31/20.

The Executive Committee

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

The Nominating and Corporate Governance Committee

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

The Nominating Committee further reviews current trends and practices in corporate governance and receives regular updates from management on ESG initiatives, including the Company's D&I efforts and CSR strategy, and recommends to the Board the adoption of programs pertinent to the Company.

Internal Audit

Essex performs internal, independent reviews and audits on key activities on a continual basis to improve and maintain the effectiveness of risk management, controls, and corporate governance. Some audits also include Sarbanes-Oxley (SOX) compliance. Internal auditors oversee and execute complete audit tests, evaluate the Company's internal controls by looking for both control gaps and opportunities to identify process efficiencies, and identify internal control issues to ensure they are well-defined, among other items. The internal auditor also prepares internal audit reports for the Audit Committee, senior management, and key process owners. Additionally, these auditors make recommendations for internal control and process enhancements and obtain management's feedback to be included in the final audit reports.

Ethical Company

At Essex, we believe it is critical to adhere to integrity and ethical values in our corporate culture. In 2020, every new hired associate received ethics training on the Code of Business Conduct. Every associate receives an update on the business ethics training every two years to increase awareness on acting ethically and to communicate Essex's Code of Business Conduct. We monitor compliance for all associates, officers, and directors. We put various systems and procedures in place to enforce the code. To maintain confidentiality, we also established an anonymous hotline, AlertLine.

We have created systems and procedures to minimize unethical behavior, and our Political Contributions Policy makes it clear that any direct or indirect contribution towards political campaigns needs to be approved by the Compliance Manager.

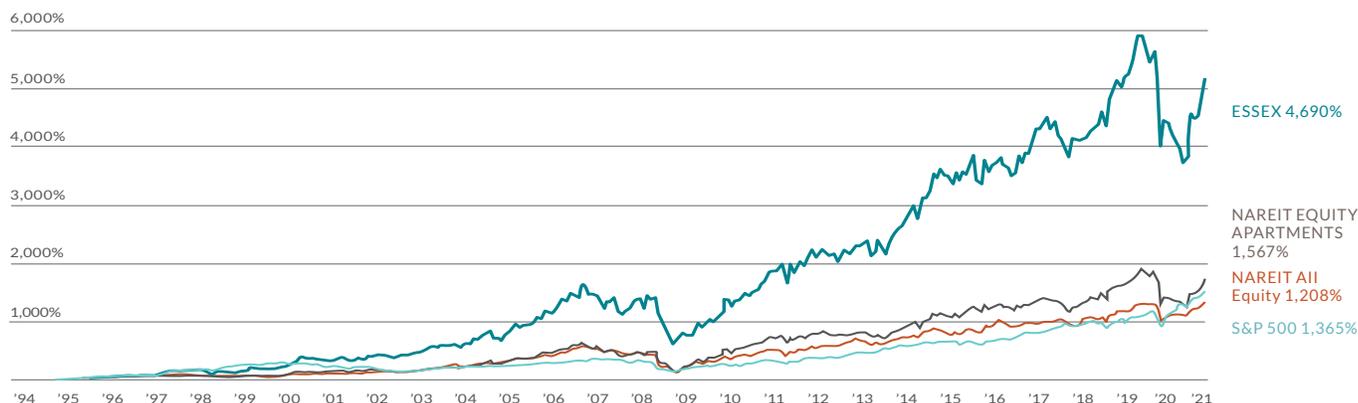
Other policies and statement that are in place include:

- Essex maintains high standards for financial reporting to its stakeholders. The Anti-Fraud Policy directs associates to report any suspected improper accounting, false or misleading public statements, securities fraud, or any other similar misconduct.
- Our Anti-Bribery Policy includes clear guidelines for associates regarding gifts and favors. No associate will accept any type of payment or gift, including kickbacks or bribes, which are intended to influence favorable decisions and/or governmental actions.
- Our Conflict of Interest Policy states that associates and directors are expected to avoid situations that create a potential conflict. A conflict of interest exists when associates' loyalties or actions are divided between Essex's interests and those of third parties including competitors, suppliers, or customers.
- Our Human Rights Statement, published in 2020, outlines our commitments to fundamental human rights principles and labor standards in alignment with our Company's core values.

Sustainable Returns

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

TOTAL SHAREHOLDER RETURN SINCE IPO



Source: SNL Financial & NAREIT.



7.8%

FFO PER SHARE CAGR FROM IPO IN 1994 THROUGH 2020



6.4%

DIVIDEND GROWTH CAGR FROM IPO IN 1994 THROUGH 2020



27th

CONSECUTIVE INCREASE IN THE ESSEX DIVIDEND ANNOUNCED IN FEBRUARY 2021



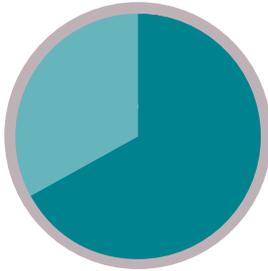
A S&P 500 DIVIDEND ARISTOCRAT ONLY APARTMENT REIT IN INDEX

Responsible Procurement

We collaborate with different parties to keep our properties safe, clean, and well-maintained, and investing in responsible ways of working is important to us. We choose to work with responsible vendors, and all our current vendors have acknowledged and signed our latest Vendor Code of Conduct. In 2020, over 85% of our third-party vendors were local, which supported our communities and reduced the amount of travel time and carbon impact.

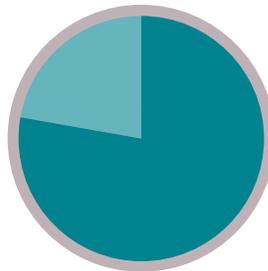
All vendors must meet and comply with the environmental and social standards in our Vendor Code of Conduct that can be found on our website. Company vendors are expected to self-monitor their compliance with this code, and Essex may immediately remove any vendor who behaves in a manner that is unlawful or inconsistent with this code. Vendors are encouraged to report possible violations by Essex employees and service providers, and can do so anonymously through AlertLine or by contacting our Internal Audit Department.

Corporate Governance



67% male
33% female

GENDER DIVERSITY



78% do not self-identify as diverse
22% self-identify as diverse

DIVERSITY

BALANCE BETWEEN LONG-TERM AND NEW DIRECTORS

In 2017, the Nominating Committee initiated a plan focused on Board refreshment and bringing more diversity (gender, experience, and expertise) to the Board. Since then, the Company has accomplished the following:

- Reduced long-tenured Board members, with the average tenure reduced by three years since August 2017.
- Increased diversity in gender, experience, and expertise with the addition of three female Board members and expanded expertise in the technology sector.
- Two directors self-identify as being from underrepresented communities.

DIRECTOR STOCK OWNERSHIP REQUIREMENTS

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

BOARD EVALUATION/ACCOUNTABILITY

Performance evaluations of the Board and Board Committees are conducted annually.

BOARD RECOGNITION

- Michael J. Schall, President and CEO of Essex, placed #10 in a global survey conducted by Glassdoor to identify the top 25 CEOs globally for their exemplary leadership during the COVID-19 crisis.
- Received Best Investor Relations Award in the real estate sector, including Michael J. Schall and Angela L. Kleiman being recognized in the top three for Best Investor Relations by a senior management team in the all-sector small- to mid-cap category by IR Magazine.

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

DIVERSITY RECOGNITION

78% 7 out of 9

INDEPENDENT DIRECTORS

11.7 years average tenure

BOARD EXPERIENCE

ALERTLINE

Our third-party hotline, AlertLine, provides an anonymous method to communicate issues to the Company. Significant and actionable calls are reported directly to our Board of Directors. Furthermore, because Essex employs a strict Anti-Retaliation Policy, associates have the space to come forward with a report or complaint in good faith.

CODE OF BUSINESS CONDUCT

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

Our policy requires all associates, officers, and directors to comply with our [Code of Business Conduct and Ethics](#).

CSR Factsheet

Creating Quality Communities
in Premier Locations

SUPPLEMENTAL INFORMATION / ENVIRONMENTAL*

INDICATOR	UNIT	2016	2017	2018	2019	2020
Absolute Energy Usage - Electric	MWh	86,940	87,322	86,592	85,748	79,304
Absolute Energy Usage - Natural Gas	MWh	182,436	190,048	194,947	190,966	172,831
Total Energy Usage	MWh	269,375	277,370	281,540	276,714	252,134
Like-for-Like Energy Usage - Electric	MWh	71,673	69,249	67,001	66,092	61,264
Like-for-like Energy Usage - Natural Gas	MWh	168,155	165,212	167,067	164,507	148,556
Total Like-for-Like Energy Usage	MWh	239,828	234,461	234,068	230,599	209,820
Percentage of Electric Energy Usage Derived from On-site Renewable Sources	% of Total Energy Usage	0.72%	1.25%	2.83%	5.81%	8.49%
Total Renewable Energy Generation	MWh	629	1,095	2,452	4,984	6,736
Installed Capacity of Solar Power	KW (system size)	434	3,206	3,178	4,438	5,326
Direct GHG Emissions (Scope 1)**	Metric Tons of CO ₂ eq	33,064	34,443	35,331	34,610	31,323
Indirect GHG Emissions (Scope 2)**	Metric Tons of CO ₂ eq	21,547	21,512	20,955	19,103	16,388
Total Investment in Low Carbon Opportunities	USD				\$19,142,367	\$5,468,958
Absolute Whole Building Water Usage	Kgal	2,792,425	2,918,318	2,991,666	2,858,640	3,144,655
Like-for-Like Whole Building Water Usage	Kgal	2,518,772	2,561,145	2,656,342	2,514,113	2,739,020
Like-for-Like Water/Occupant Ratio	Gallons	27,093	27,210	26,783	26,389	29,669
Total Waste Generated in Like-for-Like Community Operations	Metric tons			73,219	72,474	77,733
% of Community Waste Recycled in Like-for-Like Community Operations	% of community waste			36%	36%	38%
% of Community Waste Composted in Like-for-Like Community Operations	% of community waste			4%	3%	3%

SUPPLEMENTAL INFORMATION / SOCIAL

TOTAL WORKFORCE BY CONTRACT TYPE		2017		2018		2019		2020	
Permanent		1806		1822		1846		1797	
Temporary		2		5		3		2	
Total		1808		1827		1849		1799	

TOTAL WORKFORCE BY EMPLOYMENT TYPE (FULL-TIME AND PART-TIME)		2017		2018		2019		2020	
Full-time		1777		1794		1815		1771	
Part-time		31		33		34		28	
Total		1808		1827		1849		1799	

TOTAL WORKFORCE BY GENDER		2017		2018		2019		2020	
		#	%	#	%	#	%	#	%
Male		1022	56%	1035	57%	1047	57%	1040	58%
Female		787	44%	792	43%	802	43%	759	42%

NEW HIRES BY GENDER		2017		2018		2019		2020	
		#	%	#	%	#	%	#	%
Male		260	54%	230	53%	248	43%	281	65%
Female		220	46%	207	47%	332	57%	151	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 five reporting periods. Like-for-like waste data includes communities that are managed and operational in the last 3 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 of regional emission factors provided by the Environmental Protection Agency.

SUPPLEMENTAL INFORMATION / SOCIAL

TOTAL WORKFORCE BY AGE GROUP	2017		2018		2019		2020	
	#	%	#	%	#	%	#	%
<= 25	198	11%	165	9%	202	11%	180	10%
26-35	568	31%	582	32%	573	31%	544	30%
36-45	438	24%	449	25%	437	24%	426	24%
46-55	380	21%	385	21%	387	21%	375	21%
56-65	205	11%	218	12%	224	12%	232	13%
> 65	20	1%	28	2%	26	1%	42	2%

NEW HIRES BY AGE GROUP	2017		2018		2019		2020	
	#	%	#	%	#	%	#	%
<= 25	108	23%	86	20%	133	23%	105	24%
26-35	198	41%	179	41%	226	39%	175	41%
36-45	82	17%	87	20%	107	18%	75	17%
46-55	55	11%	51	12%	70	12%	54	13%
56-65	36	8%	33	8%	36	6%	20	5%
> 65	1	0.2%	1	0.2%	8	1%	2	0.5%

GENDER REPRESENTATION BY POSITION	2020			
	Male #	Male %	Female #	Female %
Corporate - Top Executives, VPs, Assistant VPs, Directors, and Managers	63	49%	65	51%
Corporate - Below manager position	82	44%	106	56%
Field - Regional Directors/Managers, Community Managers and Assistant Managers	114	28%	299	72%
Field - Leasing Specialists, Leasing Managers, Relationship Reps, Bookkeepers	109	36%	191	64%
Field - Maintenance Supervisors and Techs	562	98%	10	2%
Field - Porter, Landscaper, Painter, Security Guard, Amenities Attendant	110	56%	88	44%

TRAINING AND CHARITABLE CONTRIBUTIONS	UNIT	2017	2018	2019	2020
Total Training Hours	# of person-hours	64,732	46,272	36,296	50,303
Total Investment in Training & Development	USD	\$236,396	\$307,092	\$305,105	\$392,754
Total Charitable Contributions	\$	\$53,331	\$24,910	\$47,816	\$153,583

HEALTH AND SAFETY	UNIT	2018	2019	2020
Lost Time Case Rate	LTC Rate	2.05	2.34	1.70
Total Recordable Incident Rate	IR Rate	6.84	5.72	5.33

GRI CONTENT INDEX

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
GRI 102: GENERAL DISCLOSURE		
102: ORGANIZATIONAL PROFILE		
102-1	Name of the organization	About this Report - p. 2
102-2	Activities, brands, products, and services	About Essex - p. 4-5
102-3	Location of headquarters	Back cover
102-4	Location of operations	About Essex - p. 5
102-5	Ownership and legal form	About this Report - p. 2
102-6	Markets served	About Essex - p. 4-5
102-7	Scale of the organization	About Essex - p. 5 2020 10-K - p. 75-76
102-8	Information on employees and other workers	People Performance Indicators - p. 27 Supplemental Information / Social - p. 45-46
102-9	Supply chain	Responsible Procurement - p. 42
102-10	Significant changes to the organization and its supply chain	2020 Annual Report - p. 2, 15, 16
102-11	Precautionary Principle or approach	Patina at Midtown - p. 17
102-12	External initiatives	Development Communities with Sustainability Certifications - p. 35 Commitment to Human Rights - p. 25 Human Rights Statement
102-13	Membership of associations	<i>California Apartment Association (CAA), Housing Industry Foundation (HIF), National Association of Home Builders (NAHB), National Association of REITs (Nareit), National Multifamily Housing Council (NMHC), San Francisco Apartment Association (SFAA), Urban Land Institute (ULI).</i>
102: STRATEGY		
102-14	Statement from senior decision-maker	President's Letter - p. 6-7
102-15	Key impacts, risks, and opportunities	CSR Goals - p. 10-11 CSR Governance - p. 10 CSR Strategy - p. 9 Stakeholder Engagement - p. 12-13 Material Assessment - p. 12 Climate Change - p. 33
102: ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	EssexNEXT - p. 24 Ethical Company - p. 41 Essex Code of Business Conduct and Ethics
102-17	Mechanisms for advice and concerns about ethics	AlertLine - p. 43
102: GOVERNANCE		
102-18	Governance structure	CSR Governance - p. 10 Corporate Governance - p. 39-41, 43
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Governance - p. 10
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement - p. 12-13 Materiality Assessment - p. 12
102-22	Composition of the highest governance body and its committees	Corporate Governance - p. 39-41, 43
102-26	Role of highest governance body in setting purpose, values, and strategy	CSR Governance - p. 10 The Nominating and Corporate Governance Committee - p. 41
102-29	Identifying and managing economic, environmental, and social impacts	Stakeholder Engagement - p. 12-13 Materiality Assessment - p. 12
102-32	Highest governance body's role in sustainability reporting	CSR Governance - p. 10 Stakeholder Engagement - p. 12-13 Materiality Assessment - p. 12

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
102: STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Stakeholder Engagement - p. 13
102-41	Collective bargaining agreements	<i>No employees covered by collective bargaining agreements.</i>
102-42	Identifying and selecting stakeholders	Stakeholder Engagement - p. 12-13 Materiality Assessment - p. 12
102-43	Approach to stakeholder engagement	Stakeholder Engagement - p. 12-13 Materiality Assessment - p. 12
102-44	Key topics and concerns raised	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12
102: REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	2020 10-K
102-46	Defining report content and topic boundaries	About this Report - p. 2 Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12
102-47	List of material topics	Materiality Matrix - p. 12
102-48	Restatements of information	<i>Like-for-like data for energy, water, and waste indicators for previous reporting periods has been updated to reflect a like-for-like criteria of 5 years for energy and water usage (2016 baseline), and 3 years for waste management (2018 baseline).</i>
102-49	Changes in reporting	<i>No significant changes in material topics and topic boundaries.</i>
102-50	Reporting period	<i>All information in this CSR Report covers the 2020 calendar year unless otherwise stated.</i>
102-51	Date of most recent report	About this Report - p. 2
102-52	Reporting cycle	About this Report - p. 2
102-53	Contact point for questions regarding the report	About this Report - p. 2
102-54	Claims of reporting in accordance with the GRI Standards	About this Report - p. 2
102-55	GRI content index	GRI Content Index - p. 47-50
102-56	External assurance	<i>This CSR Report has not been externally assured.</i>
GRI 200: ECONOMIC ASPECTS		
201: ECONOMIC PERFORMANCE		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Working Together - p. 21 Environmental Stewardship - p. 33 Climate Change - p. 33
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11
103-3	Management Approach: Evaluation of the management approach	Environmental Impact 2020 - p. 37 Supplemental Information / Environmental - p. 45 Environmental Compliance - p. 35
201-2	Financial implications and other risks and opportunities due to climate change	2020 10-K - p. 25
201-3	Defined benefit plan obligations and other retirement plans	Health and Well-being - p. 22 We Go the Extra Mile - p. 25
GRI 300: ENVIRONMENTAL ASPECTS		
302: ENERGY		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Environmental Stewardship - p. 33
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11 Energy and Carbon Impact - p. 33 Renewable Energy Generation - p. 37
103-3	Management Approach: Evaluation of the management approach	Environmental Impact 2020 - p. 37 Environmental Compliance - p. 35
302-1	Energy consumption within the organization	Environmental Impact 2020 - p. 37 Supplemental Information / Environmental - p. 45

302-3	Energy intensity	Supplemental Information / Environmental - p. 45
302-4	Reduction of energy consumption	Environmental Impact 2020 - p. 37 Renewable Energy Generation - p. 37 Supplemental Information / Environmental - p. 45
GRI DESCRIPTION PAGE NUMBER(S), URL(S), AND/OR RESPONSE		
303: WATER		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Environmental Stewardship - p. 33
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11 Environmental Stewardship - p. 33 Water Consumption - p. 34
103-3	Management Approach: Evaluation of the management approach	Environmental Stewardship - p. 33 Environmental Impact 2020 - p. 37
303-5	Water consumption	Environmental Impact 2020 - p. 37 Supplemental Information / Environmental - p. 45
305: EMISSIONS		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Environmental Stewardship - p. 33 Climate Change - p. 33
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11 Environmental Stewardship - p. 33 Climate Change - p. 33 Renewable Energy Generation - p. 37
103-3	Management Approach: Evaluation of the management approach	CSR Goals - p. 10-11 Environmental Compliance - p. 35 Renewable Energy Generation - p. 37
305-1	Direct (Scope 1) GHG emissions	Environmental Impact 2020 - p. 37 Supplemental Information / Environmental - p. 45
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Impact 2020 - p. 37 Supplemental Information / Environmental - p. 45
305-4	GHG emissions intensity	Supplemental Information / Environmental - p. 45
305-5	Reduction of GHG emissions	Smart Hot Water Technology - p. 34 Renewable Energy Generation - p. 37
306: EFFLUENT AND WASTE		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Environmental Stewardship - p. 33
103-2	Management Approach: The management approach and its components	Environmental Stewardship - p. 33
103-3	Management Approach: Evaluation of the management approach	Environmental Stewardship - p. 33 Environmental Impact 2020 - p. 37
306-2	Waste by type and disposal method	Environmental Impact 2020 - p. 37 Supplemental Information / Environmental - p. 45
GRI 400: SOCIAL ASPECTS		
401: EMPLOYMENT		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 An Engagement E-Team - p. 21
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11 An Engaged E-Team - p. 21 Employee Journey at Essex - p. 24
103-3	Management Approach: Evaluation of the management approach	People Performance Indicators 2020 - p. 27 An Engaged E-Team - p. 21
401-1	New employee hires and employee turnover	People Performance Indicators 2020 - p. 27 Supplemental Information / Social - p. 45-46
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	We Go the Extra Mile - p. 25

GRI	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR RESPONSE
404: TRAINING AND EDUCATION		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Training and Development - p. 21
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11 Steps to Success - p. 21
103-3	Management Approach: Evaluation of the management approach	People Performance Indicators 2020 - p. 27 An Engaged E-Team - p. 21
404-1	Average hours of training per year per employee (focused personal and professional development hours)	People Performance Indicators 2020 - p. 27 Supplemental Information / Social - p. 45-46
404-2	Programs for upgrading employee skills and transition assistance programs	Steps to Success - p. 21 Supplemental Information / Social - p. 45-46
405: DIVERSITY AND EQUAL OPPORTUNITY		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Diversity and Inclusion - p. 28
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11 Diversity and Inclusion - p. 28
103-3	Management Approach: Evaluation of the management approach	An Engaged E-Team - p. 21 AlertLine - p. 43
405-1	Diversity of governance bodies and employees	Diversity and Inclusion - p. 28 Equal Opportunities - p. 28 Dedicated and Diverse Senior Management Team - p. 29 Corporate Governance - p. 43 Supplemental Information / Social - p. 45-46
405-2	Ratio of basic salary and remuneration of women to men	Equal Opportunities - p. 28
413: LOCAL COMMUNITIES		
103-1	Management Approach: Explanation of the material topic and its boundary	Stakeholder Engagement - p. 12-13 Materiality Matrix & Materiality Assessment - p. 12 Affordable Housing Programs - p. 15 Essex Cares - p. 18
103-2	Management Approach: The management approach and its components	CSR Goals - p. 10-11 Essex Cares - p. 18
103-3	Management Approach: Evaluation of the management approach	Great Places to Live - p. 15 Essex Cares p. 18
413-1	Operations with local community engagement, impact assessments, and development programs	Affordable Housing Programs - p. 15 Essex Cares - p. 18 Resident Assistance Program - p. 18 Community Assistance Program - p. 18 Our Response to COVID-19 - p. 19 Employee Volunteer Program - p. 23

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (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 floor area under operational control, corresponding primarily to common areas and shared services. For additional information, refer to p. 45 - 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) 252,134 MWh (2) 28.8% of total energy consumption or 91.5% of electricity usage (3) 2.7% of total energy consumption or 8.5% of electricity usage For additional information, refer to p. 45 - 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	-9% in like-for-like energy consumption (natural gas: -9.7%, electric: -7.3%) For additional information, refer to p. 45 - 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) 49% (2) 0.4% For additional information, refer to p. 35 - Environmental Compliance .
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. 33 - Resource Management & Energy and Carbon Impact , p. 34 - Smart Hot Water Technology , and p. 37 - Renewable Energy Generation & Invested in Energy Efficiency .
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) 98% of total floor area. Water withdrawal corresponds primarily to whole building consumption. (2) 23,615,969 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) 3,144,655 Kgal (2) 44.7% For additional information, refer to p. 45 - Supplemental Information/Environmental .
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	+8.9% (this increase is primarily due to the impact of the COVID-19 pandemic and the increase of residents working and studying from home). For additional information, refer to p. 45 - 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. 34 - Water Consumption , and p. 37 - Invested in Water Conservancy .

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) 98.2% (2) 6.4%
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Refer to p. 19 - Smart Living and Digital Transformation , and p. 34 - Water Consumption .
CLIMATE CHANGE ADAPTATION		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	3,477,932 leasable square feet (6.5% 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	Refer to p. 25 of our latest 10-K Report for the risk factors associated with climate change. Refer to p. 33 - Climate Change - of this CSR Report for risk mitigation and resiliency strategies, and p. 11 - CSR Goals - for targets associated with GHG reduction and climate change risk.

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



ARBORS AT PARK ROSE IN OXNARD, CA

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