

ESSEX

PROPERTY TRUST, INC.

Environmental  
Social  
Governance  
Report



2023





Essex Property Trust, Inc. (NYSE: ESS) is committed to compliance with all federal, state, and local fair housing laws.

**ABOUT THIS REPORT**

Welcome to the sixth annual Environmental Social Governance (“ESG”) Report for Essex Property Trust, Inc. (“Essex” or “the Company”). Our adoption of sustainable principles, metrics, and targets allows us to continue to be a premier provider of West Coast apartment homes. This ESG Report demonstrates our achievements and progress in 2023 across all areas of our business and Company.

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

We underwent an assurance process on our 2023 environmental data, completed by LRQA (Lloyd’s Register Quality Assurance). The LRQA Independent Assurance Statement is included in the Appendix of this ESG Report.

**Pictured on Cover: Brio, Walnut Creek, CA**  
Utilizes PV solar energy systems to offset nearly 90% of common area electric usage

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Expo, Seattle, CA  
A LEED Gold Development



# 2023 Highlights

## Awards & Recognition

- + Newsweek Most Responsible Companies (fourth consecutive year)
- + Newsweek World's Most Trustworthy Companies
- + USA Today America's Climate Leaders
- + JUST Capital America's Most Just Companies
- + NMHC Top 50 Managers
- + NMHC Top 50 Owners
- + Healthiest Employers Finalist (third consecutive year)
- + Welcoa Well Workplace Gold Award



## Highlighted Memberships & Affiliations



## Disclosure Alignments



## GRESB

84

2023 Score

+6

Point Score

2<sup>ND</sup>

U.S. Multifamily Listed Peer Group

2022 — 78  
2021 — 76  
2020 — 75  
2019 — 74

Historical Scores

## CDP

B

2023 Score

+2

Score Band

2022 — C

Historical Score

## Green Certifications

Via

IREM Sustainability Innovation Award

7

IREM Certified Sustainable Properties

14

ENERGY STAR Certified Properties





Slater 116, Kirkland, WA  
Features Energy Efficient LED Lighting Upgrades



# About Us

ESSEX is a proven owner-operator of West Coast apartment communities. We are a publicly traded, fully integrated real estate investment trust (“REIT”) that acquires, develops, redevelops, and manages multifamily apartment communities located in supply-constrained markets. We are the only public REIT exclusively dedicated to coastal metropolitan areas in California and Washington – areas with historically strong long-term job growth and limited new housing production. We are committed to the vibrant communities in which we operate and we continually innovate to improve the lives of our residents and associates and to add value for our shareholders.

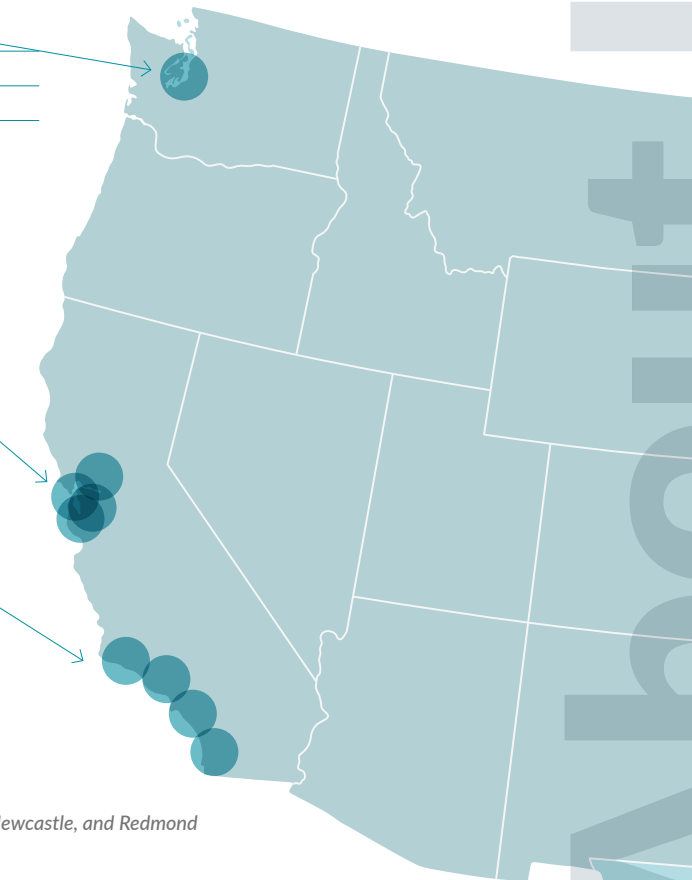
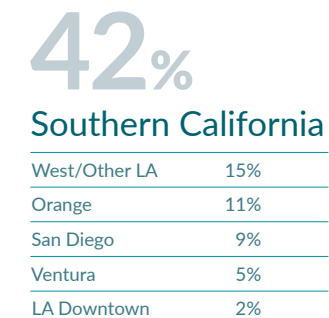
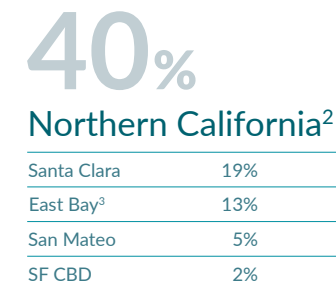
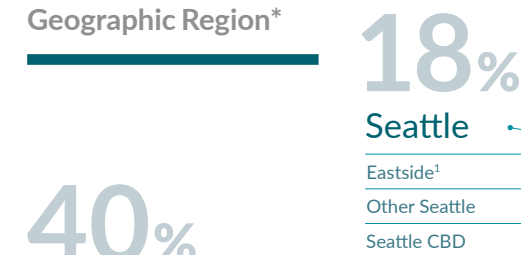
Our dedication to managing a unique portfolio of apartment communities on the West Coast and our disciplined capital allocation process have produced exceptional returns for shareholders over three decades. The Company’s experienced management team, research-driven approach to portfolio management, dedication to sustainability, and strong financial position produce long-term value for our shareholders. For more information about Essex, our history, and our continued financial success, please visit our website at [www.essex.com](http://www.essex.com).

# 50+

Years

- + Established in 1971
- + Focused on **major coastal** markets located in California and Washington, each possessing **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** since IPO in 1994
- + S&P 500 Dividend Aristocrat with a 30-year history of **increasing its cash dividend**
- + Experienced management team with an average tenure of **12 years**

## NOI by Geographic Region\*



\*Represents percent of prorated NOI as of 12/31/23 rounded to the nearest percent

<sup>1</sup> Eastside includes the cities of Bellevue, Bothell, Issaquah, Kirkland, Mercer Island, Newcastle, and Redmond

<sup>2</sup> Excludes two properties in Marin which account for 0.6% of ESS total NOI

<sup>3</sup> East Bay includes Alameda and Contra Costa Counties



Key Figures 2023

250+

Apartment Communities

1,750

Essex Associates

~\$136

Dividends per share paid from 1994 to 2023

Value Creation Process



ACQUISITIONS & DISPOSITIONS

Acquisition and disposition transactions allow us to optimize portfolio allocations in pursuit of rental growth using our proprietary research process.



CO-INVESTMENT PLATFORM

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



STRUCTURED FINANCE

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



DEVELOPMENT

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



REDEVELOPMENT & VALUE ADD

Increasing property values through investments in existing communities.

Who We Are

Our Mission Creating High-Quality Communities in Premier Locations

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

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

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

Our Behavioral Values

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

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





# Letter from the President



**I WOULD LIKE TO START WITH AN EXCITING update:** In March 2024, we committed to set science-based, near-term reduction targets for our Scope 1, 2, and 3 greenhouse gas (“GHG”) emissions through the Science Based Targets initiative (“SBTi”). These targets are a natural next step to and an expansion of our commitment to decarbonization.

This year, in highlighting our accomplishments in our 2023 ESG Report, we also demonstrate our discipline in taking data-driven action to achieve our ESG goals throughout the report in conjunction with the focus on initiatives that were most impactful toward reinforcing our corporate mission, “Providing Great Communities in Which to Live, Work, and Invest.” I am particularly pleased to convey a sense of strong Essex corporate culture that has enabled us to achieve these results.

## ENVIRONMENTAL

Ahead of our SBTi commitment, we focused much of 2023 on developing a road map toward decarbonization, including two rapid building energy models that provided us with an in-depth analysis of how to deploy capital investments in a way that reduces our GHG emissions and provides returns for investors. We plan to apply the results of these exercises throughout our portfolio to better execute on our sustainability initiatives.

A key component of our decarbonization strategy is the installation and optimization of photovoltaic (“PV”) panels at our properties. PV panels reduce both emissions and our reliance on the electrical grid, making them both a sustainability and risk reduction tool. We have installed 116 PV systems in the last seven years and plan to continue apace, while also revisiting those systems that have already been installed to ensure they are functioning as efficiently and effectively as possible.

We also look for innovative ways to reduce our water and waste impacts. We’ve highlighted two of our recent initiatives in this report: HydroPoint Solutions for irrigation (page 22) and Zero Waste Facilitators for recycling management (page 23).

## SOCIAL

At Essex, our associates are at the heart of our success. We support our associates through competitive pay and generous benefits packages that recognize their contribution to our results. In 2023, we expanded our mental healthcare benefit that provides free therapy care to our associates and their families. The program, which initially launched in 2022, proved so popular that we added additional sessions last year. We continue to look for ways to provide pay and benefits adjustments that our associates find most impactful.

A shortage of affordable housing continues to be a concern across our region, and we are proud of our efforts to contribute to solutions in our

communities through several long-lasting programs and partnerships. In 2023, we contributed more than \$25 million in rent subsidies to provide nearly 2,500 apartment homes at below-market rents (page 29). As part of our 30-year partnership with Housing Industry Foundation (“HIF”), Essex has committed many apartment homes to HIF’s Affordable Housing Initiative, which provides rent discounts to public and nonprofit sector workers (page 30). We have also developed LIVIA at Scripps Ranch in San Diego, a precedent-setting public-private partnership with the San Diego Unified School District that provides affordable homes, marketed to district employees. Additionally, in 2023, the Company provided rent subsidies to over 800 associates (34% of employee population), at a total cost of approximately \$5.5 million.

Essex Cares also looks to leverage our real estate toward the social good. Last year, we donated office space to Coastal Kids Home Care, a nonprofit in San Jose, at no cost to the organization. In addition, we encourage our associates to reach out into the community and support causes they care about. Last year the Essex team logged nearly 400 hours at local organizations across a range of issues – from health and wellness to the environment – the Essex Team is out making a difference in the community (page 31).

## GOVERNANCE

We’ve continued our track record of gender pay parity for the third consecutive year, with no statistical difference of pay between genders.

In addition to pay parity, we have an established history of diversity: 63% of senior executives are women, 33% of the Board self-identify as diverse, and 53% of managerial positions self-identify as diverse. We continue to invest in programs that create an inclusive environment where all associates are encouraged to thrive, regardless of gender, race, disability, or national origin. We



provided over 1,400 hours of Diversity, Equity, and Inclusion (“DEI”) training to the Essex Team last year.

An important function of our Board is the oversight of appropriate enterprise risk mitigation programs. Reporting to the Audit Committee, we have an Enterprise Risk Management (“ERM”) Committee which is a cross-functional team to assess risk, review mitigation efforts, and ensure that risk management is understood and appreciated by associates at all levels and across departments. The physical and transition risks of climate change continue to become key components of our ERM and are therefore integrated into our review process.

We strive to act, as an organization and as individuals, to make positive impacts for our business and associates, our investors, and our communities. I hope you share my appreciation of the hard work by the Essex Team which resulted in our accomplishments this year to improve our environmental, social, and governance practices. We look forward to continuing our trajectory into 2024 and beyond.

**Angela L. Kleiman**  
President and CEO





Wallace on Sunset, Hollywood, CA  
A LEED Gold Development

# ESG Strategy



**AT ESSEX, OUR FOCUS** is to provide safe, comfortable homes for our residents, facilitate fulfilling career journeys for our associates, and earn sustainable returns for our investors. Our ESG program seeks to enhance the positive impact within these areas.

We employ an integrated ESG strategy of maximizing opportunities while minimizing risk for us and our investors.

- + Assess needs and evaluate opportunities
- + Implement initiatives
- + Analyze results
- + Reassess needs and opportunities regularly

Beginning with our missions and values as a foundation and translating them into our ESG goals, we focus our ambitions on the needs and opportunities established by leadership and the ESG Committee.

Both the needs assessment and the results analysis are rooted in data. We collect metrics across all the core business areas of Essex including:

- + Utility usage and cost
- + Associate engagement
- + Associate learning and development
- + Risk and safety metrics
- + Associate demographics
- + Resident satisfaction

The Company tracks each ESG program and project to evaluate its impact on our residents, associates, and financial performance. Our teams develop metrics that track the outcome of a program and collect feedback from users. For example, a new safety training program would track future insurance claims and survey class participants. We continuously refine and replace programs based on these metrics with a goal to create an ESG program that is both impactful and an efficient use of resources.

The ESG strategy is embedded in all Essex departments and across the life cycle of our assets. Throughout the report we highlight how the strategy plays out in our business.

## ENVIRONMENTAL

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

## ESG Highlights

24.2%

Decrease in Scope 1 and 2 GHG emissions<sup>1</sup>

298%

Increase in PV solar generation<sup>1</sup>

47%

Waste diversion rate in 2023

56%

Of our Board are women<sup>2</sup>



Gender Pay Parity across Essex for third consecutive year

<sup>1</sup> from 2018 baseline

<sup>2</sup> As of 5/14/2024 Annual Meeting





## SOCIAL

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

## GOVERNANCE

Essex is built on a solid foundation of quality governance, ethical behavior, risk management, and transparency. It begins with our Code of Business Conduct, to which all employees, ranging from operations staff to executive management, are held accountable. We bring these high standards to how we engage with our stakeholders and our Board of Directors. We consider these values fundamental to our success and longevity.

ESG leadership at Essex begins at the very top, with our President and Board of Directors, and is transmitted throughout all departments so that our strategic vision is integrated in our day-to-day operations. Leaders and associates with key ESG responsibilities have ESG embedded in their performance goals and therefore their remuneration.

### Board of Directors

**Nominating and Corporate Governance Committee**  
Formally oversees ESG goals and initiatives

**Audit Committee**  
Formally oversees ESG risks

### Executive Leadership

**EVP, Chief Administrative Officer (“CAO”), General Counsel**  
CAO chairs the ESG Committee and leads the team responsible for ESG reporting.

### ESG Committee

- Committee Membership**
- + EVP & CAO (chair)
  - + SVP, Investment Management
  - + GVP, Deputy General Counsel
  - + GVP, Controller
  - + Sr. Director, Sustainability
  - + Director, Investor Relations
  - + Sr. Manager, ESG Reporting

### Corporate Departments

**Sustainability & ESG Reporting Teams**  
Responsible for the development and integration of our portfolio-wide ESG and sustainability initiatives.

**Additional Departments**  
Responsible for deploying ESG initiatives within their core operations.

## ESG Goals and Progress

We are excited to give the first progress report on ESG goals that we introduced in our 2022 ESG Report. We are proud of our progress to date and look forward to achieving the goals over the next several years. In addition, we have introduced a new energy goal to complement our GHG emissions reduction target.

Essex recognizes that reducing emissions is one of the most impactful ways to reduce climate change and that transparency in reporting is critical to meaningful action. To that end, in March 2024, we announced our commitment to setting science-based targets through SBTi.

CATEGORY	GOAL	PROGRESS AS OF 2023
Energy	Reduce operational controlled like-for-like energy usage by 20% from 2018 baseline by 2030	2023: 243,299 MWh   2030: 218,053 MWh Progress to date: 54%
Emissions	Reduce Scope 1 and Scope 2 GHG Emissions by 35% from 2018 baseline by 2030	2023: 43,363 mTCO <sub>2</sub> e   2030: 37,199 mTCO <sub>2</sub> e Progress to date: 69%
Water	Reduce whole building like-for-like water usage by 10% from 2021 baseline by 2030	2023: 2,833,142 kgal   2030: 2,602,784 kgal Progress to date: 20%
Waste	Divert 50% of waste by 2030	2023: 47.4%   2030: 50% Progress to date: 95%
Philanthropy	Donate \$3 million to charitable causes between 2021 and 2030	2023: \$900K   2030: \$3M Progress to date: 30%
Community	Increase number of associates who use annual VTO hours by 100% between 2022 and 2025	2023: 17%   2025: 100% Progress to date: 17%
Wellness	Increase associate engagement in wellness programs to 75% by 2025	2023: 71%   2025: 75% Progress to date: 97%
DEI	Maintain gender pay parity	See page 40
DEI	Continue to disclose diversity metrics	<a href="#">Annual EEO-1 Report</a> See page 53 for 2023 metrics



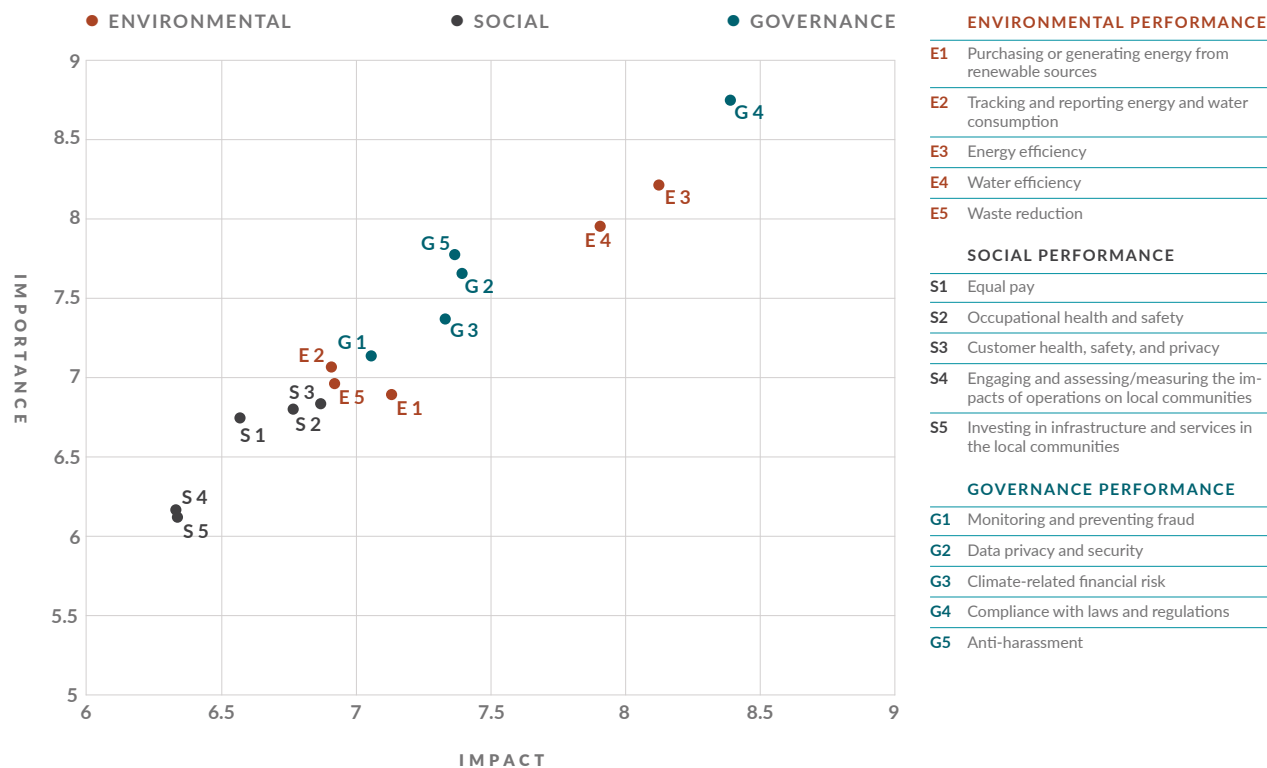
## Materiality Assessment

In addition to regular resident and associate satisfaction surveys, we seek input from a variety of stakeholders through materiality assessments. We use our findings to bolster relevant initiatives and outcomes to better serve our stakeholders.

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

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

## Materiality Matrix



## Top Three Most Material Topics



**GOVERNANCE**  
Compliance with Laws and Regulations



**ENVIRONMENTAL**  
Energy Efficiency



**ENVIRONMENTAL**  
Water Efficiency

## Stakeholder Engagement

Stakeholders are the core of our business and their input is important for our ESG work. We routinely engage our stakeholders on a variety of ESG topics as a way to communicate our ESG strategy and progress while better understanding its impact on our key groups through their feedback.

STAKEHOLDER GROUP	ENGAGEMENT METHODS	KEY TOPICS	FREQUENCY
Board of Directors	+ Board and Committee meetings + Management presentations	+ Corporate Governance & Business Ethics + Financial and ESG Transparency + ESG Performance and Risk Management + Diversity, Equity, Inclusion and Belonging	Quarterly or more
Investors	+ Quarterly earnings calls + Investor Relations team outreach + Investor conferences + Press releases and presentations	+ Financial and ESG Transparency + ESG Performance and Strategy + Climate-Related Risk + GHG Emissions Reductions	Quarterly or more
Residents	+ Periodic surveys + Resident Portal, email, and signage + Resident engagement events + Social media platforms + Company website	+ Service Excellence, Safety, and Well-being + Environmental Responsibility + Energy, Water, and Waste Management + Community Development + Building Certifications	Monthly
Associates	+ Ongoing surveys + Associate engagement events + Essex Cares programs + Social media platforms + Employee Resource Groups + Company-wide webinars + Wellness podcasts and programs	+ Health, Wellness, and Safety + Recognition, Compensation, and Benefits + Workplace Culture + Training & Development + Environmental Impact + Social Responsibility + Diversity, Equity, Inclusion and Belonging	Monthly
Local Communities	+ Essex Cares programs + Volunteer activities + Affordable Housing programs and partnerships	+ Community Development + Environmental Impact + Social Responsibility	Monthly
Governments & NGOs	+ Ongoing engagement + Regulatory compliance + Essex Cares programs + Volunteer activities + Philanthropic giving	+ Business Ethics + Financial and ESG Transparency + Health & Safety + Community Development + Environmental Impact + Social Responsibility and Human Rights	Monthly
Vendors	+ Vendor Code of Conduct + Screening and compliance + Periodic meetings	+ Business Ethics + Contractual Conditions + Health and Safety	Annually

## Methodology

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

The responses were then mapped with a methodology that accounts for the varying number of stakeholder responses. First, importance and impact scores for each question were averaged

across each stakeholder group. Second, stakeholder average scores were further averaged to produce a final importance and impact score for each question.

The methodology weighs each stakeholder group equally regardless of the number of respondents within any one group. All stakeholder groups are given equal consideration and the opinions of one stakeholder group with many responses will not outweigh another, smaller group. The final, averaged scores were plotted in the scatter chart with impact along the X-axis and importance along the Y-axis.





Township, Redwood City, CA  
Features EV Charging Stations

# Environmental

**IN 2023, WE FOCUSED** our sustainability work on three areas: decarbonization, rooftop solar, and electric vehicle charging infrastructure. These initiatives, along with our continued progress toward our environmental goals (see page 15), align with our long-term strategy of targeting our investments to prioritize resident preference, operating cost efficiencies, and sustainable investor returns. We continue to expand our capacity to collect and analyze building performance data at our properties, which allows us to evaluate the return on investment (“ROI”) of our projects and plan future work. We prioritize projects that generate revenue through long-term operational cost savings greater than the initial capital expense.

### 6 Year Investment

**\$9.9M**

Energy Efficiency

**\$19.8M**

Renewable Energy

**\$1.6M**

Water Conservancy

### Decarbonization

In 2023, we worked with a sustainability consultant to develop a GHG emissions reduction pathway for our operating portfolio. We analyzed our emissions at the portfolio level and undertook rapid building energy models at two representative properties, Skye at Bunker Hill in Los Angeles and City View in Hayward.

The analysis confirmed that one of the main challenges to decarbonization is our reliance on gas, particularly for domestic hot water. Substantial gas use is common in California, our largest market. In order to reduce our carbon emissions, we need to begin to electrify our buildings and procure electricity from low-carbon sources.

To address the first step, we have begun to develop a strategy to transition away from gas, starting with domestic hot water and other gas uses.

**1:** In 2024, we plan to complete an inventory of all gas-powered equipment across our portfolio and develop a capital plan to transition larger equipment to electricity, including required upgrades to the electrical infrastructure.

**2:** Also in 2024, we will work to install electric heat pump water heaters to replace gas-fired heaters as they reach the end of their useful life.

A key challenge for electrification is that the cost of electricity is currently higher than gas in many of our operating markets. However, as GHG emissions reduction is a priority for our stakeholders, we are leveraging rebates and tax incentives, and are focused on replacing inefficient equipment to drive our electrification strategy. We also work with utility providers and policy-makers in California to advocate for utility pricing that corresponds with California’s climate ambitions.

We will complement our electrification efforts by sourcing greener power. We continue to invest heavily in photovoltaic panels at our properties (see page 21). We source green power, 32,419 MWh in 2023, and maximize incentives and rebates. See page 20 for more details on our 2023 energy and emissions.

In March 2024, we formalized our commitment to decarbonization by committing to set science-based targets through SBTi. We look forward to reporting on the targets in 2025.





## Energy and Emissions

Our 2022 emissions goal and new 2023 energy usage reduction goal drive our ESG policies and practices. We focus our efforts on capital investments that meet our IRR targets, reduce operation costs, and increase resident satisfaction, aligning with our strategy to combine energy reduction with NOI increases. We work to systematically reduce our GHG emissions by first reducing our energy consumption where possible, then sourcing our energy needs from on-site renewable resources, and finally purchasing green grid power. Through these initiatives, we have reduced our like-for-like electric usage by 11% since 2018, and reduced our grid power purchase by 5% since 2022. We now source 50% of our power from on- and off-site renewables.

To reduce energy usage, we have focused on the following capital improvement projects. Our measurement and verification processes demonstrate that these projects are most impactful toward meeting our climate and financial targets.

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

Efficiency Projects	2018	2019	2020	2021	2022	2023 <sup>1</sup>
Projected Annual Savings Amount	\$96,000	\$1,200,000	\$480,000	\$1,700,000	\$1,900,000	<b>\$660,000</b>
Investment Amount	\$450,000	\$13,900,000	\$2,200,000	\$11,800,000	\$6,200,000	<b>\$4,300,000</b>
Number of Projects Completed	6	47	34	53	31	<b>32</b>
Rebates Collected	\$557,000	\$275,000	\$1,380,000	\$284,000	\$428,000	<b>\$309,000</b>

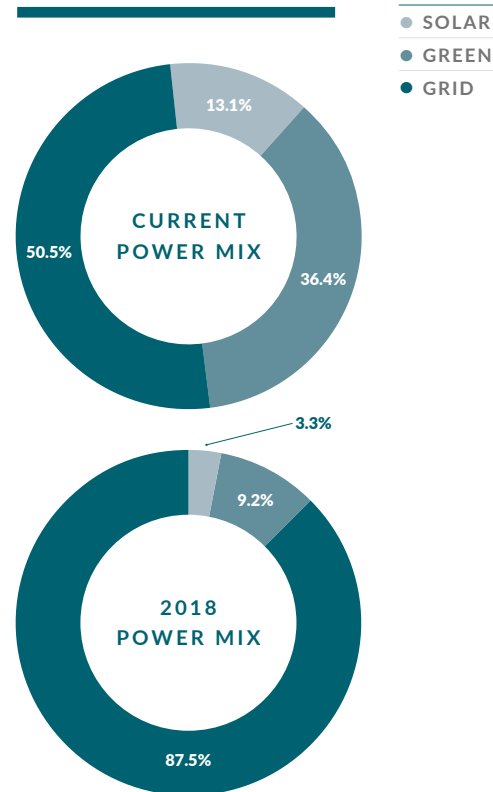
By completing the above projects, we have been able to generate a combined annual savings of 8.9 million kWh, which is enough to power approximately 3,644 single-family homes for one year. We have collected \$3.2M in rebates since 2018.

<sup>1</sup> 2023 was used as strategic year to build our solar pipeline to combat the new net metering regulations imposed by California Public Utilities Commission (NEM 3.0). As a result, we have developed a robust solar project pipeline. These installations will be completed over the next three years.

# 24.2%

Absolute Scope 1 and 2 GHG Emission Reduction from 2018 Baseline

### Power Mix Summary



# Photovoltaic Systems

**PV SYSTEMS CONTINUE** to be a cornerstone of our GHG emissions reduction program. Having installed 116 PV systems in the past seven years, in 2023 we looked to refine our solar strategy.

PV installations continue to be an attractive investment because they generally increase NOI and better insulate us against volatility in utility pricing. These financial considerations, combined with a 30% Investment Tax Credit, tracks with the Company's internal rate of return (IRR) methods.

We aim to install enough capacity at any given property to supply all landlord-controlled electricity usage. With that metric identified, we analyzed available roof space at each property to determine if the site warranted a new or expanded system. Factors considered include location, age, and orientation of roofs, construction type, structural capacity, site energy consumption, and planned capital improvements. The findings of this analysis will drive long-term capital planning in 2024.

In addition to strategically increasing system capacity, we are exploring several initiatives to maximize the revenue impact of our PV programs: selling power back to the grid, selling solar-generated power to our residents, and installing on-site battery storage. We plan to further analyze these possibilities in 2024.

# 9.2MWh

Total PV Capacity

# 116

Solar Systems Installed

# \$55.8M

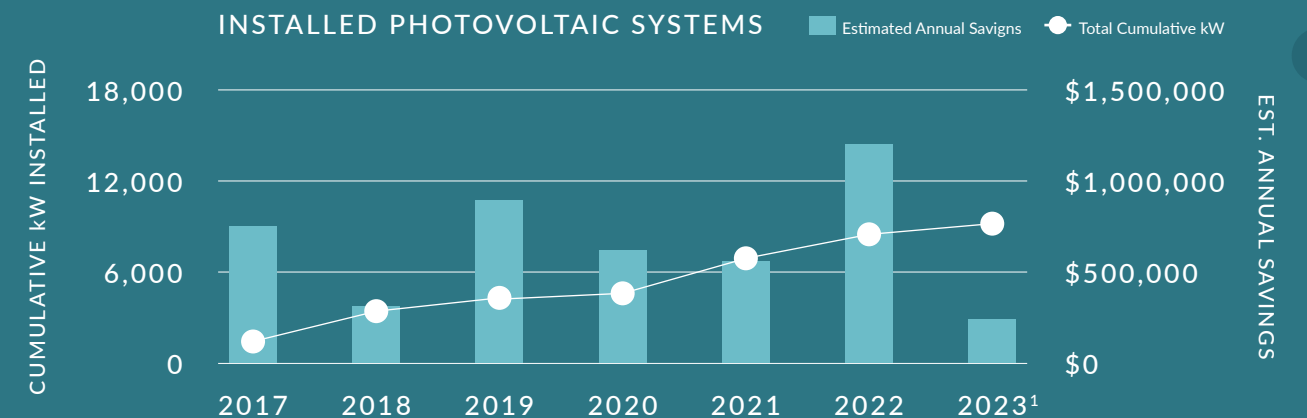
Invested since 2016

# \$4.6M

Electrical Savings since 2016

# 12%

PV-Eligible Rooftops Covered



<sup>1</sup> 2023 was used as strategic year to build our solar pipeline to combat the new net metering regulations imposed by California Public Utilities Commission (NEM 3.0). As a result, we have developed a robust solar project pipeline. These installations will be completed over the next three years.



## Water

In 2023, we reduced like-for-like water consumption by 2% since 2021, keeping us on track toward our reduction goal of 10% by 2030. We focused on irrigation usage last year, which is outlined in the corresponding case study. In addition, we continued to implement capital improvement projects that help reduce water consumption. We track water usage at the whole building level at all our properties, and these efficiency measures are the most impactful in reducing consumption with a favorable IRR:

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

## Case Study: Smart Irrigation

**ESSEX PARTNERS** with HydroPoint Smart Water Management System to monitor our irrigation water use and strategize ways to reduce consumption. During 2023, the HydroPoint system resulted in a water savings of nearly 60M gallons at 59 properties.

One of our more recent HydroPoint installations is at Carmel Landing in San Diego, CA. In 2023, Carmel Landing saved more than 780,000 gallons of water over the 2022 baseline. That is the equivalent of one foot of standing water across 2.5 football fields!

## Case Study: Zero Waste Facilitators

**IN 2013, ESSEX** began partnering with WasteXperts, a zero waste facilitator, to increase our diversion rate and ensure local law compliance, while reducing operating costs. WasteXperts actively manages the waste collection and hauling process at 171 Essex properties.

- + Provides color-coded bags for recycling and composting
- + Educates residents on recycling best practices
- + Monitors and remove recycling contamination
- + Right-size collection program to maximize efficiency and minimize cost
- + Maintains resident trash areas
- + Audits waste stream to ensure compliance and recommend improvements to increase diversion rate

As a result of these efforts, we have increased our recycling diversion rate by 53% and reduced our waste costs by 37% at WasteXpert-managed properties since 2013.

# 218k

mTCO2 saved\*

# 43

Gallons/Door Reduction

\*Calculated with EPA WARM model

Carmel Landing, San Diego, CA



## Waste

With a waste diversion rate of 47%, we are very close to our goal to divert 50% of waste by 2030. Our most impactful program, begun in 2013, is our engagement with Zero Waste Facilitators to conduct waste audits across our portfolio (see the case study above). We have continued to grow our composting program, currently in place across California and at most Washington properties.

## Waste Diverted

# 41%



Waste recycled in 2023

# 6%



Waste composted in 2023



## Sustainable Transportation 2023



Average Walk Score

67



Average Bike Score

60



Properties within .5 Mile of Public Transportation

97%

## EV Chargers Installed Through Year-End 2023



Properties

73



Chargers

603



Ports

805



MWh

3,238

## Electric Vehicles

We take a multi-pronged approach to reducing transportation GHG emissions in our communities. We factor walkability and public transportation access into our acquisition and development strategy, while simultaneously investing heavily in electric vehicle (“EV”) infrastructure.

We monitor charger use and local market conditions to prioritize when and where to install chargers. Our goal is to mirror market expansion and install chargers as residents begin to see them as a desirable amenity. By the end of 2023, we installed 805 charging ports

at 73 properties. This included expanding existing capacity at three communities. On-site EV chargers provided 3,238 MWh of charging to our residents in 2023.

We have begun to reevaluate and refine our EV strategy as the market has evolved and matured. In 2021, we began installing shared and reserved chargers. In 2023, we adjusted our time-of-use pricing model to better correlate with utility rates. Our goal is to create revenue-generating opportunities using our EV infrastructure, a project that will continue into 2024.

100%

Properties Benchmarked in ENERGY STAR

14

ENERGY STAR Certified Properties

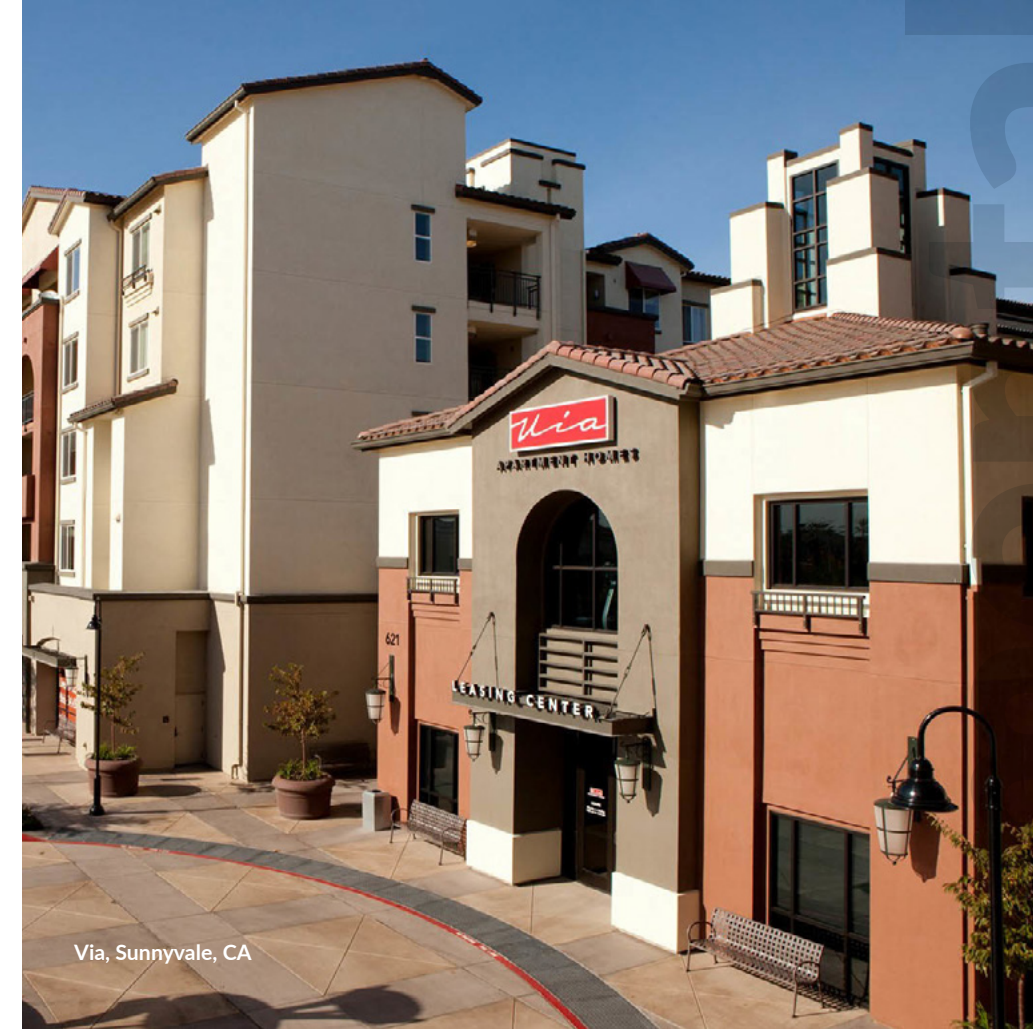
7

IREM Certified Sustainable Properties

## Certifications

We look at certifications as a framework to guide our work and as a way to document and celebrate our success. We have pursued certifications for new developments since 2009 and aim to obtain at least one green certification for all new construction projects when feasible. In 2023, we expanded our certification program to include operational certificates. We certified seven buildings under IREM last year and plan to evaluate even more in 2024.

We are proud to partner with ENERGY STAR. 100% of our properties are benchmarked in ENERGY STAR and 14 buildings held a certification in 2023.



Via, Sunnyvale, CA

Green Certifications	Number of Properties <sup>1</sup>
BUILT GREEN	1
GreenPoint Rated	9
GreenPoint Rated Silver	1
LEED Certified	2
LEED Gold	6
LEED Gold ND	1
LEED Neighborhood (targeted)	1
LEED Silver	7
LEED Silver (targeted)	1
<b>Total Communities Developed with Green Certifications</b>	<b>29</b>

<sup>1</sup>Table includes only properties owned in 2023.



## Climate Change Risk and Opportunities

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

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

We completed a Climate Risk Analysis in 2022 that outlines our physical and transitions risk over the short, medium, and long terms. The analysis built a framework for reviewing climate-related risks that we utilize during our annual enterprise risk management process.

Using this catalog of information, we developed a risk profile based on the ERM risk scale, which is reviewed annually as part of our holistic risk management process. We have begun mitigation planning for key physical and transition risks identified, beginning with decarbonization in 2023 and our SBTi commitment in 2024. The Audit Committee regularly engages with management to oversee that the mitigation strategies developed and implemented meet our established criteria

Our portfolio is located along the West Coast, which presents unique physical risks as well as a rapidly evolving regulatory environment. To address physical risks, we conduct scenario planning and have created an interactive GIS map that charts the acute and chronic physical risks.

For the transition risks, we monitor national, state, and local laws to stay abreast of the rapidly changing regulatory environment, which could result in increased operating and reporting costs. We have long focused on California's Title 24, or Building Energy Efficiency Standards, which seeks to reduce emissions through the state building code. In the fall of 2023, California passed carbon reporting and climate risk disclosure legislation, and Seattle adopted building performance standards regulations. Then, in the spring of 2024, the U.S. Securities and Exchange Commission ("SEC") unveiled ESG and climate risk reporting requirements. We are actively monitoring these regulations as the jurisdictions roll out details for implementation and compliance and any active or potential litigation through the state and federal courts. There remains much uncertainty about these regulations, but we are preparing to comply if and when required by law.

The majority of our assets already report to benchmarking and building performance regulations, so much of the new legislation and rule-making is familiar to us.

We are committed to transparently monitoring and reporting our climate risk over the long term, as a component of our overall risk management strategy and good governance responsibilities. Please see our TCFD Index on page 60 for further details on Essex's climate-related risks and opportunities.

Canyon Oaks at Windemere, San Ramon, CA  
Utilizes PV Energy Systems







# Social

**THE ESSEX VISION IS** Providing Great Communities in Which to Live, Work, and Invest. We believe that creating social impact for our residents and associates directly correlates to our financial performance by decreasing resident turnover, increasing employee productivity and retention, and lowering operating costs. Over the past several years, we have invested in reorganizing many aspects of the Company to improve both the resident experience and the employee journey. We began 2023 with two exciting new programs for associates: paid parental leave and enhanced mental health support. We launched both of these programs after listening to our associates explain how we could best impact their working life.



## Affordable Housing Programs

The lack of affordable housing continues to be a social and economic issue in California and Washington. Data shows that a shortage of housing inhibits economic growth in our communities. We take pride in our ability to contribute solutions by providing affordable housing across the portfolio, especially in areas where the need is high.

In 2023, we developed a premier apartment community containing 211 market-rate and 53 affordable apartment homes. Pursuant to an agreement with an agency of the City of San Diego we committed to maintaining rents for these 53 apartment homes at affordable levels. The levels are set by the agency and generally state that rent cannot exceed a specified portion of area median income levels.

The direct development property, LIVIA at Scripps Ranch in San Diego, is a precedent-setting public-private partnership with the San Diego Unified School District. The affordable units, 20% of the total, were affirmatively marketed to qualifying school district employees. In addition to apartment homes, the development houses a 4,000 SF student marketplace, a community center building, and a community garden. LIVIA is a vibrant example of our commitment to investing in our community and its future generations.

In 2023, through all of our initiatives, we provided affordable apartment homes at 44 communities and over \$25 million in rent subsidies, covering nearly 2,500 affordable homes available at below-market rates for our lower-income residents. An additional 4,323 homes across 16 of our communities are locally rent stabilized.

## Resident Engagement

We believe in going above and beyond to ensure that each resident feels satisfied and at home in our communities. Resident satisfaction is a key focus for our operating teams and we actively monitor resident engagement levels.

We leverage our resident surveys to directly capture internal resident responses in an efficient way. In 2023, Work Order satisfaction continued to be our top-performing area thanks to our dedicated Maintenance teams. We further complement our measurement and reporting of the resident experience through the support of our reputation management vendor. We ended 2023 achieving an impressive overall sentiment score of 3.8, putting us on track to reach our company goal of 4.0 in 2024. Our San Diego region stands out as the top-performing region, leading our portfolio with an exceptional sentiment score of 4.6.

To ensure a well-rounded resident experience, we organize regular events to engage and welcome our diverse group of residents and their families. These events include barbecues, pet-friendly parties, seasonal festivities, and local charity events where residents have the opportunity to meet their neighbors and become part of the community.

**\$300,000+**

Invested in Resident Engagement Events

**\$25M+**

In Rent Subsidies



# Essex Cares

**THE ESSEX CARES** program is a framework through which we can put two of our core values into action: caring about what matters and doing right with urgency. We have structured the program with three key areas of focus that seamlessly align with our Company initiatives: residents, associates, and community.

## ESSEX CARES ABOUT RESIDENTS

In 2023, we furthered our support of affordable housing through direct capital investment and by using our voice to advocate at the local level for affordable and discounted employee housing. We believe that our communities are stronger when everyone has an opportunity to afford a safe, welcoming home. We have partnered with HIF for over 30 years to work toward increasing affordable housing in our communities.

In January 2023, Essex pledged an additional 10 apartment homes to HIF's Affordable Housing Initiative ("AHI"), bringing our full commitment to providing affordable housing to 18 households within our Bay Area communities. The AHI program provides rent discounts of ~\$1,100/month to public and nonprofit sector employees, which allows them to live within 30 minutes of their workplace. Our collaboration with the AHI program strengthens communities by enabling those who serve the community to reside there.

## ESSEX CARES ABOUT ASSOCIATES

This year, Essex launched the Everyday Excellence Program to boost recognition for associate contributions. The peer-to-peer recognitions showcase what associates do every day to make Essex great and embody the Essex values.

We host several events throughout the year to celebrate associates and promote community. During our annual associate appreciation day, we hold events across all regions to celebrate the hard work and dedication our E-Team puts in daily. We recognize the careers and value added from our



"The Essex team have been truly great and supportive partners in helping us realize our mission. The direct impact on the hundreds of households in need each year is significant, and the extended impact on their children and the agencies we support will continue for years to come."

**Steve Sullivan, Executive Director**  
Housing Industry Foundation



long-standing operations associates at tenure lunches. We sponsor the Essex Sports Leagues across our operational regions to promote teamwork, wellness, and fun! These events give us the opportunity to demonstrate to associates that they are integral to our continued success.



## ESSEX CARES ABOUT COMMUNITY

Our Community Assistance Program supports our local communities by making monetary, in-kind, and volunteer contributions to organizations focused on DEI initiatives, the environment, food insecurity, and the digital divide. We donated over \$400,000 to community groups throughout 2023, including Habitat for Humanity, Human Rights Campaign, Project Helping, One Tree Planted, and local food banks and women's organizations. In addition to our contributions, Essex associates volunteered nearly 400 hours at local community organizations such as The Giving Farm in Westminster, The Baylands EcoCenter in Palo Alto, Foster Love in Brea, and Northwest Hope & Healing in Seattle.

We seek out opportunities where we can leverage our real estate-specific resources and expertise to help nonprofits in our communities. This year we donated free office space to Coastal Kids Home Care, a nonprofit that provides home care and pediatrics services to 650 children in Monterey County, Santa Clara County, Santa Cruz County, and San Benito County. Since we've reorganized our property management structure and leveraged digital tools, we no longer need the leasing space in many of our properties. Coastal Kids needed

a central location where staff could meet, take phone calls, and store supplies. It proved to be a fruitful partnership.

"With our new business model, we don't have to have somebody on-site at each property," said Anne Morrison, Chief Administrative Officer for Essex. "This allows us to put that vacant space to good use and provide it to a nonprofit." Renting an office space this size would normally cost about \$100,000 a year given typical market conditions. Forming these impactful partnerships is at the heart of Essex Cares.



"It warms my heart to spend my volunteer hours supporting the larger NorCal community at the food bank and garden. I'm so proud to represent Essex and our company values. We truly Care About What Matters!"

**Racquel Astronomo**  
Community Relations Manager



# Everyday Excellence



**Kori Freeman | Supervisor, Central Services**

"Kori puts an emphasis on ensuring her team's needs are met. She is always available for us whenever we need and makes sure we feel supported. In a world where change happens seemingly daily, she stays on top of keeping us informed of how to best assist the residents and the properties. She also does a great job of providing a great work-life balance while still maintaining team productivity. Kori truly puts the value of her team first and lets everything else fall in place."

**Talia Panis-Chorman | Account Specialist**

"Talia's commitment of seeking fairness for our residents is what drives her to achieve her purpose. She recently took it upon her herself to take the lead for our team in training certain Specialist in REHA Housing Account reviews and corrections. Talia is a subject matter expert and is eager to share her knowledge with others. Thank you Talia for taking this on and for supporting our team to success!"



**Paul Lee | Community Relations Manager**

"Paul is a dependable leader who consistently steps up to support his team, especially during various staffing transitions. His commitment to excellence is apparent every day in how he serves residents, contributes to increasing customer sentiment scores, encourages his team, steps up to complete monthly notices and special projects, and in how he assists other team members and collections. Recently, despite being short-staffed himself, Paul assisted me while I was alone in the office for my collection. He not only took resident calls, but he also picked up my call when I needed help with something. Thank you for all you do!"



**Francisco Gomez | Maintenance Technician**

"Francisco is the embodiment of a 'Do Right with Urgency'. He is always willing to go above and beyond to ensure that maintenance requests are completed promptly and efficiently. In the face of unexpected challenges, he remains steadfast and focused on finding solutions that minimize costs and maximize results. His dedication and commitment to excellence make him a true asset to the communities he serves and to the Company as a whole. Thank you, Francisco, for your unwavering commitment!"



**Oscar Hernandez | Maintenance Supervisor**

"Oscar acts and interacts with integrity on a consistent basis. He commits to high moral standards and operates with integrity and sincerity. He maintains the confidence of residents and team members by acting in their best interests consistently. Recently, Oscar was highlighted on Essex's social media with a 5-star review from a resident who genuinely values his hard work and dedication."



## Employee Journey

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

- + Talent Management
- + Learning and Development
- + Recognition
- + Wellness
- + Benefits
- + Diversity

We focus our employee engagement strategy on meeting the needs and fostering employee growth across our workforce. We seek input from employees through surveys and use the feedback to design our programs. After deployment, we monitor employee engagement and outcomes, along with program costs, and use this data to refine our offerings over time. The feedback loop helps us provide the most impact for our associates while maintaining strong financial performance for our investors.

We seek feedback from our employees to design programs that effectively respond to their concerns and ambitions. We launch monthly surveys about various topics relating to the six pillars. We value hearing ideas and contributions from all corners of the Company through the Speak Up platform, where employees can candidly share their thoughts. Additionally, we hold monthly Company-wide webinars ("Coffee Talk") hosted by our Senior Management Committee ("SMC"). Coffee Talks are open to all associates and provide an interactive panel discussion, open forum Q&A, associate highlights, and leadership updates.

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



## Associate Engagement Drivers<sup>1</sup>



Meaningful Work



Goal Setting



DEI



Organizational Fit

<sup>1</sup> Scored out of 10 with all drivers scoring at or above True Benchmark (external benchmark comparing organizations with a similar employee demographic).



## Talent and Performance Management

Over the past few years, we have developed several enhancements to our performance management process. All employees now complete a self-evaluation during the review process to foster a two-way dialogue between associates and frontline managers. We instituted a coaching program for people managers that trains them in the skills needed to conduct fair, transparent performance reviews across their department. As a result of the coaching program, 100% of our associates discussed their performance with their manager. A major component of the discussions is the setting, tracking, and evaluating goals for each associate. Associates set goals and link their individual goals to those of Senior Management. By doing so, associates can see the strategic direction for the Company and understand how their job contributes to Essex's mission and vision. Goal achievement and linkage is reviewed semiannually.

We solicit feedback about the performance review process through associate surveys, and use this data to provide additional structure and training where necessary so that each associate receives fair, constructive feedback from their manager.

In 2023, we introduced competency assessments at the corporate manager and above levels. By using similar success metrics across the Company, we can create a more comprehensive, scalable de-

velopment program for learning and growth. We aim to prepare our associates for success so they feel encouraged to apply for advancement and continue to contribute to our business.

Additionally, senior leaders undergo a talent calibration process to discuss performance and potential key roles. This allows us on to develop a succession plan, which is presented to the Nominating Committee at least once per year and is regularly discussed by the Board in its executive sessions. All SMC members must develop succession planning within their areas of responsibility and identify a potential successor as part of their annual strategic goals.

As a result of these initiatives, we have formal programs for associates at all levels to provide and receive performance feedback.

## Associate Promotions

234 

Total Internal Associates Promoted

## Learning and Development

At Essex, we strive to create a learning culture where our associates build the skills they need to succeed, learn from experts and each other, and keep that learning alive during their day-to-day work. In our learning culture, all levels of leadership recognize the importance of associate development and foster an environment where it is valued and promoted.

Our learning and development program is built on four pillars:

- + Building Skills
- + Shared Learning
- + Leadership Focus
- + Mentors & Experts

The current focus of our L&D team is a new onboarding program for our on-site operations staff. Effective onboarding provides new associates with the skills they need to succeed and drives the success of the Company. Industry data shows that successful onboarding reduces costly employee turnover.

The new onboarding program consists of an expert teaching critical entry skills and pairing new associates with a peer mentor who provides advice and support over a longer term. We piloted the program with leasing consultants in 2023 and have been gathering metrics with which to measure the program's effectiveness. We plan to expand the program to additional roles in 2024 and to corporate positions in the future.

All associates participate in a variety of development programs based on job function. Through our Learning Management System ("LMS") we can identify training needs, deliver digital content, and record performance outcomes. Employees have access to thousands of digital and in-person trainings that can improve all aspects of their job performance, including leadership, software, building operations, and communications. Our LMS is integrated with our human capital man-

agement system and partners with artificial intelligence to recommend courses based on job role, professional interests, and identified areas for improvement. The LMS incorporates feedback from performance reviews and manager comments to direct employees toward course recommendations that can further improve their journey here at Essex.

\$305,000

Total Investment in Training and Development

14



Average Hours of Training per Associate





## Total Rewards

Essex is dedicated to cultivating a positive and fulfilling workplace that values and acknowledges the efforts of our associates. Our rewards and recognition program is an opportunity to recognize milestones along our employees' journey and celebrate associates who consistently demonstrate Essex's Behavioral Values (see page 9) within the workplace and who make contributions beyond their designated roles, duties, and responsibilities.

 **2,700+**

Rewards in 2023, Totaling Nearly

**\$950,000** 



## Benefits

Providing equitable compensation and benefits is an important component of talent management and associate wellness. We aim to reward associates with a competitive compensation and benefits package that recognizes their importance within Essex and reduces costly turnover.

We are committed to improving the financial well-being of our associates and have been increasing our starting hourly wage every year since 2020. We have observed through employee surveys, our own internal data, and nationwide trends that many hourly employees pay an outsized percentage of their salary toward insurance and 401(k) contributions. We are taking active steps to reduce this inequality and provide greater financial security to our associates.

In response to valuable feedback from our Associates, we have enhanced our medical plan offerings by introducing new plans featuring lower monthly premiums and higher deductibles. These enhancements were carefully designed to offer our associates a broader array of choices, ensuring that their medical coverage is better aligned with both their healthcare requirements and financial goals. We continuously evaluate our total rewards offerings to ensure they remain competitive and equitable for all. Finally, approximately 34% of our associates take advantage of our housing discount program.

In 2024, we will continue to solicit input from our associates to craft additional benefits that respond to their priorities.

## Associate Benefits

**\$20/hr<sup>1</sup>**

Minimum starting compensation

**\$6,000**  
Up to

Per associate 401(k) match

**\$5.5M**  
Nearly

Housing discounts provided to 800+ associates in 2023

**\$440,000+**

Paid in tenure bonuses to nearly 200 associates

**\$3,000**  
Up to

Tuition reimbursement



Industry-leading time off program



Paid parental leave program



Internship program for college students

<sup>1</sup>As of 1/1/2024







## Wellness

One of our Behavioral Values is “We see it, own it, do it.” This extends to encouraging our associates to prioritize their well-being and take care of themselves and others. Our wellness program is built on five pillars.

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

We strive to educate our associates about how they can work on improving their own well-being and how to access Essex’s resources to help them do so.

We have two new, exciting programs that support the pillars. In late 2022, we introduced paid parental leave to encourage

parents to create familial bonds and reduce the stress of welcoming a child into their home. The leave is available to all Essex birth and non-birth parents, including parents through adoption and foster care. Paid parental leave reinforces our commitment to supporting working families and creates a competitive, modern, and equitable workplace for parents.

In 2023, we expanded our mental well-being benefit to increase access to mental healthcare for our associates. Through our partner, we offer a network of therapists and other mental health professionals who can provide easy access to high-quality, personalized care for our associates and their families, free of charge. The program was extremely well received by associates after we launched it in 2022, so we added additional therapy and coaching sessions to the benefit last year.

We create a community at Essex that is centered on wellness. We use online platforms, virtual and in-person trainings, and company events to make connections among our staff. We offer Vitality, an online platform through which we encourage employees to engage in their wellness through financial incentives for team-based wellness challenges, health questionnaires, goal setting, biometric screenings, and healthy lifestyle education.

We offer a diverse range of education programs to support our associates on their wellness journey, including: speakers and trainings on financial wellness, a nutrition series, ergonomics trainings, and additional topics focused on promoting overall well-being. In 2023, we launched the Essex Culture Orientation Program

to introduce new members of the E-Team to our culture and values and lay a foundation for a successful employee journey. The program comprises interactive sessions spanning an associate’s first day, first month, and first quarter of employment. We have received excellent feedback on the program via surveys and are analyzing turnover data to gauge effectiveness.

In 2023, we further expanded our wellness engagement through the creation of the Wellness Champ (“Champs”) Program. Champs are associates who believe deeply in the benefits of actively working on their well-being and are excited to share their journey. We empower these associates to inspire their colleagues. We also encourage employees to extend the five pillars out into our communities to create connections with residents.

To achieve social well-being, we encourage associates to balance their work and personal lives. We acknowledge that different departments have different staffing needs and tailor policies accordingly. Our on-site associates have paid time off, sick days, and refresh days that they can use to take off work. We track utilization rates and set expectations for managers to ensure that employees are able to use this benefit. For our corporate employees, we have introduced flexible, hybrid arrangements that balance time in the office with remote work.

303



Associates Receiving Annual Biometric Screenings

1,115

Associates Registered in Vitality



“Wellness journeys aren’t linear. Life is a cycle of seasons and staying mindful has been key in maintaining and improving my wellness. Keeping the pulse on my levels of stress, time with family, and emotional and physical well-being have been greatly important. I use the Vitality goals and have made this my Monday morning routine for the last few years, to check in with myself to ensure I’m maintaining my wellness.”

**Sheena Boone**  
Sr. Manager, Central Services

“I was grappling with the news of being diagnosed with type 2 diabetes at the beginning of the year, precisely when I joined Vitality. At 25, facing this unexpected reality was daunting and confusing. However, Vitality became my guiding light during this challenging period. The platform provided the support and resources I needed to navigate the complexities of managing my health, turning what initially seemed like an overwhelming situation into a manageable one.”

**James Cruz**  
Sr. Leasing Consultant



## Diversity, Equity, Inclusion and Belonging

At Essex we embrace our diversity because it contributes to better service for our residents and stronger business performance for our investors. Cultivating a sense of belonging for all Essex employees is engrained in our core values, Seek Fairness and Act with Integrity. We have built a strong foundation of encouraging and promoting the enhanced representation of women, people of color, military veterans, LGBTQ+, and disabled employees (across all intersecting identities) within the business and in leadership ranks.

We actively invest in inclusion through management representation, our DEI Committee, associate training, employee resource groups ("ERG"s), company policies, and industry collaborations. To ensure that all associates feel a sense of belonging, we have taken active steps to improve communication during Company-wide events. We now provide bilingual translation during Coffee Talks and Open Enrollment so associates who speak languages other than English can fully participate in these essential events.

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

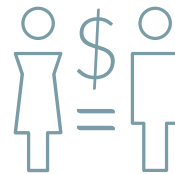
### Pay Equity

Essex prioritizes pay equity and we strive to maintain a compensation structure that is both fair and reflective of our associates' performance. As part of our dedication to ensuring fair compensation practices, we regularly conduct a comprehensive compensation review process. This includes evaluating internal equity during the hiring process, facilitating job changes, and conducting merit evaluations.

Additionally, the Company conducts a pay equity analysis on an annual basis. We developed a robust, multiple-regression analysis model, which confirmed that we continue to maintain our gender pay parity. We have further disclosed the compensation ratios by gender based on average total annual salary at each management level with the average set at 100%. Our robust statistical analysis confirmed that gender was not a significant factor in determining pay decisions in 2023.



Of Senior Executives Are Female



Gender Pay Parity For 3rd Consecutive Year

### Gender Compensation Ratios<sup>1</sup>



Male



Female

<sup>1</sup> CEO and NEO salaries excluded.

## DEI Committee

The Essex DEI Committee is composed of two teams: the Steering Team, senior and regional management who set the committee's purpose and goals, and the Action Team, associates across departments who drive the work that champions the committee's vision. The committee leads ongoing celebrations of our diversity with quarterly keynote speakers and participation at community Pride events. The committee also shares resources via our communication channels, supports internal and external branding, volunteers in the community, and encourages others to participate in DEI trainings.

We partner with a DEI training and consulting firm to provide learning designed to be most impactful for our associates and their roles within Essex and our communities. In 2023, we offered training on several topics:

- + Ongoing DEI training series for all new hires
- + Hosting inclusive meetings
- + Understanding cultural differences
- + Recruiting and Hiring Inclusively workshop
- + Spanish language sessions

## Employee Resource Groups

A key component of our DEI program is our ERGs, which are voluntary, employee-led affiliations open to all and sponsored by the DEI and ESG Committees. These groups play an important role in articulating, promoting, and supporting associates' collective concerns, achieving DEI goals, and advancing an inclusive culture within the Company. We encourage the development of future ERGs and have published a road map for our associates so they know how they can work to form a new group. Our ERGs help to build relationships, empower collaboration, increase morale, provide insights, and enhance Company engagement efforts.



## DEI Metrics



Total Workforce by Gender<sup>1</sup>



Total Associates Receiving DEI Training



Total DEI Training Hours

<sup>1</sup> 1% Not Disclosed



## Workforce Demographics

# 1,750

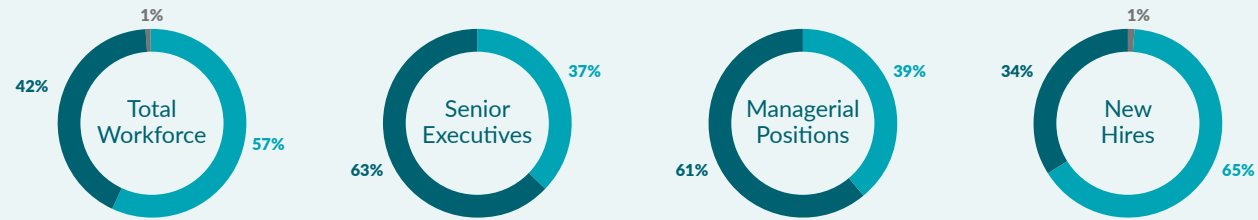
26% Corporate

74% Operations

13% Promotion Rate

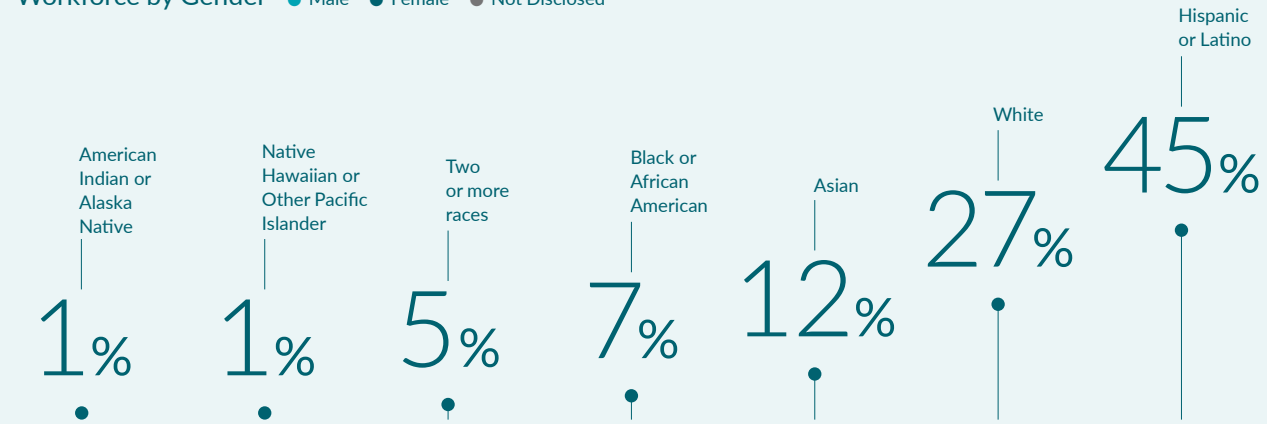
21% Turnover Rate<sup>1</sup>

### Total Workforce by Employment Type

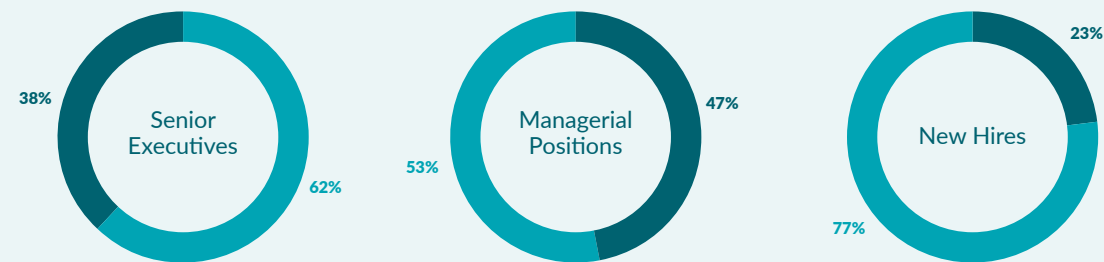


### Workforce by Gender

● Male ● Female ● Not Disclosed



2% Chose not to repond



### Workforce by Ethnicity

● White ● People of Color

<sup>1</sup> Voluntary turnover rate, see GRI Index on page 55 for full turnover metrics. National Multifamily Housing Council turnover rates for the multifamily industry are 37% total turnover and 33% voluntary turnover.



LIVIA at Scripps Ranch, San Diego, CA  
Features a Student Marketplace and Community Garden





Gas Company Lofts, Los Angeles, CA  
A Walker's Paradise Featuring a Walk Score of 98

# Governance

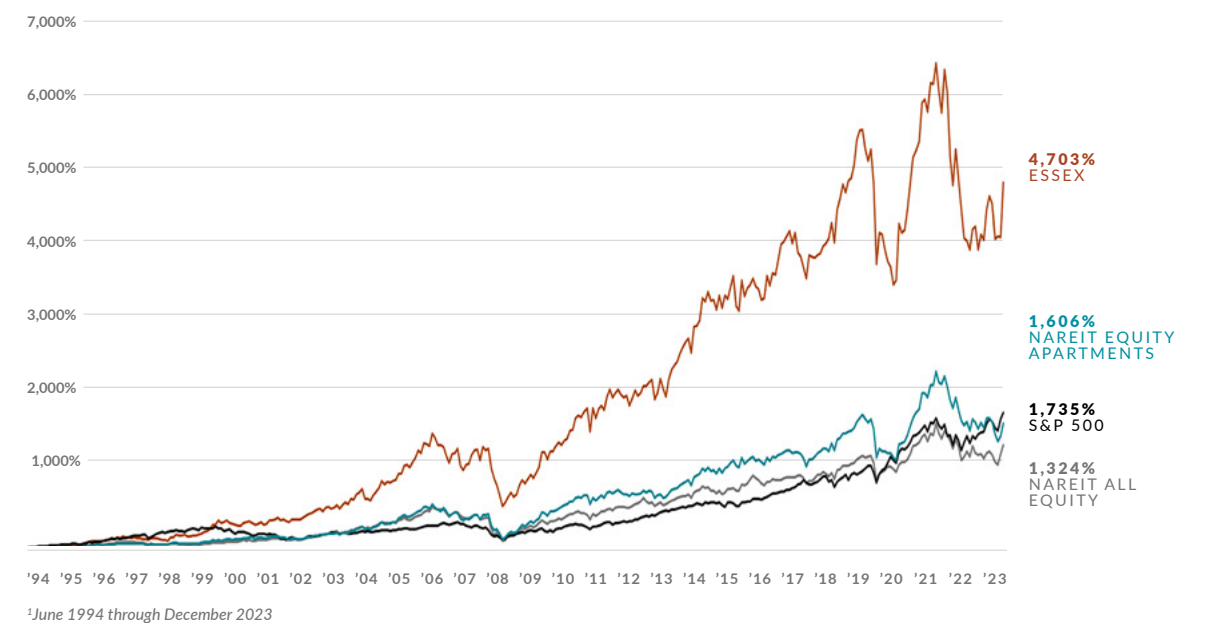
**ESSEX'S COMMITMENT** to strong corporate governance and integrated Board oversight is at the core of both our ESG and financial strategies and successes. Since our initial public offering ("IPO") in 1994, we have maintained consistent, profitable returns for our shareholders while upholding our core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

## Sustainable Returns

Essex has generated among the highest total returns of all public U.S. REITs in existence since its IPO in 1994 through year-end 2023. In early 2024, we announced our 30th consecutive annual dividend increase, continuing Essex's track record of increasing cash dividends as an S&P 500 Dividend Aristocrat. Our proven track record of delivering strong financial results is driven by our experienced leadership team's dedication to our ESG mission and disciplined capital allocation process. We invest in markets that generate the

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

## Total Shareholder Return Since ESS IPO<sup>1</sup> Through December 2023



**7.5%**

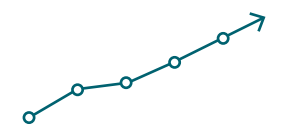
Core FFO per Diluted Share CAGR through 2023

**6.1%**

Dividend Growth CAGR through 2023

**30<sup>th</sup>**

Consecutive Dividend increase announced February 2024



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



## Our Board

Our Board leads our business and ESG performance at the highest level. We select our directors based on their relevant diverse experience in real estate, business, finance, administration, cybersecurity, ESG, and corporate governance. We also consider relevant non-professional factors such as personality, integrity, and diversity. We refresh the Board regularly with an aim to enhance our collective expertise in critical areas, and have added four new members over the past four years. As of our 2024 refreshment, four of our Board members have ESG experience, two have climate-related oversight, and three have cybersecurity experience. Our Board conducts an annual self-evaluation process, as documented in our annual Proxy Statement.

The Board is regularly updated on ESG risks, opportunities, and initiatives, including cybersecurity, climate change, and safety issues. In 2023, we unveiled a new dashboard to streamline the process and help directors see the full context of our business. We supplement the dashboard with an educational packet at each board meeting in an effort to keep the directors informed about important industry topics.

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

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

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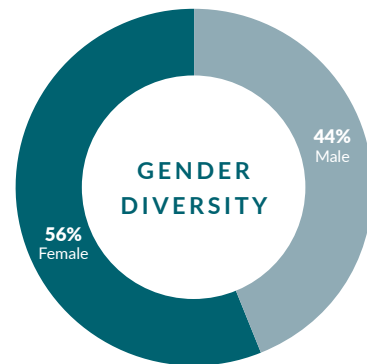
Board Experience  
Average Tenure

78%

Director Independence

50 WOMEN  
50 ON BOARDS

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



33%

Self-Identify as Diverse

Board Demographic representation as of 5/14/2024 Annual Meeting

### Audit Committee

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

### Compensation Committee

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

### Nominating Committee

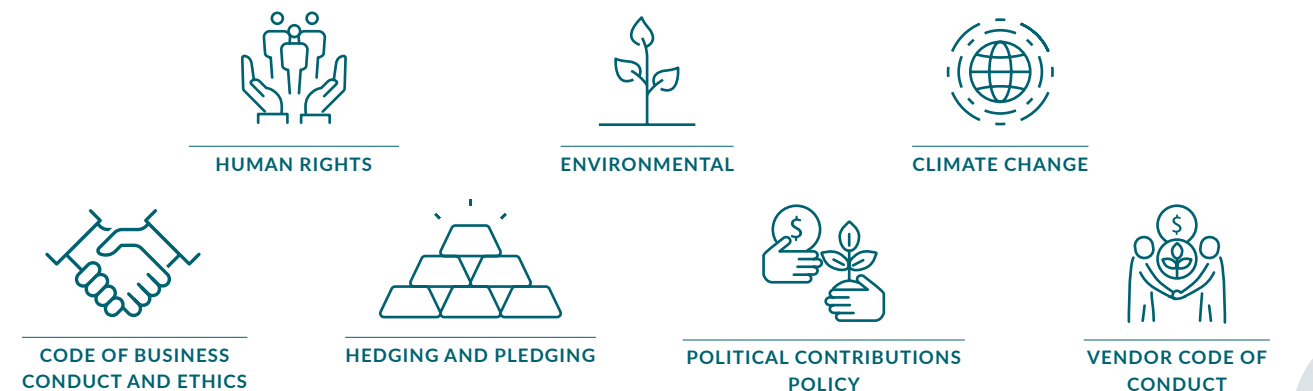
The Nominating Committee determines Board qualifications, nomination, composition, and evaluation. This committee is also expressly responsible for reviewing our ESG strategy, goals, and initiatives and providing updates to the Board on our progress. The committee monitors current trends and practices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

## Internal Audit

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

## Policies

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



## Enterprise Risk Management

Essex has a robust and well-integrated ERM function. Our ERM approach identifies and assesses risk across several areas (including ESG-related risk), articulates mitigation efforts, and assigns ownership responsibilities to achieve those efforts. A Company-level ERM Committee, consisting of senior leadership and technical experts, provides comprehensive oversight of our major risks and delegates tracking and mitigation responsibilities to the appropriate departments across the Company. We believe that it is the responsibility of all Essex associates to manage risk.

We incorporate ongoing climate risk analysis into the ERM framework to ensure that we analyze these metrics within the context of our broader risk universe. See the Environmental section for more information on our climate risk assessment and strategy.

Each year we conduct a tabletop exercise based on a risk scenario. In 2023, we modeled a seismic event which included 20+ associates from 12 key departments. The exercise and scenario, identified through our ERM risk assessment, reviewed and refined the risk mitigation and recovery strategies documented in the crisis management plans.





### Ethical Company

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

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

### Human Rights

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

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

### Safety

In 2023, we implemented a new Injury & Illness Prevention Plan ("IIPP") and complementary training plan. The revised IIPP streamlined and simplified the document while the new training program enhances our safety training through supplemental online, on-demand training to our associates.

The new IIPP and training build on the Essex culture of safety. Beginning in 2020, we instituted a coordinated effort to increase our collective awareness around safety through training to both operations and corporate staff.

We continually review, test, and adapt our operations and emergency procedures to ensure that they meet all applicable regulations, including OSHA, state and local laws, and recommendations from our insurance carrier and our legal team. Our internal emergency manual outlines our protocols to be followed in the event of natural disasters (floods, earthquakes, and fires), medical emergencies, loss of services, and other asset-related risks. Additionally, every community is equipped with an Emergency Preparedness Kit.

Our on-site teams are fundamental to our safety program—they are responsible for implementing policies and take accountability for effectively handling emergencies to ensure the safety of our communities. Starting in 2022, we provided safety training refreshers for current and new associates during electrical, HVAC, and plumbing courses. We have moved much of our training online so that it is more accessible and convenient for our on-site staff to attend. We also embed safety discussions into E-Hours and Coffee Talks, making the conversation a continual part of the workday. We monitor workplace compensation claims and organize additional trainings for teams where appropriate.



5,799 

Hours of Health & Safety Training

1,591 

Total Associates Receiving Safety Training



# Appendix

452 

Hours of cybersecurity and data privacy training

## Keeping Data Secure

We use risk-based profiling to structure access and security protocols across Essex as a way to efficiently and effectively deploy resources. Users and departments are granted access to only the functions and data needed to perform their job duties, and are provided with a level of security proportional to their risk.

We have multiple programs in place to ensure that our associates are responsible users of technology and data. We provide mandatory onboarding training for cyber risks and elective training for other associates. We run regular simulated phishing campaigns and provide additional training where needed based on the results. We also monitor phishing attempts and take proactive actions, including geoblocking, to thwart future attempts.

We screen potential third party vendors to ensure that their cybersecurity procedures meet our standards, and all vendors undergo a quarterly review for potential threats.

We have formal incident response plans and escalation processes in place to respond to a breach. We maintain an Operations Center team that reviews and monitors these threats 24/7.

## Responsible Procurement

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

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

81% 

Local vendors used



# ESG Fact Sheet

## SUPPLEMENTAL INFORMATION / ENVIRONMENTAL<sup>1</sup>

INDICATOR	UNIT	2018	2019	2020	2021	2022	2023
<b>Energy &amp; Emissions</b>							
Absolute Energy Usage - Electric	MWh	100,716	100,556	90,685	87,485	89,773	88,932
Absolute Energy Usage - Natural Gas	MWh	195,531	199,126	169,345	187,449	174,368	175,772
Total Energy Usage	MWh	296,247	299,682	260,030	274,933	264,142	264,704
Direct GHG Emissions (Scope 1) 2	MtCO2e	35,453	36,105	30,705	33,988	31,616	31,871
Indirect GHG Emissions (Scope 2) 2	MtCO2e	21,776	18,894	15,126	14,042	12,180	11,492
Like-for-Like Energy Usage - Electric	MWh	89,797	91,229	82,260	78,775	79,937	79,506
Like-for-like Energy Usage - Natural Gas	MWh	182,769	186,239	158,486	175,714	161,820	163,793
Total Like-for-Like Energy Usage	MWh	272,566	277,468	240,745	254,489	241,757	243,299
Percentage of Electric Energy Usage Derived from On-site Renewable Sources	Percentage	2.9%	5.0%	7.3%	9.5%	10.8%	13.1%
Total Renewable Energy Generation	MWh	2,923	4,996	6,604	8,328	9,691	11,620
Installed Capacity of Solar Power	Kilowatts	3,007	4,780	4,982	6,746	8,496	9,197
Total Investment in Low Carbon Opportunities	Dollars (US)	\$452,538	\$13,851,535	\$2,203,899	\$11,822,937	\$6,157,172	\$3,747,577
<b>Water</b>							
Absolute Whole Building Water Usage	Kgal	2,923,332	2,853,971	3,133,020	3,032,602	2,972,129	2,980,853
Like-for-Like Whole Building Water Usage	Kgal	2,784,839	2,719,613	2,988,702	2,891,982	2,828,854	2,833,142
Like-for-Like Water/Occupant Ratio	Gallons	60,128	58,720	64,530	61,797	60,448	60,540
<b>Waste</b>							
Total Waste Generated in Community Operations	Metric tons	71,102	70,219	75,758	76,517	83,464	84,979
% of Community Waste Recycled in Community Operations	Percentage	36.58%	36.27%	37.98%	38.43%	40.35%	40.97%
% of Community Waste Composted in Community Operations	Percentage	4.36%	3.61%	3.57%	4.71%	6.38%	6.43%

## SUPPLEMENTAL INFORMATION / SOCIAL

TOTAL WORKFORCE BY EMPLOYMENT TYPE						2023	
	GENDER		LOCATION		TOTAL		
	MALE	FEMALE	CA	WA	#		
Full-time	1,007	733	1,449	297	1,746		
Part-time	1	3	4	0	4		

TOTAL WORKFORCE BY CONTRACT TYPE						2023	
	GENDER		LOCATION		TOTAL		
	MALE	FEMALE	CA	WA	#		
Permanent	1,008	736	1,453	297	1,750		
Temporary	2	6	20	0	20		

<sup>1</sup> 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 years 2018-2023. Historical data totals for electric, gas, water, waste, renewable energy, and GHG emissions have been revised to reflect the inclusion of vacant unit data which was previously unavailable, as well as the exclusion of two sold properties. After publishing our 2022 ESG Report, we found like-for-like environmental data had been characterized as absolute values and water usage was stated in gallons instead of kgal; both have been revised and restated.

<sup>2</sup> The greenhouse gas emissions inventory is market-based methodology and 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.

TOTAL WORKFORCE BY GENDER				2023		
	MALE	FEMALE	NOT DISCLOSED			
Total Workforce	57%	42%	1%			
Corporate	40%	60%	N/A			
On-Site Operations	64%	36%	N/A			
Senior Executives	37%	63%	N/A			
Managerial Positions	39%	61%	N/A			
Middle Management	37%	63%	N/A			
Nonmanagerial	63%	40%	N/A			

TOTAL WORKFORCE BY AGE GROUP				2023		
	NEW HIRES	MANAGERIAL POSITIONS	TOTAL WORKFORCE			
Under 30	34%	5%	19%			
30-50	53%	72%	52%			
Over 50	13%	23%	29%			

NEW HIRES BY GENDER AND LOCATION							2023	
	CA		WA		TOTAL			
	#	%	#	%	#	%		
Male	151	62%	45	78%	196	65%		
Female	92	38%	13	22%	105	34%		
Not Disclosed	2	1%	0	0%	2	1%		

NEW HIRES BY ETHNICITY					2023	
	MALE		FEMALE			
Hispanic or Latino	95		40			
White	44		22			
Asian	15		17			
Black or African American	19		11			
American Indian or Alaska Native	2		0			
Native Hawaiian or Other Pacific Islander	3		1			
Two or more races	8		8			
Chose not to respond	10		6			

TRAINING AND DEVELOPMENT		UNIT	2020	2021	2022	2023
Total Investment in Training and Development	USD		\$392,754	\$374,883	\$490,000	\$ 305,647
Total Training Hours	#		50,303	36,349	23,180	22,373
Total Associates to Receive Training	#		2,141	2,308	2,549	1,628

VOLUNTEERS AND CHARITABLE CONTRIBUTIONS		UNIT	2021	2022	2023
Total Charitable Contributions	USD		\$202,374	\$284,897	\$414,223
Total Associates Recording VTO	#		47	92	108
Total Associate VTO Hours	#		247	444	395

HEALTH AND SAFETY		UNIT	2020	2021	2022	2023
Lost Time Case Rate (LTC Rate)	LTC Rate		1.70	2.52	1.60	1.66
Total Recordable Incident Rate (IR Rate)	IR Rate		5.33	6.28	3.39	5.05



## GRI CONTENT INDEX

DISCLOSURE	DESCRIPTION	REFERENCE
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
2-1	Organizational details	About This Report - p. 2 About Us - p. 6 Back Cover
2-2	Entities included in the organization's sustainability reporting	About This Report - p. 2
2-3	Reporting period, frequency and contact point	About This Report - p. 2 Publication: May 2024
2-4	Restatements of information	Periodically, there may be structural changes in the Essex portfolio that have a significant impact on the Company's base year emissions. These changes may include mergers, acquisitions, divestments, outsourcing and insourcing of emitting activities, changes in calculation methodology, improvements in the accuracy of emission factors or activity data, or the discovery of data errors. When these changes occur, base year emissions will be retroactively recalculated following the GHG Protocol to ensure the consistency and relevance of this data remains uncompromised.  Supplemental Information/Environmental - p. 52
2-5	External assurance	About This Report - p. 2
2-6	Activities, value chain and other business relationships	About Us - p. 6 <a href="#">2023 10-K</a> Responsible Procurement - p. 50 <a href="#">2023 Annual Report</a>
2-7	Employees	Data compiled in head count at end of the reporting period. Supplemental Information/Social - p. 52
2-9	Governance structure and composition	Our Board - p. 46
2-10	Nomination and selection of the highest governance body	Our Board - p. 46
2-11	Chair of the highest governance body	Our Board - p. 46 <a href="#">2024 Proxy Statement</a> - p. 18
2-12	Role of the highest governance body in overseeing the management of impacts	Our Board - p. 46
2-13	Delegation of responsibility for managing impacts	Our Board - p. 46
2-14	Role of the highest governance body in sustainability reporting	Our Board - p. 46
2-15	Conflicts of interest	Ethical Company - p. 48
2-17	Collective knowledge of the highest governance body	Our Board - p. 46
2-18	Evaluation of the performance of the highest governance body	Our Board - p. 46
2-22	Statement on sustainable development strategy	Letter from the President - p. 10 ESG Strategy - p. 12
2-23	Policy commitments	ESG Strategy - p. 12 Policies - p. 47
2-26	Mechanisms for seeking advice and raising concerns	Employee Journey - p. 33
2-28	Membership associations	Bay Area Council, Building Industry Association Bay Area (BIA), California Apartment Association (CAA), Housing Industry Foundation (HIF), National Association of Home Builders (NAHB), National Association of REITs (Nareit), National Multifamily Housing Council (NMHC), San Francisco Apartment Association (SFAA), Silicon Valley Organization (SVO), Urban Land Institute (ULI), Washington Multi-Family Housing Association (WMFHA)
2-29	Approach to stakeholder engagement	Stakeholder Engagement - p. 17 Social - p. 28
2-30	Collective bargaining agreements	No employees covered by collective bargaining agreements.
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-1	Process to determine material topics	Materiality Assessment - p. 16
3-2	List of material topics	Materiality Assessment - p. 16
3-3	Management of material topics	Materiality Assessment - p. 16

<b>200 ECONOMIC TOPICS</b>		
201	Economic Performance 2016	
<b>DISCLOSURE DESCRIPTION REFERENCE</b>		
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Risk and Opportunities - p. 26
201-3	Defined benefit plan obligations and other retirement plans	Associate Benefits - p. 37
<b>300 ENVIRONMENTAL TOPICS</b>		
<b>302 Energy 2016</b>		
302-1	Energy consumption within the organization	Supplemental Information/Environmental - p. 52
302-4	Reduction of energy consumption	ESG Goals and Progress - p. 15 Supplemental Information/Environmental - p. 52
<b>303 Water and Effluents 2018</b>		
303-5	Water consumption	ESG Goals and Progress - p. 15 Supplemental Information/Environmental - p. 52
<b>305 Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	ESG Goals and Progress - p. 15 Supplemental Information/Environmental - p. 52
305-2	Energy indirect (Scope 2) GHG emissions	ESG Goals and Progress - p. 15 Supplemental Information/Environmental - p. 52
305-5	Reduction of GHG emissions	ESG Goals and Progress - p. 15 Supplemental Information/Environmental - p. 52
<b>306 Waste 2020</b>		
306-3	Waste generated	Supplemental Information/Environmental - p. 52
306-4	Waste diverted from disposal	ESG Goals and Progress - p. 15 Supplemental Information/Environmental - p. 52
<b>400 SOCIAL TOPICS</b>		
<b>401 Employment 2016</b>		
401-1	New employee hires and employee turnover	Supplemental Information/Social - p. 52 Total Turnover Rate: 25% Voluntary Turnover Rate: 21% Involuntary Turnover Rate: 4%
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits - p. 37 <a href="#">Essex Careers Page</a>
401-3	Parental leave	Benefits - p. 37 Bloomberg GEI - p. 57
<b>403 Occupational Health and Safety 2018</b>		
403-5	Worker training on occupational health and safety	Safety - p. 49 Supplemental Information/Social - p. 52
403-6	Promotion of worker health	ESG Goals and Progress - p. 15 Wellness - p. 38 Supplemental Information/Social - p. 52
403-9	Work-related injuries	Supplemental Information/Social - p. 52
<b>404 Training and Education 2016</b>		
404-1	Average hours of training per year per employee	Learning and Development - p. 35 Male: 58% Female: 41% Not Disclosed: <1%
404-2	Programs for upgrading employee skills and transition assistance programs	Learning and Development - p. 35
404-3	Percentage of employees receiving regular performance and career development reviews	Male: 100% Female: 100%
<b>405 Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	Workforce Demographics - p. 42
405-2	Ratio of basic salary and remuneration of women to men	Pay Equity - p. 40



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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

SDG	TARGET(S)	INDICATOR (WHERE APPLICABLE)	2023 RESPONSE AND/OR LOCATION
3 Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8.1 Coverage of essential health services	Benefits - p. 37
5 Gender Equality	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	5.5.2 Proportion of women in managerial positions	Workforce Demographics - p. 42
6 Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	6.4.1 Change in water-use efficiency over time	Supplemental Information/ Environmental - p. 52
7 Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy	7.2.1 Renewable energy share in the total final energy consumption	Supplemental Information/ Environmental - p. 52
8 Decent Work and Economic Growth	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	Pay Equity - p. 40
10 Reduced Inequalities	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality		Employee Resource Groups - p.41 Pay Equity - p. 40 Diversity, Equity, Inclusion and Belonging - p. 40
11 Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slum  11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons		Affordable Housing Programs - p. 29 Sustainable Transportation - p. 24 Electric Vehicles - p. 24
12 Responsible Production and Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse		Supplemental Information/ Environmental - p. 52
13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries  13.2 Integrate climate change measures into national policies, strategies and planning  13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning		SDG indicators are not directly applicable to Essex or the multifamily industry, respectively. Please see referenced report sections for Essex's impact around the SDG targets.  Climate Change Risk and Opportunities - p. 26 TCFD Index - p. 60
16 Peace, Justice and Strong Institutions	16.6 Develop effective, accountable and transparent institutions at all levels  16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels  16.b Promote and enforce non-discriminatory laws and policies for sustainable development		Employee Journey - p. 33 Workforce Demographics - p.42 Human Rights - p. 48

## BLOOMBERG GEI INDEX

KPI	RESPONSE AND/OR LOCATION
<b>Leadership</b>	
Percentage of women on company board	40%
Chairperson is a woman	No
Gender balance in board leadership	50%
Chief executive officer (CEO) is a woman	Yes
Woman chief financial officer (CFO) or equivalent	Yes
Percentage of women executive officers	100%
Chief diversity officer (CDO)	No
<b>Talent Pipeline</b>	
Time-bound action plan with targets to increase the representation of women in the company	Not disclosed
Time-bound action plan with targets to increase the representation of women in leadership positions	Women represent more than 50% of leadership positions.
Percentage of women attrition	32%
Percentage of new hires are women	34%
Percentage of women in IT/engineering	46%
Percentage of women total promotions	45%
Percentage of women in total workforce	42%
Percentage of women in nonmanagerial positions	37%
Percentage of women in middle management	63%
Percentage of women in senior management	63%
Percentage of women in total management	61%
<b>Pay</b>	
Adjusted mean gender pay gap	Not disclosed
Global mean (average) raw gender pay gap	Not disclosed
Time-bound action plan to close its gender pay gap	Pay Equity, page 40
Executive compensation linked to gender diversity or diversity, equity, and inclusion (DEI)	Yes, a portion of each named executive officer's bonus for 2023 also related to achievement of both individual goals and individual performance goals. For 2023, some of these included ESG initiatives related to maintaining programs to attract and retain a diverse workforce.
<b>Inclusive Culture</b>	
Number of weeks of fully paid primary parental leave offered	Essex provides six weeks of paid parental leave to all associates who are birth and non-birth parents, including families created through adoption and foster care.
Number of weeks of fully paid secondary parental leave offered	Essex provides six weeks of paid parental leave to all associates who are birth and non-birth parents, including families created through adoption and foster care.
Parental leave retention rate	90%
Back-up family care services or subsidies through the company	Not disclosed
Flexible working policy	Our corporate associates have flexible, hybrid arrangements that balance time in the office with remote work. Our operations staff need to be available to address on-site issues and therefore have less flexibility for hybrid work, but are instead provided with additional paid refresh days.
Employee resource groups for women	Yes, "Women at Essex".
Unconscious bias training	Yes, unconscious bias training was offered to all associates as a base training across Essex and continues to be available to all new hires on our LMS.
Annual anti-sexual harassment training	All associates receive and are required to complete preventing workplace harassment training, but it is not an annual requirement.



## SASB INDEX

SASB CODE	ACCOUNTING METRIC	RESPONSE AND/OR LOCATION
Energy Management		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Energy consumption data covers 100% of our floor area under operational control, corresponding primarily to common areas and shared services.  For additional information, refer to p. 52 - 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) 264,704 MWh (2) 63.6% (3) 13%  For additional information, refer to p. 52 - 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	1%  For additional information, refer to p. 52 - 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) 94% (2) 7%  For additional information, refer to p. 18 - Environmental
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 their 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.18 Environmental, p. 21 - Photovoltaic Systems, p. 20 - Efficiency Projects
Water Management		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 100% of total floor area. Water withdrawal corresponds primarily to whole building consumption. (2) 6.1%
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) 2,980,853 kgal (2) 45%  For additional information, refer to p. 52 - Supplemental Information/Environmental.
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	0.2%  For additional information, refer to p. 52 - 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.22 - Water

SASB CODE	ACCOUNTING METRIC	RESPONSE AND/OR LOCATION
Management of Tenant Sustainability Impacts		
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	(1) 0% of new residential leases contain a cost recovery clause for resource efficiency related to capital improvements. (2) Not applicable.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	(1) 97.0% (2) 6.3%
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Essex engages residents through the use of physical dashboards, posters, e-mail, and the resident mobile app on all ESG material issues, including health & safety, energy & water efficiency, and responsible waste management throughout its communities. Additionally, a "Green Community" addendum within our Community Handbook is included in all lease packages and the Company is currently standardizing ESG communication materials throughout its portfolio to provide additional tools, information, and resources to help residents create and maintain a green and healthy home, community, and lifestyle. Lastly, our innovative Smart Home Program is implementing new technologies in our communities and educating residents on how to maximize the use of remote thermostats, and smart plugs in order to create a healthy and green homes.
Climate Change Adaptation		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	2,173,389 leasable square feet (3.5% 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	Essex completed a Climate Risk Analysis in 2022, which provided a more in-depth assessment of the climate-related risks we face and the potential solutions for mitigating such risks. The analysis explored the transitional and physical risks facing our portfolio. Following extensive research, we developed a risk profile, based on the ERM risk scale, to assess transition risk. For our physical risks, we built an interactive GIS map that leverages several databases to track physical climate risks in our property locations and provides a real-time look at each property's physical risk profile. We established recommendations for physical and transition risk mitigation based on this analysis.  Refer to p. 60 TCFD Index for risk mitigation and resilience strategies and targets associated with climate change risk.  Refer to our latest <a href="#">2023 10-K Annual Report</a> for additional risk factors associated with climate change.



TCFD INDEX

TCFD DISCLOSURE	2023 DISCLOSURE
<b>Governance</b>	
Describe the Board oversight of climate-related risks and opportunities	Essex's commitment to strong corporate governance ensures oversight capabilities are maintained for both Environmental, Social, and Governance (ESG) and Enterprise Risk Management (ERM) risk at the Board level. Our Audit Committee oversees ERM, including ESG Risks, and our Nominating and Corporate Governance Committee oversees ESG goals and strategy. This dual reporting structure helps ensure that there are appropriate checks and balances relating to our ESG efforts.
	Essex has developed a robust and well-integrated ERM function. The company's ERM approach allows for both the identification and assessment of risk across a number of risk areas, and for the articulation of mitigating efforts and associated ownership responsibilities to achieve those efforts. A company-level ESG committee oversees ESG reporting, goal setting, and development of Essex's ESG report, and a company-level ERM committee oversees ERM strategy and objectives.
	As we continue our efforts to develop and integrate ESG more completely into our business strategy, we are also looking to integrate climate risks into our ERM risk analysis. The completion of our Climate Risk Analysis sets the foundation for our initial risk analysis, and the identified risk factors can now be included in annual assessments.
	Our approach ensures effective governance, oversight of ESG strategy and risks, and incorporation of mitigating measures.
Describe management's role in assessing and managing climate-related risks and opportunities.	<p><b>ERM COMMITTEE</b></p> <ul style="list-style-type: none"> <li>+ Vice President, Enterprise Risk (chair)</li> <li>+ Executive Vice President, Chief Administrative Officer and General Counsel</li> <li>+ Group Vice President, Deputy General Counsel</li> <li>+ Group Vice President, Chief Technology Officer</li> <li>+ Vice President, Internal Audit</li> <li>+ Director, Investor Relations</li> <li>+ Senior Manager, ESG Reporting</li> <li>+ Special liaisons as appropriate depending on need (Operations, Finance, Cybersecurity)</li> </ul> <p><b>ESG COMMITTEE</b></p> <ul style="list-style-type: none"> <li>+ Executive Vice President, Chief Administrative Officer, and General Counsel (Chair)</li> <li>+ Senior Vice President, Investment Management</li> <li>+ Group Vice President, Deputy General Counsel</li> <li>+ Group Vice President, Controller</li> <li>+ Senior Director, Sustainability</li> <li>+ Director, Investor Relations</li> <li>+ Senior Manager, ESG Reporting</li> <li>+ Special liaisons as appropriator depending on need (Operations, Human Resources, IT, Marketing)</li> </ul>
<b>Strategy</b>	
	See Climate Change Risk and Opportunities - p. 26
	Through its annual ERM review process, Essex identifies various short-, medium-, and long-term physical and transition climate-related risks across its portfolio.
	Physical risks identified include, but are not limited to: In the short-term, increased storms, wildfires, and drought variations could threaten the viability and infrastructure of our apartment communities. An increase in heating or cooling days could increase energy costs for us and our residents. In the medium-term, riverine and coastal flood could cause damage to our apartment communities and prolonged extreme heat or cold days could impact our energy consumption and costs. In the long-term, sea level rise could threaten the habitability of our apartment communities along the coastline and water stress could lead to increased costs for our apartment communities.
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Transition risks identified include, but are not limited to: In the short-term, an increase in administrative and compliance costs associated with required climate disclosure regulations and meeting building benchmarking, audit, and retro-commissioning planning ordinances. Higher energy prices due to decarbonization of electric sector and grid development and stringent renewable portfolio standards. In the medium-term, higher insurance costs and/or reduced availability of insurance coverage. Increased costs for development, renovations, and carbon retrofits due to cost of materials, carbon pricing programs, and more stringent building and energy code regulations. Changes to renewable incentive programs could result in longer payback times for on-site renewable energy systems, deletion of funds available, or termination of program. In the long-term, reduction in value of real estate assets due to not meeting energy or carbon intensity expectations (stranded asset risk).
	The Company has identified several opportunities from these climate-related risks including the alignment of ESG and climate-related disclosures with legally mandated and voluntary disclosure frameworks, expanding capabilities and implementing information management system(s) to monitor GHG emissions across the value chain, increasing on-site renewable energy capacity (portfolio system size) and developing programs to drive reductions in assets with highest energy usage intensity in the short term. In the medium term, we will aim to develop monitoring system for applicable rebates/subsidy programs for energy efficiency, electrification, or renewable energy technology and solutions, implement embodied carbon reduction strategies that limit the use of carbon-intensive materials and explore low-embodied carbon substitutes, and expand incorporation of climate-related risk and resilience screening within the due diligence process for acquisitions and developments. Finally in the long-term the Company will seek to expand capabilities for ongoing tracking of energy and carbon intensity and performance at building level, benchmark assets against pathways and develop energy retrofit and/or decarbonization, and incorporate the evaluation of energy intensity, GHG intensity, and stranded asset risk within the due diligence process for potential acquisitions.

	As an owner and operator of multifamily apartment communities, we are aware of the potential risks climate change can have on our business. These risks include issues such as physical disruptions from weather-related events, rising insurance and energy costs, access to land for development, and the safety of our associates and residents.
	We see this as a chance to leverage our understanding of climate risk to better identify potential investment opportunities and to inform strategic decisions on operations.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Since 2008, Essex's Sustainability department has ensured that we invest strategically in proven technologies focused on energy efficiency, renewable energy generation, and water conservancy. Climate-related risks and opportunities have further influenced our sustainability strategy through solar photovoltaic systems to help us generate on-site clean energy, cool roofs to help minimize air conditioning use, LED retrofits to reduce energy consumption in our common areas, water-saving irrigation and landscaping, and water-efficient improvements including low-flow toilets, plumbing fixtures, and appliances.
	Additionally, in September 2021, Essex amended and restated its \$1.2 billion unsecured line of credit facility to, among other amendments, incorporate a sustainability-linked pricing component, which could reduce the borrowing spread up to 2.5 basis points if certain environmental goals are achieved, thereby deepening our commitment to ESG efforts. The Company met the goals outlined in the sustainability-linked pricing component for 2021, 2022, and 2023.
	We are actively integrating climate risk planning into our ERM universe so that we can more effectively identify and address climate-related risks and impacts associated with our business.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We use the findings from the Essex 2022 Climate Risk Analysis to inform scenario planning efforts that guide our work to further reduce Essex's greenhouse gas (GHG) emissions and to ensure that our portfolio is more climate resilient.
	Essex's sustainability goals, specifically our 2030 target focused on reducing Scope 1 and 2 GHG emissions by 35% against a 2018 baseline, have all helped Essex in our desire to contribute to the 2-degree scenario.
	In March 2024, we committed to developing 1.5°C aligned science-based targets through SBTi, furthering our commitment to climate resilience.
<b>Risk Management</b>	
	Essex is acutely aware of the implications climate change can have on our business. The safety of our residents and the resilience of our assets are our top priorities. With properties in California and Washington, we understand that we are faced with the threats of physical climate risks as well as a rapidly changing policy landscape that we need to be prepared to address. To understand the scope of those concerns, Essex commissioned a Climate Risk Analysis in 2022, which provided us with a more in-depth assessment of both the risks we are facing and the possible solutions for mitigating those risks. The analysis built a framework for reviewing climate-related risks that we utilize during our annual ERM process.
Describe the organization's processes for identifying and assessing climate-related risks.	The analysis explored the Transition and Physical risks facing our portfolio. To assess Transition risk, we completed extensive deskside research, surveyed our internal practices, and benchmarked against the actions of our peer companies. With that analysis complete, a risk profile was developed based on the ERM risk scale and recommendations were established to address identified risks.
	For our Physical risks, an interactive GIS map was built that accounts for the various physical risks that may threaten our holdings. This map leverages several databases that track physical climate risks in these areas and provides a real-time look at each property's physical risk profile. Recommendations were made based on that analysis for risk mitigation.
Describe the organization's processes for managing climate-related risks.	Essex's Crisis Management and Business Continuity Planning and on-site Emergency Procedures Manuals contribute to the preparedness of our communities toward climate-related physical hazards that include fires, floods, and extreme weather events.
	We further develop mitigation strategies for identified climate risks. Those risks are then integrated into our larger ESG strategic planning and connected to our ESG goals. These efforts are utilized to ensure that we are managing climate-related risks across our enterprise.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Essex's potential acquisitions and developments are subject to a due diligence process that incorporates environmental assessments, including the review of specific climate-related physical hazards, such as wildfires and flooding, as well as the resiliency toward these potential impacts. For all new developments, Essex is committed to obtaining green building certifications that not only reduce the carbon impact of the buildings and their occupants, but also improve the overall resilience of our properties by mitigating climate-related vulnerabilities through their design, construction, and operation.
	We deepened our established ERM process in 2021 to address and identify climate-related risks. By incorporating climate risks into the ERM process, strategies can be refined to address and mitigate concerns based on both the risk level and time horizon determined by the analysis. These risks are now reviewed annually within the established ERM process.



Metrics and Targets

Properties are assessed against 10 hazard categories that are broken into "acute hazard" and "chronic stressor" category as follows:

ACUTE INDICATORS

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

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

CHRONIC INDICATORS

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

In addition, Essex tracks new policy or laws that expected to come into effect and that could impact the portfolio in the future. Based on these discussions, assets are assessed and assigned budgets for anticipated regulatory changes.

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

Essex's GHG emissions indicators cover areas under operational control, corresponding primarily to usage and emissions from common areas and shared services. We currently track limited Scope 3 emissions for approximately 100% of our portfolio using Energy Star Portfolio Manager® and disclose them annually through GRESB Real Estate Assessment reporting. We are in the process of establishing additional systems to track and report Scope 3 emissions across our entire portfolio.

Refer to p. 52 - Supplemental Information/Environmental for Scope 1 and 2 GHG emissions

Goal	Risk Addressed
Reduce operationally controlled energy intensity by 20% from 2018 baseline by 2030	Policy and Legal Risk, Market Risk
Reduce Scope 1 and Scope 2 GHG Emissions by 35% from 2018 baseline by 2030	Policy and Legal Risk, Market Risk
Reduce whole building life-for-like water usage by 10% from 2021 baseline by 2030	Policy and Legal Risk, Market Risk
Divert 50% of waste by 2030	Policy and Legal Risk, Market Risk

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.



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A Rider's Paradise Offering a Transit Score of 100





## LRQA Independent Assurance Statement

Relating to Essex's GHG Inventory and Environmental Data for the Calendar Year 2023

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

LRQA was commissioned by Essex Property Trust, Inc. (Essex) to provide independent assurance on its greenhouse gas (GHG) emissions, water and waste inventories ("the Report") for the Calendar Year 2023 against the assurance criteria below to a limited level of assurance using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas data. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Essex operations and activities in North America and specifically the following requirements:

- Verifying conformance with:
  - Essex's reporting methodologies for the selected datasets; and
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol) for the GHG data<sup>1</sup>
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Direct (Scope 1) and Indirect (Scope 2);
  - Energy Use;
  - Water use inventory ; and
  - Waste generated inventory including landfill, recycle and compost.

Our assurance engagement excluded the data and information of Essex's suppliers, contractors and any third-parties mentioned in the Report. The following were also excluded from the Report:

- energy and GHG emissions from diesel fuel use in emergency generators and mobile equipment; and
- GHG emissions from refrigerant leaks.

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

### LRQA's Opinion

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

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

The opinion expressed is formed on the basis of a limited level of assurance<sup>2</sup> and at the materiality of the professional judgement of the verifier.

<sup>1</sup> <http://www.ghgprotocol.org/>

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



Table 1. Summary of Essex Environmental Data for Calendar Year 2023:

Scope of GHG emissions	Tonnes CO <sub>2</sub> e
Scope 1 GHG emissions	31,871
Scope 2 GHG emissions (Location-based) <sup>1</sup>	18,640
Scope 2 GHG emissions (Market-based) <sup>1</sup>	11,492
Scope of Energy Use	MWh
Total Energy (direct and indirect) <sup>1</sup>	264,704
Scope of Water Usage Inventory	Million Gallons
Water use	2,981
Scope of Waste Generated Inventory	Million Pounds
Waste (trash)	98.54
Waste (recycle)	76.78
Waste (compost)	12.07

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

### LRQA's Approach

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

- Reviewed an overview of the processes used at the corporate level for the management of data and information related to the Scope 1 and Scope 2 GHG emissions; energy use; water use; and waste generated;
- Interviewed relevant staff responsible for managing and maintaining data and information and for preparing the Report at the corporate level;
- Reviewed Essex processes for defining and collecting Scope 1 and Scope 2 GHG emissions, energy use, water use and waste generated data;
- Verified the Scope 1 and Scope 2 GHG emissions, energy use, water use and waste generated for calendar year 2023 through a review of aggregated level data and information provided by Essex; and
- Reviewed Essex's Base Year recalculation policy and confirming that recalculation is not required at this time.

### LRQA's Standards, Competence and Independence

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





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

Signed

Dated: April 12, 2024

Joycelyn Swamidoss  
LRQA Lead Verifier  
On behalf of LRQA, Inc.  
2101 CityWest Blvd, Houston, TX 77042  
LRQA reference: UQA00002296/6622854

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#### ASSURANCE STATEMENT

We commissioned Lloyd's Register Quality Assurance (LRQA) to independently assure the accuracy and completeness of our 2023 water, waste, and GHG emissions data. LRQA's review procedure is based on current best practices and in accordance with ISAE 3000 and ISAE 3410. For GHG emissions, LRQA provided a limited level of assurance in line with ISO 14064-Part 3.

#### FORWARD-LOOKING STATEMENTS

The data summarized in this report was sourced from responsible business units within the Company and limited assurance provided by LRQA for 2023 environmental data. Certain information set forth in this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Company's expectations, estimates, goals, targets, assumptions, hopes, intentions, beliefs and strategies regarding the future. Although such statements are based on what the Company reasonably believes to be achievable, there can be no guarantee because actual results, and future events could differ. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause our actual results, performance or achievements to differ materially from those expressed or implied by these statements include methodological, standard and measurement changes, and any of the risks set forth in our filings with the Securities and Exchange Commission. In addition, given the inherent uncertainty of the estimates, assumptions and timelines associated with the matters discussed in this report, we may not be able to anticipate in advance whether or the degree to which we will or will not be able to meet our plans, targets or goals. Additional discussions of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward-looking statements appear in the Company's filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 under the heading "Risk Factors" and in subsequent quarterly reports on Form 10-Q. All forward-looking statements are made as of the date of this report, and the Company assumes no obligation to update or supplement this information for any reason. This material has been distributed for informational purposes only.

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Pure, Redmond, WA  
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