

# 2023

## CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT



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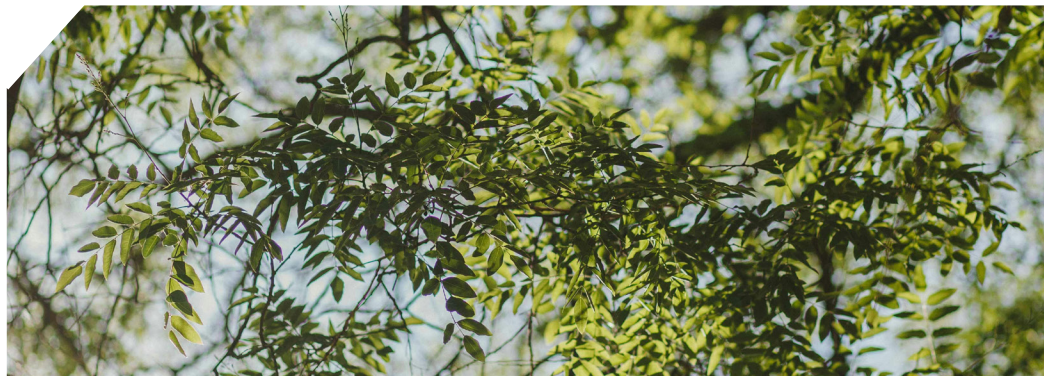
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# Introduction

## ABOUT OUR REPORT

Simpson Housing (Simpson) is pleased to present our inaugural Corporate Responsibility and Sustainability Report, covering 2023. Our Report is prepared in accordance with the Global Reporting Initiative (“GRI”) 2021 Standards and provides quantitative and qualitative information on our sustainability efforts across the topics of environment sustainability, social sustainability, and corporate governance. Our report covers the reporting period spanning January 1, 2023–December 31, 2023, unless otherwise stated. All environmental data covers our primarily Class A Multifamily properties and captures all properties managed. Data is for the 2023 calendar year for a 12-month period.

In addition to the GRI Standards, this report includes Sustainable Accounting Standards Boards disclosures (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and our alignment with and support for the United Nations Sustainable Development Goals. Further information about our adherence to these frameworks can be found in the Appendix to this Report.

For any questions regarding this report or Simpson’s sustainability strategy and commitments, please contact Krystal Eldredge, VP of Sustainability and Compliance, at [krystal.eldredge@simpsonhousing.com](mailto:krystal.eldredge@simpsonhousing.com).

THIS REPORT WAS PUBLISHED ON MAY 1, 2024





## LETTER TO OUR STAKEHOLDERS

**W**e are honored to share with you our inaugural Simpson Corporate Responsibility and Sustainability Report. Doing right by all stakeholders and pursuing sustainability have always been part of the Simpson way. Over the past 75 years, following through on these promises to our employees, residents, partners, investors, and communities has positioned us as the leader we are today. Our commitment to good corporate citizenship continues to guide our work and be a source of strength and innovation.

Over the past two years, we have begun formalizing our approach to sustainability across the areas of environmental sustainability, social impact, and strong governance. Three important milestones in this effort have made the rest of our work possible: resourcing our first full-time sustainability role, implementing data collection processes and partnerships, and aligning to industry-leading frameworks.

In 2022, we launched two data partnerships: the first with a real-time energy management platform to reduce energy usage and spend and the second to track and account for greenhouse gas emissions (GHG) across all of our properties. We also completed a GRESB Real Estate Assessment submission for the first time in 2023 and consequently performed an internal gap analysis, the results of which guided much of the other work you'll see profiled here. Our VP of Sustainability and Compliance, a new role that demonstrates our commitment to sustainability, has carried these achievements forward in partnership with our Sustainability Team.

As we have formalized our data collection and industry alignment, we have expanded our environmental initiatives.

Each part of our company has a clear role to play, and our sustainability approach is cross-functional and collaborative. We published ten policies that guide our actions, and we have implemented 356 EV chargers across 41 properties. We are proud to share that we received a National Green Building Standard Emerald designation for our Camille development (one of only two buildings in the nation to have received this certification). We have committed to pursuing NGBS certification for all new developments going forward.

In terms of enacting positive social impact, our approach is focused on first delivering an exceptional experience to employees and creating value for residents and communities. We are honored to have been recognized as a Top Workplace in five separate markets and that our team received the "A List" Award for Excellence in Customer Service from CEL & Associates for the 21st consecutive year in a row. These accolades are made possible by our outstanding employees. We added two new wellness holidays for our team based on employee feedback, and we continue to expand our robust growth opportunities including leadership training and our on-site mentorship program. We recognize that our residents are the lifeblood of our properties, and we strive to demonstrate our commitment to their well-being through custom amenities and resident events. In 2023, we hosted more than 450 resident events, and we are adding more opportunities for engagement each year. We also continued to build on our long history of community outreach through new nonprofit partnerships with Entryway and Move for Hunger, plus our marquee annual service event Make a Difference Day, where in 2023 more than 550 employees volunteered more than 2,250 hours.

Strong and steady governance continues to be a strength for our company and an asset for investors, demonstrated by our senior management and executive teams, who have worked together for more than 15 years. In addition to creating the VP of Sustainability and Compliance role, we expanded our sustainability leadership to include our executive team and senior leadership as our Sustainability Team. We also published expectations for partners and suppliers through formal policies such as our Responsible Development Policy and began formally sharing our ESG and corporate responsibility strategies and results with investors as a part of quarterly and annual reporting.

As we reflect back on 2023—our 75th year in business—we express gratitude for our employees, residents, partners, and investors. We recognize that our sustainability efforts and our long-term value paradigms will continue to drive results and improve the world around us. We look ahead with optimism and a continued resolve to be a leader not only in our industry, but in our sustainability and corporate responsibility efforts.

Thank you for your continued support of Simpson and our corporate citizenship efforts.

Sincerely,

**FRANK ROONEY JR.**  
CEO

**KRYSTAL ELDREDGE**  
VP OF SUSTAINABILITY & COMPLIANCE



# ESG JOURNEY

Simpson’s sustainability journey has roots in the early days of the company and began accelerating in 2021, when Simpson partnered with an investment partner to gather data for their ESG reporting efforts. Soon thereafter, Simpson began further formalizing and expanding its own portfolio of environmental, social, and governance efforts, recognizing the value for all stakeholders.

## 2022 HIGHLIGHTS



Created **full-time Vice President of Sustainability and Compliance role** and established internal Sustainability Team

Initiated **SmartWaste** effort to reduce waste by rightsizing pickups

Partnered with **Move for Hunger** to reduce food insecurity

Developed partnerships with Measurabl and RealPage to

### COLLECT & ANALYZE ENVIRONMENTAL DATA ON PROPERTIES



Published formal

- 1 ESG POLICY
- 2 RESPONSIBLE DEVELOPMENT GUIDELINES
- 3 GREEN MAINTENANCE PLAN

Launched a firm-wide commitment to install



### EV CHARGERS

starting with urban properties



Established **five-year ESG capital plans** for each site

Introduced **ESG section** in quarterly and annual reports to investors

2023 HIGHLIGHTS



Submitted first GRESB submission and conducted a **GRESB gap analysis** to guide future ESG efforts

Committed to **NGBS certification** for all new builds going forward



Received **NGBS Emerald designation** for The Camille

7 ●●●●●

Developed **seven additional policies** to guide ESG implementation throughout the company

Launched partnership with

**ENTRYWAY**

A NONPROFIT THAT SUPPORTS ECONOMIC MOBILITY FOR THOSE EXPERIENCING SITUATIONAL HOMELESSNESS



Hosted annual

**MAKE A DIFFERENCE DAY**

with more than 550 employees volunteering time to **36 different nonprofit organizations**



Received **A-List award for excellence in customer service** for the 21st year in a row



## INTRODUCTION TO OUR REPORT

Simpson Housing is pleased to present our inaugural Corporate Responsibility and Sustainability Report for the year 2023. This report offers an overview of our approach to responsible and sustainable business practices across the pillars of environment, social, and governance. Through this reporting, we aim to provide a transparent and comprehensive account of our progress to date and our aspirations for the future.



**Sustainability is a core value for our organization**, and it has long been an essential component of our culture, strategy and operations. As we have moved to formalize our sustainability program and initiatives over the past two years, we have been guided by our commitment to creating exceptional employee experiences, offering the best to residents, and being a partner of choice for investors and vendors. We are proud of our company's sustainability program formalization and growth over the last 75 years, and we look forward to advancing the depth and breadth of our endeavors in the coming years.

We believe that the pillars of corporate responsibility and sustainability will be cornerstones to our success now and in the future. As the world of environmental sustainability and the expectations of our stakeholders evolve, **we strive to proactively respond and incorporate programs and initiatives** that bolster our operational outcomes and exceed the expectations of all those we serve. We recognize that the practices and policies of sustainability strengthen our position, enhance our ability to innovate, bolster our approach to risk management, and provide us with increased opportunities for cost savings through operational efficiency.

In order to better understand and improve our initiatives and programs, we have developed and refined our approach to data collection and management. From our annual Resident Survey to our partnership with Measurabl to gather environmental data on our properties, we strive to gain deeper insights into the success of our practices and harness opportunities for improvement. We recognize that in order to leverage these opportunities, we first must have a holistic picture of our impact and environmental footprint. **Currently, we are able to capture water data for 100% of our portfolio and energy and emissions coverage data for 40% of square feet in our portfolio.** As we continue this work, we aspire to increase the accuracy and scope of our data and will present on our progress in future reports.

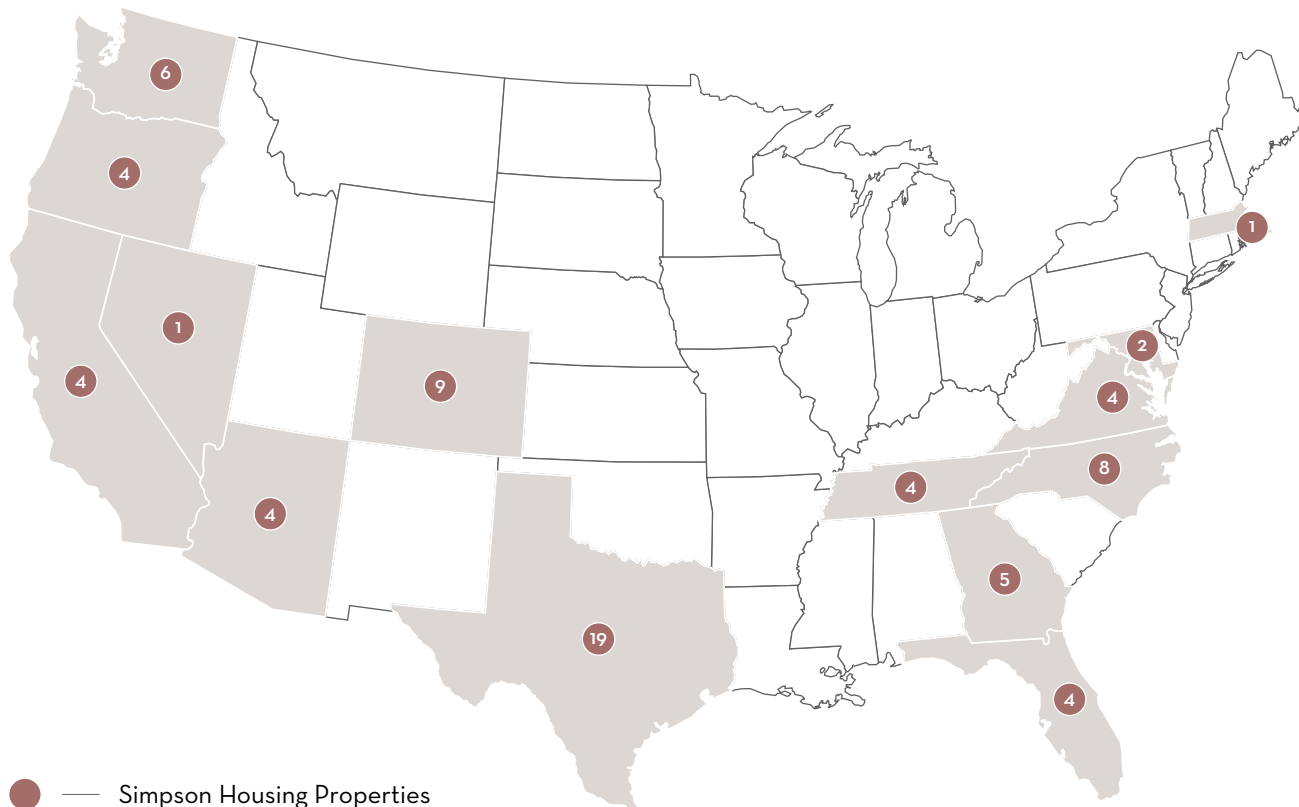
Detailed information on our accomplishments to date and our overall approach to sustainability and responsibility can be found throughout this report. As we move into the next chapter of our journey, we will prioritize efforts that allow us to further enhance our efficiency, respond to climate risk, and provide best-in-class experiences to **employees, residents, communities, and investors.**

# CORPORATE OVERVIEW

Simpson Housing LLLP (“Simpson”) is a fully integrated, 75-year-old real estate firm that currently owns or manages approximately 23,000 apartment units exceeding \$7.1 billion in value. Headquartered in Denver, CO, with regional offices in Atlanta and Dallas, Simpson has owned and/or developed **more than 50,000 apartment units (200+ communities) across 21 states and districts to date.** We are a vertically integrated platform with in-house expertise across property management, development, and construction, supported by a team of more than 600 professionals. Our focus is on Class A Multifamily units and providing our residents and tenants with the best quality of life we can through community amenities, apartment finishes, and customer service. We utilize best-in-class asset and property management tools to best support residents, maximize financial opportunity, and minimize turnover, **resulting in a lease renewal rate 3-12% higher than the industry average.**

## MISSION STATEMENT

Simpson Housing is committed to be a trusted leader in the multifamily industry. Our mission is to provide an exceptional employee experience, award-winning customer service, long term value to our investors and enhance our local communities.



# By the Numbers

**+630**  
Employees

**03**  
Corporate Offices

**75**  
Properties

**14**  
States

**20**  
Major Metropolitan Markets

**23,000**  
Total Units

**1,119**  
Affordable Units

**21,407,182**  
SQ Feet of Leasable Floor Area

**93%**  
Average Occupancy Rate

**\$7.1 B**  
Assets Under Management



## SIMPSON'S APPROACH TO

# Sustainability

As a leader in our field, we are **committed to practicing rigorous corporate responsibility and sustainability**. We are dedicated to being environmentally conscious, implementing social initiatives for employees and residents alike, and operating under ethical and robust governing paradigms.

While this approach to leadership has been central to our operations for the past 75 years, we have spent the past two years formalizing, expanding, and refining our ESG practices. This includes developing formal policies governing our internal operations and external partnerships, creating a pattern of data-driven decisions by investing in data partnerships, and more effectively communicating our significant existing efforts and future aspirations to investors, partners, employees, and residents. We know that sustainability and corporate responsibility are important to the multitude of stakeholders we serve, and we aspire to continue growing in our ESG journey.

### ESG STATEMENT

Simpson Housing LLLP is committed to adopting ESG policies and initiatives that promote sustainability, enhance quality of life for employees, increase resident satisfaction and reduce its carbon footprint organization-wide, encompassing all assets whether owned or managed.



# OUR THREE PILLARS OF SUSTAINABILITY



## ENVIRONMENTAL

We are committed to reducing our water, waste, energy, and greenhouse gas emissions impact through tracking data and implementing energy-efficient technologies and fixtures. We follow a Responsible Development policy for joint ventures, and we are requiring NGBS green certification for all new developments. We are in the process of developing a climate risk assessment and action plan as we increase our understanding of how to reduce our carbon output.



## SOCIAL

Our company culture is built on valuing employees, who in turn support our residents and communities, thereby rewarding our investors. We offer competitive total compensation and benefits, structured employee mentorship, and professional development opportunities. We believe that diversity is not only a source of strength, but also a catalyst for innovation and growth. Our pledge to equity drives us to ensure fair access to opportunities. We have a long history of community engagement and continue to partner with local nonprofits to drive impact through employee and resident volunteerism and giving. We value our residents through dynamic programming and consistently implementing positive changes based on robust survey data.



## GOVERNANCE

We are committed to the highest standards of ethics, integrity, and accountability. We recognize that our reputation as a leader driven by excellence depends on the ethical and legal behavior of our people, including not only our employees but those we choose to do business with as well. At Simpson, the ethical behavior of our people takes precedence over profits, sales, or other such standards of success. We are committed to investor and community accountability and transparency. Our corporate values of integrity, collaboration, accountability, respect, entrepreneurial spirit, service, inclusivity, sustainability and financial responsibility underpin all our endeavors.



## Industry Frameworks & Assessments



# ALIGNMENT WITH INDUSTRY STANDARDS AND FRAMEWORKS

Over the past year, our ESG leaders and executive team have worked tirelessly to begin formally aligning our diverse ESG efforts with applicable leading frameworks in the industry. While the principles of sustainability have long been priorities in our portfolio, we have only recently focused on communicating our efforts more broadly. We continue to improve our reporting practices and to broaden our understanding and incorporation of the most applicable frameworks and programs.

Our fully mapped alignment with industry frameworks can be found in the appendix section of this report.



## INITIAL GRESB REAL ESTATE ASSESSMENT SUBMISSION AND RESULTS

In 2023, the Simpson team completed the GRESB Real Estate Assessment submission, representing all assets wholly and partially owned, for the first time. This effort represents a substantive commitment to the value of continuous improvement in our corporate responsibility efforts and will be an ongoing component of our ESG efforts moving forward.

Based on the GRESB results, Simpson identified further opportunities to advance our sustainability efforts including developing and incorporating additional official ESG policies, transparently documenting alignment with industry frameworks, and publishing this comprehensive sustainability report.

Simpson received a 1-star rating for our first submission, which included data captured in 2022 and submitted in 2023.

**2** ZERO HUNGER



**3** GOOD HEALTH AND WELL-BEING



**5** GENDER EQUALITY



**6** CLEAN WATER AND SANITATION



**7** AFFORDABLE AND CLEAN ENERGY



**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



SPOTLIGHT

## Alignment with United Nations Sustainable Development Goals

Simpson Housing seeks to support the United Nations Sustainable Development Goals (“SDGs”) across certain aspects of our business. The SDGs are a set of 17 integrated goals that serve as a blueprint for sustainable development, economic growth, social inclusion, environmental protection, and health for all nations and all humankind. They were “created to be a call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.” Presenting our support for the SDGs allows our company to communicate our intention for positive impact across our business lines and operations.

Detailed explanation of our alignment with each SDG can be found in the Appendix.

## INDUSTRY AFFILIATIONS

Simpson strives to be an active participant in the real estate investment industry and the broader sustainability ecosystem. To that end, we engage with and support a number of industry associations to continue broadening our knowledge of our field and the evolving sustainability landscape.



# Environmental

Acting as good stewards of our environment has always been a part of the Simpson way. Attention to sustainability and environmental consciousness influences our construction practices and our ongoing operations. We believe that not only are **environmentally conscious approaches valuable to our natural surroundings**, but they are also **good business and important to our stakeholders**.

Over the past two years, we have formalized our approach to environmental sustainability and resource conservation. Specific areas of focus include energy consumption, greenhouse gas emissions reduction, water consumption, and waste management. These efforts have included publishing several specific policies on our approach to topics such as energy efficiency and climate risk, launching specific standards for maintenance and new developments, pursuing industry best practices in material use, and improving our data collection and insights capabilities.



## ENVIRONMENTAL POLICIES

In 2022 and 2023, we created 10 formal policies to demonstrate our commitment to conserving resources and reducing our environmental impact.

These policies and guidelines include:

- i. ESG Policy
- ii. Responsible Vendor Policy (Environmental Responsibility clause)
- iii. Sustainable Tenant Guide
- iv. Responsible Development Guidelines
- v. Green Maintenance Plan
- vi. Water Conservation and Management Policy
- vii. Waste Management and Recycling Policy
- viii. Net Zero Commitment Policy
- ix. Energy Efficiency Policy
- x. Climate Risk and Resilience Policy





SPOTLIGHT

## Monitoring and Reducing Consumption with RealPage

In 2022, Simpson Housing began partnering with RealPage's Sustainability Services, a platform providing comprehensive integrated energy reporting, management, and conservation-related tools for the multifamily industry. The platform can issue alerts regarding unusually high consumption rates, creating an opportunity for positive intervention. Since implementation in 2022, 73 water, electric and gas accounts across our portfolios have responded to these alerts and decreased their usage, a potential savings of \$1,600,528 had these issues remained unchecked. This program also focuses on audits of energy rates, resulting in \$121,228 of refunds issued and \$45,833 of savings going forward with the correct rates and/or taxes.

## DATA MANAGEMENT AND COLLECTION

Strengthening our data collection and accuracy to present a more complete and transparent picture of our environmental footprint was a major focus for our team in 2022 and 2023. Recognizing that high-quality data is the foundation for intelligent environmental decision making, our team has diligently and thoughtfully created the structures and processes needed to enhance our data management strategy. We are committed to continually improving our data accuracy and scope, and we intend to provide annual updates on our progress. Through this process, we aspire to improve our site-level environmental footprint and better our company's sustainability programs and outcomes.

At this time, we track all properties for energy use, GHG emissions, and water use through our partnerships with Measurable and RealPage. We currently have energy and GHG data on 40% of square feet in our portfolio and water data on 100% of our portfolio. Where possible, we track whole building data, and all properties are enrolled in ENERGY STAR Portfolio Manager which allows us to benchmark energy use and make improvements.





# 2023 Environmental Data

## Energy



Total Energy Use

**357,509.31**

Gigajoules

Energy Use Intensity

**3.81**

kWh/Sq ft

% Portfolio Covered

**40%**



Like-For-Like Percentage Change

**-9%**

## GHG



Total GHG Emissions

Scope 1 **6,282**

MTCO<sub>2e</sub>

Scope 2 **23,256**

MTCO<sub>2e</sub>

Reduction 2023 v 2022

Scope 1 **5%**

Scope 2 **4%**

GHG Intensity

**1.15**

MTCO<sub>2e</sub>@e/sq ft

## Water



Total Water Use

**822,647,221**

U.S Gallons

Water Use Intensity

**31.57**

kWh/Sq ft

% Portfolio Covered

**100%**



Like-For-Like Percentage Change

**-4%**

## Waste



Total Waste

**13,673**

Tons

Waste Diverted

**4,550**

Tons

% Diverted

**33%**



## Methodology Disclaimer

- These statistics reference data updated as of February 27, 2024, across Simpson managed multifamily properties from the following portfolios: the Simpson wholly owned portfolio, the PFA portfolio, the REA fund portfolio, the USCMF fund portfolio and fee-managed affordable communities.
- Energy Data Coverage & Exclusions:
  - Multifamily data coverage excludes tenants' electricity consumption data, except for 18 properties where whole building consumption data is available (accounting for approximately 22% of total floor area).
  - The energy data provided for Multifamily does not cover 4% of the total floor area representing 1) The Camille - a property in development and not tracked with the operating properties; 2) Jefferson Square, Highland Crossing/Square and 3) The Residence Buckhead, due to the complexity surrounding the ownership of units and numerous meters.
  - As a result, performance metrics for each strategy listed above are understated in this report.
- Water Data Coverage Exclusions:
  - The water data provided for Multifamily does not cover 4% of the total floor area due to the same reasons listed under Energy Data Coverage & Exclusions.
  - As a result, performance metrics for each strategy listed above are understated in this report.
- Performance metrics are presented in two ways: (a) Absolute metrics and (b) like-for-like metrics.
  - The absolute data set comprises all properties that were managed and operational at the end of 2023, with the exception of the data excluded under 2.b. and 3.a. above. Within the absolute data set, 3.2% of total floor area was missing more than 3 months of energy data. Simpson did not provide any estimates for the missing data. As a result, the absolute energy and emissions figures are slightly understated.
  - The like-for-like data set comprises properties that were owned, operational, and had data recorded for all 24 months in 2022-23. For the purpose of a meaningful year-over-year comparison, about 4% of total floor area was manually excluded to get to a like-for-like data set.

# ENVIRONMENTAL INITIATIVES

## Sustainability at Properties

Pursuing the highest standards for environmental quality on our properties is an essential part of what it means to be Simpson Housing. This means that we seek to reduce energy and water consumption and greenhouse gas emissions through implementation of energy-efficient lighting and appliance packages, water-efficient fixtures, recycling programs, irrigation controls, smart-unit technology, EV charging installations and real-time energy management software, among other efforts. We also work to support our residents in making environmentally smart decisions through our Sustainable Tenant Guide, which offers practical suggestions on how to conserve resources.

Over the past two years, we have made significant progress in pursuing specific initiatives to improve sustainability and quality of life at our properties. We recognize that these efforts are not only important to our customers and investors, but they are smart for our business and right for our planet.

The specific initiatives listed below are a curated set of the many ways we strive to improve our operations to be more sustainable. We are constantly looking for new insights and opportunities that drive value for our business, our communities, and our planet. From growing hydroponic plants at one of our Atlanta properties and adding smart leak detection technology to all properties to using carpets made of recycled materials and hosting e-waste recycling drives, we are committed to deepening the scope and maturity of our environmental initiatives.



### SPOTLIGHT

## Rightsizing Waste with SmartWaste Program

In 2022, Simpson began rolling out the **RealPage SmartWaste program** to track and report waste data, increase recycling diversion and dumpster fullness rates, and reduce contamination and growing overage charges. This program leverages in-dumpster camera technology to assess fullness and address contamination in real time, leading to estimated **annualized savings of \$80,000 on overage and contamination charges**. In addition, schedule changes for waste pickups have yielded another \$26,000 of annual savings and disputing missed pickups adds further annual savings of \$40,000. SmartWaste uploads diversion data to enhance reporting on actual waste and recycling tonnage, and the program staff also hold regular calls with site teams to discuss property-level adjustments. By Q2 2023, all Simpson properties were onboarded to the program.

# RENOVATIONS AND REHAB APPROACH

Our commitment to sustainability includes not only new builds, but also our approach to rehab and renovations. In 2023, Simpson invested more than \$19 million renovating 1,089 units across 19 properties nationwide. Each property takes approximately three years to renovate and includes installing at least three ENERGY STAR appliances, replacing at least four plumbing fixtures with low-flow versions, and installing at least five LED light fixtures. The team also upgrades flooring to luxury vinyl plank (which lasts five times longer than carpet), uses low VOC paint and glue, and modernizes cabinets with new fronts. As a part of the rehab process, the Simpson team is also diligent about recycling, including internally recycling appliance parts for use in other rehabs and properly disposing of materials such as refrigerant.

In 2023, Simpson installed approximately:



3,300

ENERGY STAR Appliances



4,300

Low-Flow Plumbing Fixtures



5,400

LED Light Fixtures in **1,089 Completed Unit Renovations** Alone

## Green Maintenance Plan

The Simpson team published a Green Maintenance Guide and Checklist in 2022 to help identify **areas of opportunity to save energy, save water, and reduce waste disposal**. This document provides maintenance guidance on preferred fixtures for replacements such as using ENERGY STAR appliances, WaterSense toilets, LED lighting, green-certified carpets and flooring, and more. Designed to be used by on-site teams, the checklist also provides guardrails for keeping HVAC and water heaters working well and on how to prevent and fix leaks.

## Pursuing Renewable Energy Options Through EV Chargers

In 2021, Simpson began installing EV chargers at properties for electric vehicles after recognizing anecdotal resident interest and environmental value. Simpson confirmed significant resident interest in EV chargers with a survey in November of 2023, **where 80% of residents said that EV chargers on site were important to them**, despite the fact that far fewer residents actually owned electric vehicles at present.

By the end of 2023, Simpson had installed 356 chargers, largely through partnership with Tesla, resulting in the **availability of EV chargers at 53% of properties and more than 558,972 total kWhs of electricity used**. We are continuing to expand our renewable energy focus by working to install EV chargers at all communities.



## Reducing Toxic Material Exposure through No VOC Paint

Over the past several years, leading suppliers in the construction materials space have begun working more seriously to reduce environmental and health risks. This has led to an increasing public awareness effort around the risks of VOC paint. VOC stands for Volatile Organic Compounds, which are chemicals that help paint solidify and are released into the air when painted on. VOCs can off-gas into surrounding spaces for months, and many are known carcinogens or other toxic compounds that can pollute air, contaminate groundwater, and lead to human health problems such as eye irritation, headaches and nausea, and even organ damage.

Recognizing these concerns, Simpson began specifying and primarily using low VOC coatings for maintenance purposes at properties in 2017. Currently, **97% of paint used by Simpson is low VOC**, despite the fact that low VOC paint can sometimes cost twice as much.

In 2023, Simpson maintenance teams used more than 61,600 gallons of low VOC paint and spent more than \$1 million on low VOC paint, giving residents and team members **greater peace of mind about the safety of their spaces**.



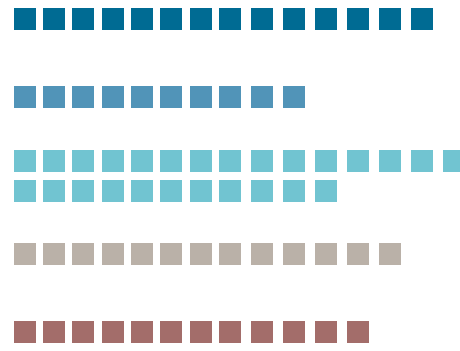
# 2023 Walk/Transit/Bike Scores

Walk Score measures the walkability of any address, Transit Score measures access to public transit, and Bike Score measures whether a location is good for biking.



## Walk Score

- 14** Walker's Paradise  
Daily errands do not require a car
- 10** Very Walkable  
Most errands can be accomplished on foot
- 26** Somewhat Walkable  
Some errands can be accomplished on foot
- 13** Car-Dependent  
Most errands require a car
- 12** Car-Dependent  
Almost all errands require a car

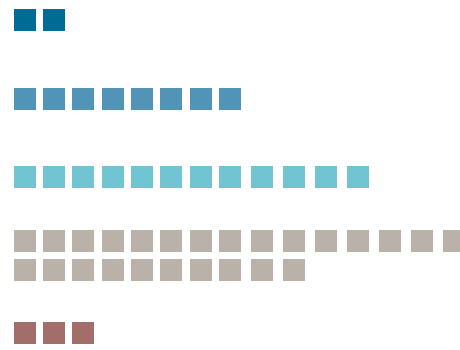


75



## Transit Score

- 02** Rider's Paradise  
World-class public transportation
- 08** Excellent Transit  
Transit is convenient for most trips
- 12** Good Transit  
Many nearby public transportation options
- 25** Some Transit  
A few nearby public transportation options
- 03** Minimal Transit  
It is possible to get on a bus

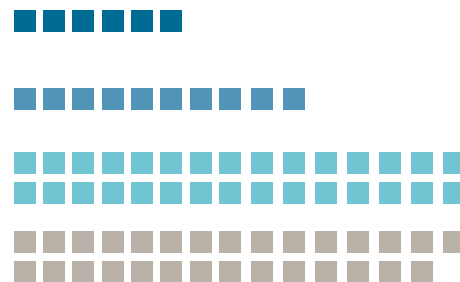


50\*



## Bike Score

- 06** Biker's Paradise  
Daily errands can be accomplished on a bike
- 10** Very Bikeable  
Biking is convenient for most trips
- 30** Bikeable  
Some bike infrastructure
- 29** Somewhat Bikeable  
Minimal bike infrastructure



75

## Community Access to Walkable, Bikeable, and Transit-oriented Neighborhoods

In our development process, we have increasingly focused on transit-oriented communities. In 2023, Simpson analyzed the walkability, bikeability, and public transit proximity of approximately 73 properties using the Walk Score resources. The Walk Score method leverages physical addresses and geographic data to determine a location's Walk Score (walkability of any address), Transit Score (access to public transit), and Bike Score (whether a location is good for biking).

### SPOTLIGHT

## Lighting Retrofit at LoHi Apartments in Denver, CO

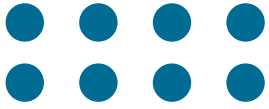
In 2023, the Simpson team identified and pursued the need for a lighting retrofit project at Studio LoHi, an apartment community in downtown Denver. The lighting replacements included upgrading more than 130 fixtures in the private parking garage to new LED versions that would increase light levels and reduce energy consumption.

The project's return on investment is expected to be 25%, with a net project cost of \$22,000 and an annual electric savings of more than \$5,000. The energy-only payback time is estimated to be just over two years, with an estimated energy savings of 49,000 kWh of electricity, 35 metric tons of CO<sub>2</sub>, and avoided coal burn of 39,000 pounds. The kilowatt hours of electricity saved are no small number—enough to power the electricity for five average U.S. households per year (U.S. Energy Information Administration).

\*Transit data was available for only 50 properties.



## As of 2023, Our Portfolio Includes



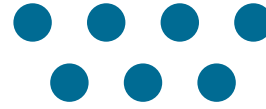
8

ENERGY STAR Certified



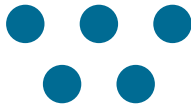
2

LEED Gold



7

Green Globes



5

NGBS Building Certifications



1

Fitwel

## Sustainability at Corporate Offices

Living out our commitment to environmentally responsible practices means implementing these efforts at not only our residential properties, but also in our corporate office spaces.

One of the ways the Simpson team practices this is through recycling initiatives. Launched in 2022, the Simpson Go Green Initiative supports staff in recycling common items such as plastic, paper, and glass by providing large receptacles in offices. Additionally, the initiative has expanded to offer specialty recycling collection for items including printer and copier toner, Keurig containers, Flavia containers, and batteries. In 2023, our Denver office recycled more than 100 pounds of Keurig K-cups alone. To promote reusable options and reduce waste, the Simpson corporate team has also provided every employee with a stainless steel water bottle and coffee cup as well as reusable shopping bags.

### THIRD-PARTY BUILDING CERTIFICATIONS

Throughout our company's history, we have sought to develop and manage sustainable, healthy properties that enhance our resident's well-being and promote environmental efficiency. In alignment with our environmental strategy, we seek to achieve green and healthy building certifications for applicable properties across our portfolio. At this time, we pursue ENERGY STAR, LEED, Green Globe, Fitwel, and National Green Building Standard ("NGBS") Certifications.

In 2022, we committed to pursue NGBS certification for all new developments and joint venture projects, and we strive to achieve Gold or higher whenever possible.



SPOTLIGHT

## Emerald Designation for The Camille, A Paragon of Sustainability, Style, and Substance

Rising tall on a bustling street in Bethesda, MD, The Camille apartment complex evokes modern luxury. With contemporary amenities such as a coworking lounge and pet spa, we developed the 14-story building with the intention to be a retreat to residents and visitors alike. In April of 2023, **The Camille was awarded the highest rating (Emerald) from the National Green Building Standard** (“NGBS”), one of only two buildings in the nation to have achieved this rating. The Camille is a demonstration of our commitment to building and incorporating sustainability.

The Emerald NGBS level requires certain mandatory elements, such as proper ventilation and secure moisture barrier approaches, and then awards points based on other factors in each of six categories. The categories include lot design and development, resource efficiency, water efficiency, energy efficiency, indoor environmental quality, and building operation and maintenance. The building must be visually inspected before drywall install and after construction is finished by a certified third-party inspector. We are proud to report that The Camille scored **between 7%-45% higher than required for Emerald designation** across the six categories.

The NGBS certification and Simpson’s development process, including for The Camille, emphasize life safety, first and foremost. Particularly for a multifamily high-rise building, constructing a structure with the most advanced framing techniques and preparing for disaster scenarios are vital. The Camille received 100% of points possible for factors such as framing and structural plans, foundation quality, and using higher-grade materials than specified, giving developers and residents alike confidence in the building’s safety and durability. It is currently the only high-rise building with an Emerald designation in the nation.



The Camille also promotes resident wellbeing in other ways, **such as by limiting toxic fume exposure through using only no VOC paint**, high-quality insulation, and offering superb air filtration and HVAC systems. The building integrates resource efficiency practices such as **water-efficient fixtures in plumbing, laundry, and irrigation and energy-efficient lighting, heating, cooling, and ventilation**. There are EV charging stations on site for electric vehicles. The Camille is located within walking distance to shops, community resources, and public transportation, as well as bikeable areas.

With a unique model as an owner and an operator, Simpson’s paradigm of long-term value makes it easier to do the right thing by residents. “We hold these projects for 10, 20, 30 years, so they’ve got to be built right,” said Steve Bair, Senior Vice President of Construction. This approach has resulted in success and stability for our company, employees, and investors. Starting in 2023, Simpson created a formal policy requiring new developments to obtain NGBS certification. For Simpson residents and stakeholders, the future’s looking bright—and green.



# CLIMATE RESILIENCE AND RISK MANAGEMENT

In addition to our partnership with Measurabl to measure GHG emissions, we are in the process of pursuing several climate resilience and risk management efforts as of 2023.



As part of our ongoing commitment to sustainability and environmental responsibility, we are actively evaluating the feasibility and implications of setting a target for achieving net zero carbon emissions. We are dedicated to working towards defining a clear and achievable net zero commitment, with the aim of establishing a specific target year, such as 2040, in the near future. We are also in the process of developing a climate risk assessment and management framework that identifies and quantifies physical, regulatory and financial risks associated with climate change. As we look ahead, we intend to integrate climate risk into our enterprise risk management.



# Social

“Our fundamental tenet is to take care of employees, who will take care of the residents, who will have a good experience and then reward our investors. We embrace being a good corporate citizen.”

— FRANK ROONEY JR., CEO



As our mission statement demonstrates, our first priority as a company is to provide an exceptional employee experience. We believe that our most valuable asset is our team, and our unwavering commitment to the success and wellbeing of our employees lays the foundation for all that we do. Our culture is one of respect, trust, and taking pride in our work and our results. We know that when employees are happy, so are our residents and investors.

We are also in the business of improving the lives of those around us, including providing a positive environment for our residents and driving impact for communities in which we operate. Simpson Housing strives to exceed expectations, change perceptions, and give back. Our long-term perspective as an owner and operator means that we prioritize quality and care to make a positive difference, and we extend this ethos to our communities.



# OUR PEOPLE

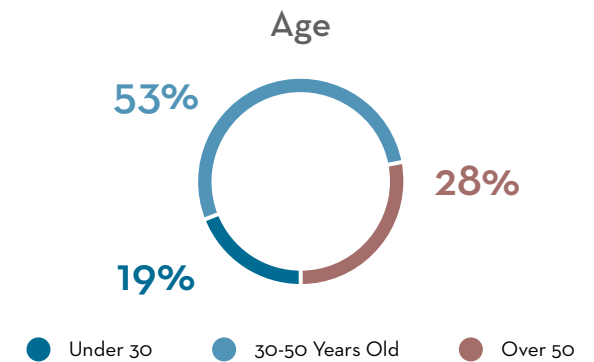
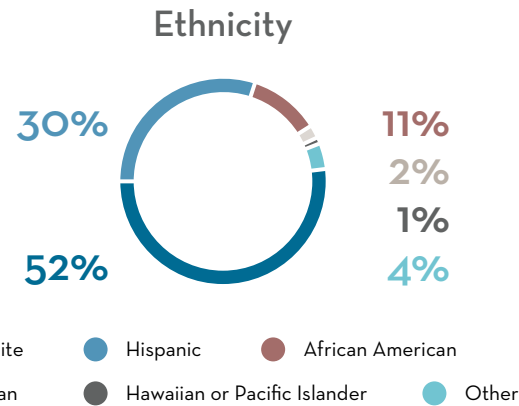
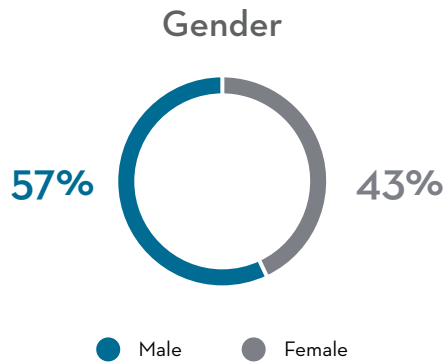
At Simpson Housing, we take pride in creating a work environment where all employees feel empowered to succeed and valued for the contributions they bring. Across all levels of our organization, we strive to provide our team members with the programs, benefits, and opportunities to grow

professionally and personally and promote their health and wellbeing. We recognize that our employees are foundational to our success as a company, and to that end, we work tirelessly to support them in their endeavors.

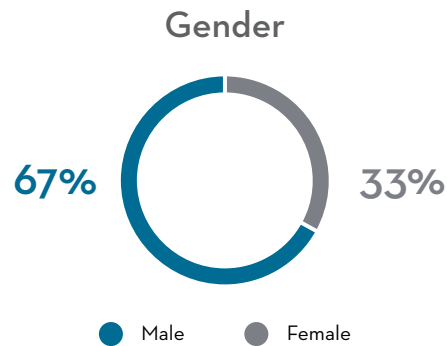
## WORKPLACE METRICS

We are committed to hiring, training, and retaining a diverse workforce and aspire to create a more inclusive and equitable organization. In order to show our progress towards creating a diverse and equitable workplace, we intend to share the demographic makeup of our organization and leadership annually.

## Employees



## Executive Leadership



# BENEFITS, HEALTH, AND SAFETY

Creating a positive experience for our employees is central to our purpose as a company at Simpson. We are proud to offer a comprehensive benefits package for our employees. Highlights include:

**A \$2,000 annual educational stipend** for use on job-related educational opportunities

**Paid time off** accrued based on years of service and hours worked

**An Employee Assistance Program** that offers no-cost virtual and in-person therapy

**A 401(k) plan with a 1:1 match**, up to \$3,500 annually, offered to full- and part-time employees

**Disability and life insurance options**, including Basic Life and AD&D, supplemental life insurance option, no-cost short-term disability insurance with an option to buy-up, and no-cost long-term disability insurance.

**Comprehensive medical, dental, and vision insurance** with approximately 80% of premiums paid by employer

**Eight core holidays** along with **two wellness days** and **two floating holidays**

**Flexible spending accounts** for dependent care and health care

**Employee Rental Discounts** (20% for all full-time employees, 35% for on-call employees with less than 3 years of service, and 40% for on-call employees with 3 years or more of service)

## JOB SUPPORTS FOR MAINTENANCE EMPLOYEES

Maintenance employees at Simpson Housing—including professionals tasked with repairing HVAC, plumbing, and electrical systems and maintaining apartment interiors—are a valued part of the Simpson Housing community. To better support these employees, who work in an industry that can be notoriously volatile in terms of on-call hours and shifting schedules, Simpson provides additional job supports such as set weekly schedules, consistent hours, on-call stipends, quarterly bonuses, and paid travel time. Additionally, maintenance team members can pursue some professional certifications in-house and on-the-clock at Simpson, supporting better work-life balance.

## NEW IN 2023: ADDITIONAL WELLNESS DAYS IN RESPONSE TO EMPLOYEE FEEDBACK

In the multifamily rental business, it can be difficult for employees to fully disconnect on holidays when the on-site offices remain open and emails continue to come through. After listening to employees share this concern, Simpson added two new wellness holidays (the Fridays before Memorial Day and Labor Day) to give employees a longer weekend to fully recharge and not anticipate a burdensome workload on their first day back. On-site employees are included and can shift to take their additional holiday another day during the holiday week.



## PROTECTING MENTAL HEALTH AND WELLBEING

Employees can access three face-to-face counseling sessions annually (more for separate needs) with Simpson's provided Employee Assistance Program (EAP). After seeing the need for more accessible options and availability, particularly during and after the COVID-19 pandemic, the Simpson team worked to secure virtual consults for employees as well, resulting in more availability and accessibility for employee mental health needs.

SPOTLIGHT

## Employee Opportunities

Simpson's commitment to excellence includes the drive to ensure that employees have ample opportunity for growth and development. The majority of our senior management and executive teams have been promoted from within, and it is not unusual to see employees remain working with Simpson for decades across multiple roles. These employee stories illustrate how Simpson's culture, paired with individual goals, can lead to a successful and satisfying career.

### Kyle Lucas

After starting with Simpson Housing as a part-time seasonal pool monitor in 2008 during college, Kyle Lucas has now worked for several years as a Regional Property Manager. His responsibilities include overseeing the day-to-day management and operations of Simpson communities in Nashville, TN. When asked what he values most about the Simpson culture, he said: "I often sum it with the phrase people over properties...Since I started with Simpson, everyone I've worked with has been quick to encourage and slow to discourage...The positivity that came with accomplishing something new and seeing more doors open as a result has always been great here. I always felt safe to try because I knew if I failed nobody would hold it against me."



### David Wells

As the Service Manager for the Quatama Crossing Apartments, a 711-unit income qualified property in Hillsboro, Oregon, David Wells has seen the Simpson culture from multiple angles. He joined the company in 1994 and has worked for Simpson for more than 30 years. Dave has leveraged the opportunities for growth Simpson strives to provide our employees with. "I quickly learned that this company was very different from any company I had ever worked for. The growth potential with this company is almost limitless," he said.

When Dave expressed the need to change positions to be closer to family, he worked with regional property managers and discovered the opening at Quatama Crossing. "I discovered they needed a person at Quatama Crossing that could handle such a large property with so many challenges and a large staff. The company helped me transition into the position and the rest is history as they say. I am extremely proud of Simpson and all the great people that represent it. Simpson genuinely cares for the employees, and our leaders empower us to be able to do our jobs to the highest level! These are a few of many things that have kept me so faithful to Simpson all these years."



# EMPLOYEE ENGAGEMENT

Given our focus on employee success, Simpson takes care to provide opportunities for employees to offer feedback and to show action taken based on this feedback. One of these feedback avenues is our annual Employee Engagement survey through Culture Amp. This survey aims to help leadership understand employee perceptions as they relate to fifteen categories, including inclusion and diversity, management, and collaboration and communication.

For the 2022 survey as shared in 2023, 576 employees were surveyed with 353 employees (61%) participating. Results showed that 73% of employees at Simpson Housing are engaged, as measured through the survey methodology including the commitment and connections employees have to the organization.

Strengths as uncovered by the survey included:

**Company confidence: I am aware of Simpson Housing's mission statement and core values**

94%  
AGREE

**Alignment and involvement: I know how my work contributes to the goals of Simpson Housing**

89%  
AGREE

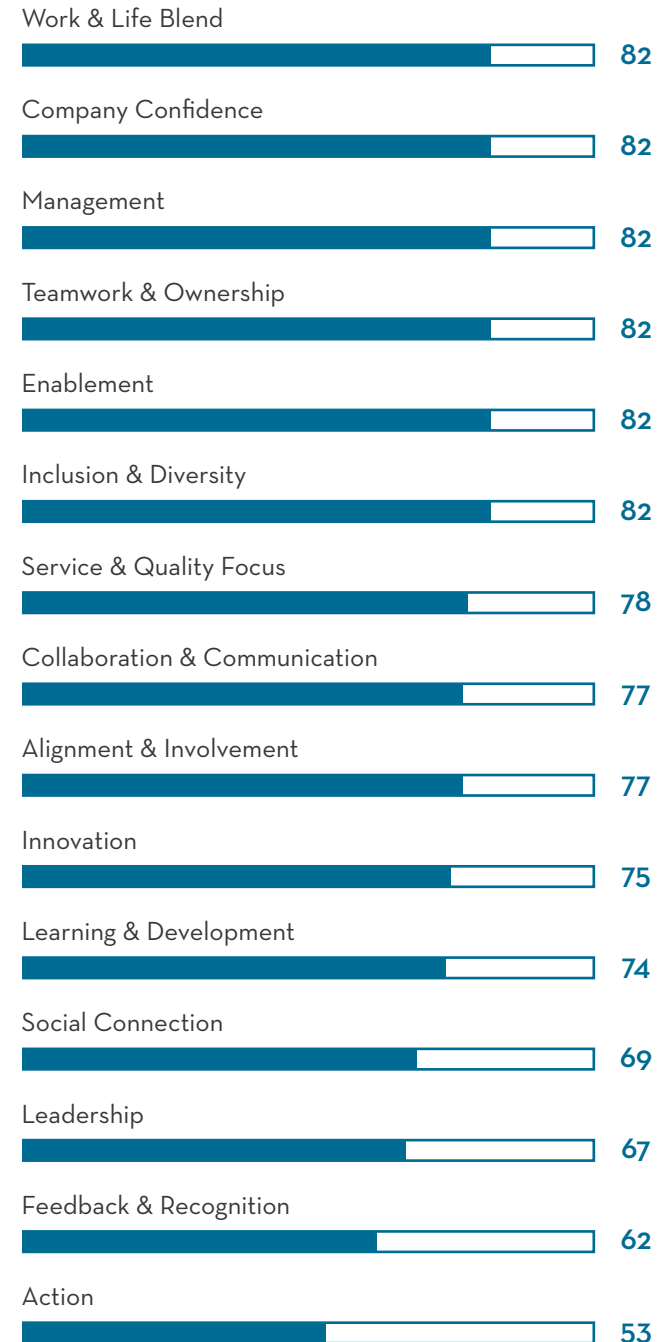
**Alignment and involvement: I know what I need to do to be successful in my role**

91%  
AGREE

Areas of opportunity include alignment and involvement (total compensation), action (survey feedback implementation), and leadership (demonstration that people are important to the company's success). The results of this survey were shared publicly with employees through a published PDF as well as through a town hall hosted by the full Simpson executive team. The Simpson leadership team is committed to continuous improvement and working collaboratively with employees to deliver exceptional experiences.

## Employee Engagement Survey Results

### Favorable Responses



In 2023



Employees Completed More Than

**8,000**

Hours of Training



Average of

**13 Hours**

of Training Per Person

## INVESTING IN EMPLOYEE SUCCESS AND DEVELOPMENT

The Simpson Training Department focuses on career development for employees. Whatever their role, Simpson employees have clear pathways to upskill, develop professionally, obtain professional certifications and credentials, and hone their leadership skills along the way. The team also builds structures for employees to mentor each other and create a culture of feedback, growth, and community.



### Learning and Development

Simpson employees have access to several layers of resources to accelerate learning and development. These include evergreen internal resources like Simpson Housing University (SH University); broader career success training on topics like communication and generational styles; and specialty training with external partners such as a leadership development program. Simpson also hosts a formal mentoring program to accelerate job success for on-site employees.

### Simpson Housing University (SH University)

Simpson employees can advance their career knowledge through SH University, an online platform where essential employee training is housed and broadly accessible. The courses offered include topics that are relevant to specific job roles, such as Leasing 101 or Maintenance 201, as well as targeted modules on how to use relevant software such as Yardi, a property management system. Additionally, employees can access AI-enabled training tied to specific products and custom documents created for their role.

The Simpson Training Department also builds custom educational offerings on topics relevant to the broader workplace. For example, recognizing that the current Simpson employee pool spans five generations, the team offered training on generational diversity and how to best understand and work across generational styles. Through a weekly podcast and “webinar Wednesdays,” the team also connects with employees on themes such as safety and wellbeing.

# MENTORSHIP PROGRAM

A helping hand can go a long way, particularly when it's from someone who has been where you are. Simpson's Onsite Mentorship program catalyzes helpful connections in a formal way by pairing new hires and/or newly promoted staff members with more seasoned staff members in the same role. The program is available to employees in roles such as community manager or service technician and offers senior employees an opportunity to develop as leaders. Certified Simpson Mentors attend a day-long mentor training course and are expected to meet with their mentee twice a week for the first 90 days on the job. Mentors are eligible only after passing certain milestones in their own careers and are compensated for their efforts.

The mentorship program has created a culture of guidance and growth that improves the experience for not only employees, but mentors and residents as well. Since the mentorship program's revamp in 2020, 128 employees have participated as a mentee or mentor, leading to a collaborative transfer of knowledge, skills and insights from seasoned leaders to new employees.



## SPOTLIGHT

### 5 Levels of Leadership Training and Culture

In 2022, Simpson invested in employee development by partnering with the John Maxwell Leadership Institute to host a leadership development training for the executive and senior leadership teams. In addition to the live training, leaders also had access to 1:1 career coaching.

The Five Levels of Leadership Training program coaches participants on the applicability of five progressively more mature levels of leadership:

**Position:** leadership by title or job

**Permission:** leadership based on relationship

**Production:** leadership based on results

**People Development:** leadership based on developing others

**Pinnacle:** leadership based on transforming others into leaders

In 2023, the Simpson team disseminated this leadership training further to regional managers and People Services leaders, who in turn were tasked with sharing the philosophies and resources with their teams. Employees were responsive and highly energized by the training.

Tina Tamondong, SVP of People Services, communicated that the best result of this leadership training was a new, shared leadership language used by leaders at Simpson. "This training has helped people keep on task and communicate effectively and kindly. It has helped with personal relationships too," she said.



# AWARDS AND RECOGNITION

Simpson's values-driven leadership approach has resulted in opportunities for recognition, which in turn enhance the opportunity to serve more residents and partners. We are proud of our employees' achievements and the positive culture they create for residents and investors.

## Internal Awards

For nearly a decade, Simpson has run an internal recognition program to spotlight exceptional employees at both the regional and national level. There are eight award categories for the regional level and four for the national level, including Community Team of the Year, Community Manager of the Year, Service Manager of the Year, and Million Dollar Club (excellence in leasing sales). Nominated employees at both the regional and national level are honored and recognized at regional retreats. Since 2014, Simpson has recognized more than 900 individuals and teams with awards.

In a spirit of gratitude, the corporate team also recognizes employees on milestone anniversaries starting at five years of service.

## Top Workplaces

In 2023, Simpson Housing was voted as a top workplace in five markets including Austin, Charlotte, Dallas-Fort Worth, Oregon, and Denver. These awards are based solely on employee feedback gathered through a third-party survey, and they measure 15 culture drivers including alignment, execution, and connection.

## External Recognition

Since its founding days, Simpson has worked tirelessly to create value for employees, residents, partners, and investors. In the last several years, the team has been proud to receive several notable awards that are a testament to the dedication of all employees and the vision of our leaders.

## Excellence in Customer Service

Eight of our properties were recognized with the Ellis Customer Experience Best In Class Awards in 2023, including two properties ranked in the top 25 of all participating properties (San Carlos and The Encore SouthPark). The Ellis award recognizes properties that have gone above and beyond for customers, and it is presented to the top 10% of multifamily communities nationally based on results of resident surveys conducted across five touch points.

Additionally, Simpson employees have been recognized externally for their excellence in customer service by the "A List" award from CEL & Associates, an independent consulting firm that benchmarks property management companies for customer service (further described below).

## Awards

### Top Workplace

THE DENVER POST

### Top 55 Small Companies

The Oregonian

### Top 40 Small Companies

The Charlotte Observer

### Top 25 Small Companies

The Dallas Morning News

### Top 20 Small Companies

Austin American-Statesman

# DIVERSITY, EQUITY, AND INCLUSION (DEI)



Inclusivity is one of Simpson's nine corporate values, and diversity, equity, and belonging are vital extensions of this. Simpson is committed to fostering a diverse workplace where everyone feels **valued, respected, and empowered** to contribute their unique perspectives, talents, and experiences. We know that diversity is not only a source of strength, but also a catalyst for innovation and growth.

We embrace diversity in all its forms, including but not limited to age, race, ethnicity, gender, sexual orientation, religion, disability, and socioeconomic background. We strive to create an environment that celebrates the richness of these differences, promotes fairness and equal opportunities, and eliminates any form of discrimination or bias.

## Values in Action

Our pledge to equity drives us to ensure **fair access to opportunities, resources, and growth** for all of our team members. We translate our commitment to diversity, inclusion, and equity into action through ongoing education and open dialogue. Each team member participates in a mandatory diversity training at hire and every two years thereafter. Our team members also have the opportunity to share feedback in our employee engagement survey, and we are excited to expand our efforts moving forward.

As we move ahead in 2024 and beyond, we remain committed to diversity, inclusion, and equity as values that require **continuous improvement and introspection**. Our team has made DEI work a priority moving forward with multiple initiatives in development, including a belonging-focused employee survey.





## OUR COMMUNITIES

Being a proactive and positive member of the community is a priority for Simpson as a company and for employees as a team. As a growing part of more than 20 metro areas, we understand what it takes to invest in the people and places who call us home. Unique in the multifamily space, Simpson continues to **maintain a local physical presence at each property** to demonstrate personal touch and care to residents.

Tenant satisfaction and engagement are important parts of Simpson's culture. Guided by our mission of exceptional customer service, our team works hard to earn residents' trust and implement suggestions through a structured process, including touchpoint surveys and our annual REACT survey. Simpson also cultivates community and adds value for residents

by hosting dozens of events each year, including **wellness events and social engagements**. We also support our residents in their sustainability values through energy conservation tips, community-managed recycling programs, and emergency communications.

We value our role as stewards in our larger communities, and we are **dedicated to amplifying the impact of local community nonprofits**. Through our signature annual event Make a Difference Day and other volunteer efforts, we drive

results for community priorities and build a culture of service and giving. Good corporate citizenship underpins our efforts to show that multifamily companies and renters are contributing, valuable components of desirable communities.







## Satisfaction Score

Overall

86.1

Property

82.7

Service

87.9

## RESIDENT SATISFACTION AND ENGAGEMENT

In order to better understand and respond to our residents' needs and desires and measure our success in delivering excellent customer service, we conduct an annual resident satisfaction survey across our properties called REACT. We recognize that our residents have a choice in apartment living, and we are thrilled that Simpson Housing communities are chosen as the place our residents call home. In partnership with CEL & Associates, Inc., we have **performed this survey for 21 years** and utilize the findings to implement specific action plans that address any resident concerns.

The REACT survey focuses on three satisfaction indexes: **Overall Satisfaction, Property Satisfaction, and Service Satisfaction**. Additionally, the survey hones in on nine Business Success Factors which provides us with more specific insights into which aspects of our business and approach have a high level of satisfaction and which need a focused effort for improvement. From these findings, we are able to create tailored action plans across our communities to improve the satisfaction of our residents.

In 2023, we distributed the survey **across 70 properties, reaching more than 20,000 residents**. We are proud to report we received a response rate of 52%, increasing from last year's rate of 51%. Overall, we improved our score for all three Satisfaction Indexes and improved our scores for eight out of nine Business Success Factors (our score for Property Rating remained the same from last year's survey). We are honored to have received CEL's "A List" ranking for the 21st year in a row and look forward to continually improving our scores year over year.

In addition to the REACT survey, we also conduct pulse surveys at five milestones with residents. We are pleased to share that our pursuit of excellence in customer service has also been recognized in other ways, including having four communities named in the top 1% of all apartment communities in the nation as measured by online reviews and ranked by ORA.

## Resident Engagement

In addition to taking our customer service responsibilities seriously, we show we care by adding value for residents through community-oriented events. These events have included educational campaigns on holidays such as World Car Free Day, Earth Day, and Global Accessibility Awareness Day. We have also hosted events designed to spark joy and promote wellbeing including Self Care Day, Hug a Llama Day, and our annual Holiday Coloring Contest.

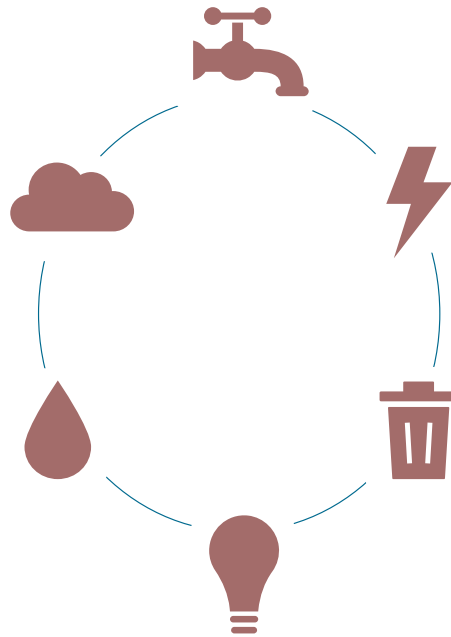


In 2023, we hosted more than 450 events nationwide designed to create a sense of community and fun for residents.

Our marketing and communications teams also invest significant time and efforts into sharing resources with residents through the corporate Sincerely Simpson blog and separate social media accounts for each of our 75 communities.

## Sustainable Tenant Guide

To help our residents understand how they can reduce their environmental impact, Simpson published the Sustainable Tenant Guide in 2023. This document outlines Simpson's corporate commitment to minimizing environmental impact in specific ways, including using technology to monitor energy and water consumption and following a green maintenance plan. It also offers recommendations on how residents can be environmentally friendly, including closing doors and windows in air-conditioned rooms and avoiding running appliances during the hottest parts of the day. This guide is another way of moving values into action at Simpson.





# COMMUNITY ENGAGEMENT AND VOLUNTEERISM

As champions of sustainability and corporate citizenship, we take care to engage with our local nonprofit communities and involve residents in this work. We value social impact and have a long history of community engagement, including both corporate giving and volunteerism.

In particular, we host two annual events to promote charitable giving and community engagement: Make a Difference Day and Move for Hunger drives. Our corporate headquarters also hosts a holiday event that supports giving for Shiloh House, a Colorado-based family support nonprofit.

## Make a Difference Day

Every year in May, Simpson hosts Make a Difference Day, an annual campaign dedicated to collaboration with nonprofits across the nation. Regional teams select one or more partner nonprofits, and employees are offered a paid workday to volunteer with these organizations. Volunteer efforts are diverse and range from park maintenance to home improvement to packing meals.

In 2023, teams volunteered with nonprofits whose missions included promoting food security, maintaining outdoor resources, supporting adults with disabilities, providing shelter for families experiencing medical challenges, caring for lost or neglected animals, providing baby items for expectant moms, and more.



“Having volunteers from Simpson Housing has been so impactful for our programs and services...Our staff knows when Simpson Housing volunteers are coming, they can trust that quality work will be done. When working with adults with intellectual and developmental disabilities, the maintenance of their homes sometimes falls to the help of volunteers. This is where Simpson Housing volunteers have made the biggest difference.”

**STACI DAVIS**  
DEVELOPMENT & COMMUNITY RELATIONS DIRECTOR, WAVES

“Simpson Housing has been an amazing partner of Shiloh House since 2015... Simpson has been a wonderful partner that has supported our organization in various ways. The employees who have come to help on serve days work so hard, have amazing attitudes and are always willing to pitch in wherever they can. They have gone above and beyond providing Christmas gifts for the children and families that we serve. One year we had a partner who due to unforeseen circumstances had to back out of their commitment and when we reached out to Simpson, they wholeheartedly replied "Yes! We can take some extra names." Thank you for all you do for Shiloh House!"

**KATHY MCSHANE**  
DEVELOPMENT AND COMMUNITY ENGAGEMENT ADVISOR, SHILOH HOUSE

## 2023 Make a Difference Day

**552**

Employees Donated

**2,258**

Hours of Service

**36**

Organizations

Across

**14**

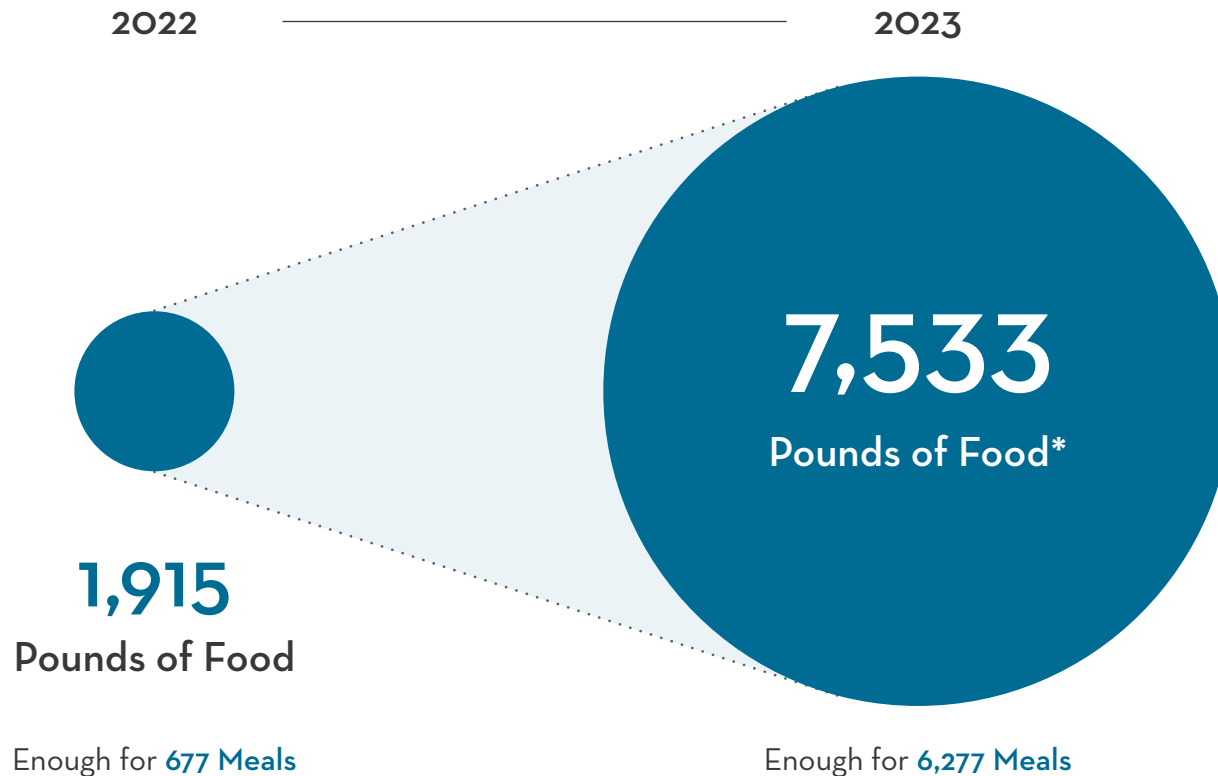
States



## Move for Hunger

In 2022, Simpson launched a partnership with Move for Hunger, a national non-profit organization that mobilizes transportation networks to deliver surplus food to communities in need. In practice, this means that the Move for Hunger team collects food from people who are moving to help reduce waste and divert food to those in need. After partnering for a holiday season food drive in 2022, the Simpson team expanded the partnership to offer donation stations that are accessible year round. Individual properties also host food drives at other times of the year.

## Simpson Residents Donated Food



\*Across 46 Properties

## High performance properties included:

- ★ **CASCADE SUMMIT IN OREGON**, who used a costumed teddy bear to remind residents to participate, overall collecting 770 pounds of food.
- ★ **THE BATTERY ON BLAKE STREET IN COLORADO**, who hosted a month-long drive that collected 150 pounds of food, enough for 126 meals.

## Shiloh House Holiday Donations

Shiloh House is a Colorado-based nonprofit organization that offers youth and families support and services to overcome challenges through a trauma-informed lens. The organization has six campuses across the state and provides residential care, educational programming, day treatment and outpatient services, and extensive community wrap-around services. Since 2015, Simpson has partnered with Shiloh House to sponsor the holiday season for 75 children.

In 2023, Simpson sponsored an additional 15 children for a total of 90 that year, covering gifts for the children and raising an additional \$3,860 for the organization.

SPOTLIGHT

## Entryway Partnership

In 2023, Simpson's core values of inclusivity and sustainability motivated the team to formalize a partnership with Entryway, a national nonprofit promoting **economic self-sufficiency through work with individuals at risk of homelessness**. Entryway's model focuses on connecting participants to partners in real estate to create opportunities for career training, employment, and housing. The team also works to educate communities on the nuanced situations of those experiencing homelessness, 70% of whom are situationally homeless due to one or more life-altering events such as a job loss, natural disaster, or domestic violence.

Entryway's program identifies and prepares individuals who have been in the workforce before, have marketable skills, and with a hand-up, are ready to return to economic self-sufficiency. After screenings and background checks, as well as technical training and soft skills support, Entryway participants are eligible to apply for jobs such as leasing consultants and service technicians at partners like Simpson Housing.

They are also supported for a year once on the job, a model that has resulted in more than **470 Entryway graduates and family members moving to stable housing and employment situations**.

If selected at Simpson Housing, Entryway participants will be offered a chance to apply to live on-site while going through the drug and background process, discounted rent, and a waived first month of rent. Placements typically take 6-9 months to materialize, and the process of placing a first Entryway participant at Simpson is still ongoing.

Entryway's mission aligns with Simpson's focus on building community, promoting healthy living and workspaces, and benefiting local communities.



# Governance

Since our founding days as a family-owned real estate company, Simpson Housing has prioritized **values-driven leadership** across all of our endeavors. We know that our business is someone else's home, and we take our commitment to community and excellence seriously. We are committed to the highest standards of ethics, integrity, and compliance with applicable laws in all aspects of conducting our business. We believe an organization is far more than a legal entity - it is a community- and we know that our sterling reputation depends entirely on the **ethical and legal behavior of our people, especially our leaders.**

Our executive team and senior leaders have worked together for more than 15 years, and they set the standard for how the Simpson paradigm of long-term value creation guides us to thoughtfully invest in our properties, communities, employees, and partners.

“ESG for me is synonymous with good stewardship, both for our customers and our owners.”

KRYSTAL ELDREDGE, VP OF SUSTAINABILITY AND COMPLIANCE







Our corporate values guide not only our ESG efforts, but our business approach as a whole.

SIMPSON HOUSING CORPORATE VALUES:

- Integrity
- Collaboration
- Accountability
- Respect
- Entrepreneurial Spirit
- Service
- Inclusivity
- Sustainability
- Financial Responsibility

We are committed to conducting our business with the highest standards of ethics, integrity, and compliance with all relevant laws. We believe an organization is more than just a legal entity—it's a community—and we prioritize a strong sense of social responsibility and accountability in everything we do.

SPOTLIGHT

## Demonstrating Excellence through Tenured and Cohesive Leadership

Strong and stable values-driven leadership is at the heart of authentic corporate responsibility. Simpson Housing is trusted by investors for its culture of excellence and tenured leadership team. At the date of publication, 100% of Simpson's three-person executive team had been with the company for more than 15 years, and 79% of the company's 14-person senior team had been with the company for 15 years or more. In the words of one prominent Simpson investor, "The management team has worked together a long time - they are a cohesive team. They speak with a voice that is collaborative, and they have a shared sense of where the company is going—that's confidence building."

# CORPORATE RESPONSIBILITY AND ESG GOVERNANCE STRUCTURE

As a Simpson Housing priority, our corporate responsibility and sustainability efforts percolate all levels of our organization and are core focuses for executive and senior teams as well as property leadership. Our sustainability efforts are led by our Vice President of Sustainability and Compliance and our Senior Vice President of Asset Management. These leaders, along with all members of our executive team and a select group of senior management representing each department, comprise our Sustainability Team. The Team's role is to develop the Simpson sustainability strategy, monitor key issues and regulatory matters, report on ESG progress, and overall advance corporate sustainability and responsibility activities and programs.

## GOVERNANCE POLICIES

Over the last year, Simpson has invested in developing and communicating official firm-wide policies. These policies reflect our ESG stance and commitments in addition to long-standing norms, such as the Business Ethics Policy. Full policies are available upon request.

- Overall ESG Policy
- Responsible Development Guidelines
- Responsible Vendor Policy
- Water Conservation and Management Policy
- Waste Management and Recycling Policy
- Net Zero Commitment Policy
- Energy Efficiency Policy
- Climate Risk and Resilience Policy

## INVESTOR ACCOUNTABILITY

Investors are valued and essential stakeholders for Simpson Housing, and we take our corporate commitment to accountability seriously. We seek to be transparent and proactive in all our investor communications and aim to lead by example.

Our practices for building confidence and collaboration with investors include:

- Quarterly meetings and reports for primary investors to review current operations, financial results and monitor progress towards achieving business plans.
- An external audit performed by Ernst & Young with no management comments.
- Internal audit initiatives and activities at both the property and corporate level to ensure best practices.
- Third-party (PricewaterhouseCoopers) quarterly appraisal of properties and overall company valuation.





# SUSTAINABILITY PARTNERSHIPS

In order to professionalize and advance our sustainability efforts, Simpson partners with industry-leading organizations on data collection, measurement strategy, communications, and other endeavors.



## Our Current Partnerships





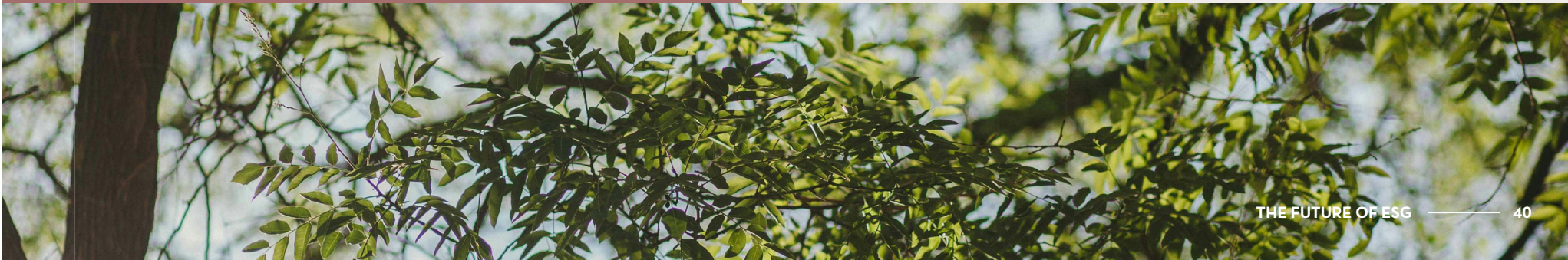
# The Future of ESG

AT SIMPSON HOUSING

Thank you for reading our inaugural Corporate Responsibility and Sustainability Report. As we reflect on our ESG journey to date, we are proud of the steady progress we have made as we strive to improve our sustainability programs and corporate citizenship. We view the publication of this report as an important milestone in our journey and look forward to providing annual updates on our progress.

Looking ahead, our dedicated teams will continue to **advance our initiatives, develop our policies, and improve our data collection** to increase our environmental efficiency. We intend to continue our work developing an Environmental Management System and hope to begin its implementation in the near future. We are also in progress on a materiality assessment that is also providing real-world work for a select group of university students. For our social initiatives, we plan to increase our focus on DEI and evolve our employee well-being programs to continue providing exceptional experiences for our team members. Our Sustainability Committee will be focused on sharpening our data collection, management, and reporting. As always, we remain committed to creating sustainable and efficient properties and will continue to develop our climate awareness and responsiveness.

As we embark on the next phase of our ESG journey, **we embrace our opportunity to innovate, improve, and deepen our sustainability program**. Thank you for your continued support of Simpson Housing.



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# Appendix

## Disclaimers and Notices

Simpson's Corporate Responsibility and Sustainability Report provides general information about the Company's sustainability and environmental, social and governance in connection with its overall sustainability goals. In addition, this Report shows Simpson's efforts to ensure its core values are embedded in its actions.

This Report outlines Simpson's overall commitment to ensure its corporate actions support sustainable results. It is not to be relied on for any financial, investment, legal or other purposes. It is for information only. Further, it should not be expected or assumed by any person or organization that Simpson will be able to act in the ways outlined in this Report, or achieve the same or even marginally similar results during any given time period.

In addition, it should never be assumed that Simpson will be able to act in a manner with respect to certain business decisions in the same way, with the same effect or emphasis as this Report shows for the time period the Report covers. Any decisions Simpson makes in its business

activities, whether day to day operations or any acquisitions, sales, or investments, will be made in the best interests of the Company, taking into all considerations pertinent to such decisions, and as a result, no reliance should be placed on this Report as being determinative in any such decision.

This Report is not an offer to make or sell any product or provide any service. The disclosure and legally governing documents for any Simpson transaction should be followed and reviewed in connection with such transaction, and nothing in this Report shall alter, amend, or supersede such information. Any information or data in this Report is subject to change without notice after the Report is issued. All information and examples are for illustration only, and not as a statement or representation that Simpson will always implement policies and procedures as described in this Report or in connection with any of the examples or demonstrative summaries provided herein.

# Global Reporting Initiative

Simpson Housing has prepared this index in reference to the Global Reporting Initiative (“GRI”) Standards and indicates the locations where the disclosure topic is addressed. This is our first use of the GRI.

<b>STATEMENT OF USE</b>	Simpson Housing has reported the information cited in this GRI content index for the period January 1, 2023-December 31, 2023 with reference to the GRI Standards.
<b>GRI 1 USED</b>	GRI 1: Foundation 2021

GENERAL DISCLOSURES 2023		
DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
2-1 Organizational details	Page 6	Corporate Overview
2-2 Entities included in the organization's sustainability reporting	Page 1	About Our Report
2-3 Reporting period, frequency and contact point	Page 1	About Our Report
2-6 Activities, value chain and other business relationships	Page 6	Corporate Overview
2-7 Employees	Page 21	Our People
2-9 Governance structure and composition	Page 37	Demonstrating Excellence through Tenured and Cohesive Leadership

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
2-12 Role of the highest governance body in overseeing the management of impacts	Page 38	Corporate Responsibility and ESG Governance Structure
2-13 Delegation of responsibility for managing impacts	Page 38	Corporate Responsibility and ESG Governance Structure
2-15 Conflicts of interest	Page 38	Governance Policies - Our Business Ethics Policy dictates our approach and management of conflicts of interest. Our policy is available upon request.
2-22 Statement on sustainable development strategy	Page 2	Letter to Our Stakeholders
2-23 Policy commitments	Page 38	Governance Policies
2-24 Embedding policy commitments	Page 38	Governance Policies
2-28 Membership associations	Page 10	Industry Affiliations
2-29 Approach to stakeholder engagement	Page 38	Investor Accountability

GRI 201: ECONOMIC PERFORMANCE 2016		
DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
201-2 Financial implications and other risks and opportunities due to climate change	Page 19	Climate Resilience and Risk Management  Please also see our TCFD disclosures.



**GRI 302: ENERGY 2016**

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
302-1 Energy consumption within the organization	Page 13	2023 Environmental Data
302-3 Energy intensity	Page 13	2023 Environmental Data
302-4 Reduction of energy consumption	Page 13	2023 Environmental Data

**GRI 303: WATER AND EFFLUENTS 2018**

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
303-1 Interactions with water as a shared resource	Page 14	Environmental Initiatives
303-5 Water Consumption	Page 13	2023 Environmental Data

**GRI 305: EMISSIONS 2016**

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
305-1 Direct (Scope 1) GHG emissions	Page 13	2023 Environmental Data
305-2 Energy indirect (Scope 2) GHG emissions	Page 13	2023 Environmental Data
305-4 GHG emissions intensity	Page 13	2023 Environmental Data
305-5 Reduction of GHG emissions	Page 13	2023 Environmental Data

**GRI 401: EMPLOYMENT 2016**

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
401-1 New employee hires and employee turnover	N/A	<p>Total number and rate of new employee hires during the reporting period (Q1 2023-Q4 2023)</p> <p>Total number of new hires - 127</p> <p>Gender</p> <ul style="list-style-type: none"> <li>• 42 Identify as Female</li> <li>• 85 Identify as Male</li> </ul> <p>Age Group</p> <ul style="list-style-type: none"> <li>• 50 under the age of 30</li> <li>• 52 ages 30-50</li> <li>• 25 over 50</li> </ul> <p>Region</p> <ul style="list-style-type: none"> <li>• 42 Atlantic</li> <li>• 22 Intermountain</li> <li>• 21 West Coast</li> <li>• 29 Southern</li> <li>• 13 Corporate</li> </ul> <p>Total number and rate of employee turnover during the reporting period (Q1 2023-Q4 2023). If possible, breakdown of employee turnover by age group, gender, and region</p> <p>Total turnover - 139</p> <p>Gender</p> <ul style="list-style-type: none"> <li>• 53 identify as Female</li> <li>• 86 Identify as Male</li> </ul> <p>Age</p> <ul style="list-style-type: none"> <li>• 40 under the age of 30</li> <li>• 69 ages 30-50</li> <li>• 30 over 50</li> </ul>
401-2 Benefits provided to full-time	Page 22	Benefits, Health, and Safety
401-3 Parental leave	Page 22	Benefits, Health, and Safety

**GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018**

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
406-6 Promotion of worker health	Page 22	Benefits, Health, and Safety

**GRI 404: TRAINING AND EDUCATION 2016**

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE
404-1 Average hours of training per year per employee	Page 26	Investing in Employee Success and Development
404-2 Programs for upgrading employee skills and transition assistance programs	Page 26	Investing in Employee Success and Development

**GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018**

DISCLOSURE # AND TITLE	DISCLOSURE LOCATION	REPORT REFERENCE <a href="mailto:megan@declarative.co">megan@declarative.co</a>
405-1 Diversity of governance bodies and employees	Page 21	Our People

## Sustainability Accounting Standards Board (SASB), Real Estate

This is an index to the location of our disclosures that align with the Sustainability Accounting Standards Board (SASB) standards for Real Estate. This is our first use of the SASB Index Report, and we expect to evolve our use over time. The index references data from January 1, 2023–December 31, 2023, unless otherwise stated. The data was updated as of February 27, 2024. See the Disclaimers under each metric for further information.

**ENERGY MANAGEMENT**

METRIC CODE	METRIC	DISCLOSURES
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Simpson Housing's energy consumption data coverage as a percentage of total floor area, by property subsector: <ul style="list-style-type: none"> <li>• Multifamily: 40%</li> </ul>
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	Simpson Housing's energy consumption by portfolio area with data coverage, by property subsector: <ul style="list-style-type: none"> <li>• Multifamily: 357509,3112GJ</li> <li>• % Grid electricity: 60.0%</li> <li>• % Renewable: 0.0%</li> </ul>
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Simpson Housing's like-for-like percentage change in 2023 vs. 2022 energy consumption, by property subsector: <ul style="list-style-type: none"> <li>• Multifamily: -9.0%</li> </ul>
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	<ul style="list-style-type: none"> <li>• Multifamily</li> <li>• Has Energy Rating: 27.0%</li> <li>• Certified to ENERGY STAR: 11.0%</li> </ul>
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	<p><b>Green Maintenance Plan &amp; Responsible Development Guidelines</b></p> <p>Simpson Housing has adopted a Green Maintenance Plan and Responsible Development Guidelines which guide how we integrate energy and operational sustainability within our properties. For more information on our environmental initiatives and ESG policies, please read <a href="#">Environmental Initiatives</a> in this report.</p>

WATER MANAGEMENT		
METRIC CODE	METRIC	DISCLOSURES
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	<p>Simpson Housing's water withdrawal data coverage as a percentage of total floor area, by property subsector:</p> <ul style="list-style-type: none"> <li>• Multifamily: 100%</li> </ul> <p>Water withdrawal data coverage as a percentage of total floor area in regions with High or Extremely High Baseline Water Stress, by property subsector:</p> <ul style="list-style-type: none"> <li>• Multifamily: 37%</li> </ul> <p><b>Disclaimers:</b> We used the World Resources Institute's Aqueduct tool to determine water withdrawn in regions with High or Extremely High Baseline Water Stress.</p>
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	<p>Total water withdrawn by portfolio area with data coverage, by property subsector:</p> <ul style="list-style-type: none"> <li>• Multifamily: 3,114.06 thousand cubic meters</li> </ul> <p>Percentage of water withdrawn in regions with High or Extremely High Baseline Water Stress, by property subsector:</p> <ul style="list-style-type: none"> <li>• Multifamily: 37%</li> </ul>
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	<p>Simpson Housing's like-for-like percentage change in 2023 vs. 2022 water consumption, by property subsector:</p> <ul style="list-style-type: none"> <li>• Multifamily: -4.0%</li> </ul>
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks.	<p><b>Water Conservation and Management Policy</b> Simpson Housing's Water Conservation and Management Policy guides how we promote and integrate water conservation. We strive to increase water conservation across our communities through environmental initiatives that increase water-use efficiency, cost savings, and environmental stability such as installing low-flow fixtures and using leak detection technology.</p>

MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS		
METRIC CODE	METRIC	DISCLOSURES
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	Considering for future disclosure.
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	Considering for future disclosure.
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	<p><b>Sustainable Tenant Guide</b> Simpson Housing seeks to measure the impact of our sustainability initiatives and is working to expand our data collection coverage and accuracy. To improve our environmental efficiency and lower our overall impact, we strive to help our residents reduce their individual environmental impact. Our Sustainable Tenant Guide outlines our corporate commitment to minimizing environmental impact and provides advice and resources for tenants.</p> <p>More information on our Sustainable Tenant Guide can be found in the Social section of this Report.</p>

CLIMATE CHANGE ADAPTATION		
METRIC CODE	METRIC	DISCLOSURES
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	<p>Area of Simpson Housing properties located in 100-year flood zones, by property subsector, are as follows:</p> <ul style="list-style-type: none"> <li>• Multifamily: 0 m<sup>2</sup></li> </ul>
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Please see our TCFD Disclosures.



WATER MANAGEMENT		
METRIC CODE	METRIC	DISCLOSURES
IF-RE-000.A	Number of assets, by property subsector	The following asset counts include property subsectors that Simpson Housing has disclosed data for in prior metrics. <ul style="list-style-type: none"> <li>• Multifamily: 75</li> </ul>
IF-RE-000.B	Leasable floor area, by property subsector	Simpson Housing's leasable floor area: by property subsector: <ul style="list-style-type: none"> <li>• Multifamily: 21,781,186 sq ft</li> </ul>
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	The following is the percentage of indirectly managed assets by property subsectors that Simpson Housing has disclosed data for in prior instances. <ul style="list-style-type: none"> <li>• Multifamily: 0%</li> </ul>
IF-RE-000.D	Average occupancy rate, by property subsector	The 2023 average occupancy rate for each property subsector is as follows: <ul style="list-style-type: none"> <li>• Multifamily: 93.34%</li> </ul>

## United Nations Sustainable Development Goals

Simpson Housing seeks to support the United Nations Sustainable Development Goals (“SDGs”) across certain aspects of our business. The SDGs are a set of 17 integrated goals that serve as a blueprint for sustainable development, economic growth, social inclusion, environmental protection, and health for all nations and all humankind. They were “created to be a call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.” Presenting our support for the SDGs allows our company to communicate our intention for positive impact across our business lines and operations.

SDG #	SIMPSON HOUSING ALIGNMENT	TARGET	DESCRIPTION 2023
2: No Zero Hunger	Simpson Housing “Move for Hunger”	2.1	Simpson partners with Move for Hunger, a national non-profit organization that mobilizes transportation networks to deliver surplus food to communities in need.

SDG #	SIMPSON HOUSING ALIGNMENT	TARGET	DESCRIPTION 2023
3: Good Health and Wellbeing	Health & Well-Being Consideration in Simpson Housing's Responsible Development Guidelines	3.9 3.a	Our Responsible Development Guidelines outline our approach to developing sustainably, environmentally, and with resident well-being in mind. As part of our development process, we seek to install air filtration systems that remove hazardous chemicals from the air within our properties, promoting the health of our residents.  Additionally, our properties are tobacco-free and we incorporate tobacco-free signage as appropriate.
5: Gender Equality	Equal Employment Opportunity Statement	5.1 5.c	Simpson Housing is an Equal Opportunity Employer and provides equal employment opportunities to all employees and applicants.
6: Water and Sanitation	Health & Well-Being Consideration in Simpson Housing's Responsible Development Guidelines  Sustainable Operational Strategy  Site Design and Construction Requirements in Simpson Housing's Responsible Development Guidelines	6.1 6.3 6.4 6.6	Through our Health & Well-Being Considerations, we strive to enhance access to drinking water for our residents and communities. Furthermore, we test water quality regularly and install water purification if necessary.  We strive to decrease water consumption at our properties and during the construction process. During site design and construction, we require our teams to protect surface water quality and aquatic ecosystems by managing potential construction pollutants. Additionally, we strive to restore habitats and site conditions if disturbed during the construction process.
7: Affordable and Clean Energy	Sustainable Operational Strategy	7.1 7.3	Through our Sustainable Operational Strategy, we seek to use energy-efficient lighting and appliance packages throughout our properties. When possible and where feasible, we also install EV Charging Stations.

SDG #	SIMPSON HOUSING ALIGNMENT	TARGET	DESCRIPTION 2023
8: Decent Work and Economic Growth	Responsible Vendor Policy		Our Responsible Vendor Policy outlines our expectations of the suppliers we partner with. All Simpson Housing suppliers/vendors must respect human rights, including the prohibition of child labor and forced labor. Suppliers/vendors should also provide safe and healthy working conditions for their employees and comply with applicable health and safety legislation.
	On-site Construction Safety in Simpson Housing's Responsible Development Guidelines	7.1 7.3	For all construction projects, Simpson and its partners must take measures to promote the safety of on-site construction personnel by incorporating worker safety and health strategies into its development plans.
	Equal Employment Opportunity		Simpson Housing is an Equal Opportunity Employer and provides equal employment opportunities to all employees and applicants.
9: Industry, Innovation, and Infrastructure	Sustainable Operational Strategy		Our Sustainable Operational Strategy and the Site Design and Construction Requirements in our Responsible Development Guidelines outline our approach to building resilient and sustainable properties.
	Site Design and Construction Requirements in Simpson Housing's Responsible Development Guidelines	9.4	During site design and construction, we strive to incorporate design strategies that result in energy, water, and waste consumption reductions. Across our properties, we seek to reduce energy and water consumption and greenhouse gas emissions through the implementation of energy-efficient lighting and appliance packages, water-efficient fixtures, recycling programs, irrigation controls, smart-unit technology, EV charging installations, and real-time energy management software.

SDG #	SIMPSON HOUSING ALIGNMENT	TARGET	DESCRIPTION 2023
12: Responsible Consumption and Production	Site Design and Construction Requirements in Simpson Housing's Responsible Development Guidelines	12.2	During site design and construction, we seek to incorporate building materials, systems, and practices that improve the environment. This includes consideration of regional, rapidly renewable, certified wood, or low-emitting materials; materials with recycled content; materials with publicly available ingredients and/or known hazards and effects; and materials for which life-cycle impacts are public. We also strive to manage our waste by diverting construction and demolition materials from disposal through recycling and reuse of materials, and fully utilizing all available local resources and programs when feasible.  All Simpson Housing properties have recycling on-site, through which we encourage our residents to lower materials going to the landfill.  Lastly, through our ESG Policy and ESG Reporting, we have adopted sustainable practices and are integrating sustainability information into our reporting.
	Sustainable Operational Strategy	12.5	
	Simpson Housing ESG Policy	12.6	
13: Climate Action	TCFD Reporting	13.2	Through our Task Force on Climate-Related Financial Disclosures Report, we seek to increase the transparency of our climate-related disclosures. Our GHG (Greenhouse Gas) Accounting and Carbon Reduction initiative seeks to leverage data to provide better understanding of our corporate carbon footprint and opportunities to decrease our impact.  Lastly, Simpson Housing has adopted a Net Zero Commitment Policy which outlines our commitment to achieving net zero carbon emissions across its operations and value chain.
	ESG Policy		
	Net Zero Commitment Policy		
16: Peace, Justice, and Strong Institutions	Business Ethics Code	16.5	Through our Business Ethics Code, we enforce anti-corruption and bribery rules for all employees. This includes receiving or giving any payments, gifts and/or gratuities.

# Task Force on Climate-related Disclosures

The following table contains our progress on the recommended disclosures of the TCFD.

GOVERNANCE		
SECTION	STRATEGY	DESCRIPTION 2023
Governance A	Describe the board's oversight of climate-related risks and opportunities	<p>Simpson Housing's Executive Leadership Team ("ELT") is the highest governing body of our organization. As such, the ELT has oversight of all aspects of company operations, including climate risk.</p> <p>To this end, the ELT empowered the newly created Sustainability Team (formerly the ESG Committee) to begin the process of assessing climate-related risks and to report quarterly on ESG matters to the ELT. The ELT plays an active role in managing challenges and risks and also supports initiatives that move our strategy forward.</p>
Governance B	Describe the management's role in assessing and managing climate-related risks and opportunities.	<p>Simpson's Sustainability Team is made up of the company's executive team and senior leadership. The committee sets the direction of ESG efforts, approves ESG strategy, assess climate risks and interventions, and monitors progress towards goals.</p> <p>The Committee meets quarterly and reviews reporting on ESG initiatives, energy performance, risks and opportunities.</p>

STRATEGY		
SECTION	STRATEGY	DESCRIPTION 2023
Strategy A	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>Simpson Housing is in the process of identifying short, medium, and long-term climate-related risks to our properties and company. At this time, we have identified the following risks.</p> <p>Our short-term risks are identified as:</p> <ul style="list-style-type: none"> <li>• increased maintenance costs due to extreme weather events,</li> <li>• higher insurance premiums,</li> <li>• and potential disruptions in utility services.</li> </ul> <p>Medium-term risks could involve:</p> <ul style="list-style-type: none"> <li>• stricter building code regulations,</li> <li>• the need for major property retrofits to meet new environmental standards,</li> <li>• and changing tenant preferences for greener, more sustainable housing options.</li> </ul> <p>Long-term risks include:</p> <ul style="list-style-type: none"> <li>• the potential for declining property values in high-risk climate areas,</li> <li>• increased operational costs due to extreme weather patterns,</li> <li>• and the need for extensive renovations to adapt to changing climate conditions.</li> </ul> <p>As our approach to climate risk matures, we expect to further identify and refine the risks and opportunities stated above.</p>
Strategy B	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<p>The risks and opportunities described above influence decisions on capital allocations for new builds and markets, ESG project investment decisions, future insurance risks, regulatory changes and shifts in consumer preferences.</p> <p>In the last year, our team conducted an ESG capital allocation strategic plan for each property to anticipate future resources required. We seek to reduce energy and water consumption and greenhouse gas emissions through implementation of energy-efficient lighting and appliance packages, water-efficient fixtures, recycling programs, irrigation controls, smart-unit technology, EV charging installations and real-time energy management software.</p>



SECTION	STRATEGY	DESCRIPTION 2023
Strategy C	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>Simpson intends to adopt science-based targets for the reduction of Scope 1, 2, and 3 GHG emissions that align with the Paris Agreement's objective to hold the increase in the global average temperature to well below 2 degrees centigrade.</p> <p>We are actively evaluating the feasibility and implications of setting a target year for achieving net zero carbon emissions. This process involves careful consideration of our current operations, potential improvements, and the latest in sustainable practices and technologies.</p> <p>Simpson Housing will conduct regular assessments of climate-related risks to our portfolio, incorporating scenario analysis based on transition and physical scenarios, such as those outlined by the IPCC, CRREM, and IEA. This will involve evaluating both current and future scenarios to understand the resilience of our strategy to climate-related risks.</p>

RISK MANAGEMENT		
SECTION	STRATEGY	DESCRIPTION 2023
Risk Management A	Describe the organization's processes for identifying and assessing climate-related risks	<p>Our approach is geared towards not only protecting our assets and stakeholders but also contributing positively to the wider community's resilience against climate change impacts.</p> <p>Our Sustainability Team coordinates climate risk assessments and identifies transition risks, such as policy and legal changes, technology shifts, market trends, reputation impacts, and material financial impacts.</p>
Risk Management B	Describe the organization's processes for managing climate-related risks	<p>Our Property Management team is tasked with executing climate risk assessment and resilience-building measures at property and operational levels.</p> <p>We are committed to enhancing the resilience of our properties through infrastructure improvements, addressing both acute hazards (like extratropical storms, flash floods) and chronic stressors (such as rising sea levels, heat stress). This includes implementing flood defenses, energy-efficient designs, and other measures to mitigate physical climate risks.</p>
Risk Management C	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<p>Our Executive Leadership Team is responsible for integrating climate risk and resilience considerations into corporate strategy and overseeing the implementation of our Climate Risk and Resilience policy and commitments.</p>

**METRICS & TARGETS**

SECTION	STRATEGY	DESCRIPTION 2023
Metrics & Targets A	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<p>The metrics Simpson Housing currently employs to assess climate-related risks and opportunities include:</p> <ul style="list-style-type: none"> <li>• Energy Consumption: Track energy use, calculate energy use intensity (kWh/Sq ft), and identify % of portfolio covered</li> <li>• GHG Emissions: Track total GHG emissions, calculate GHG intensity (MTCO<sub>2e</sub>/floor area covered), and identify % of portfolio covered</li> <li>• Water Consumption: Track water use, calculate water use intensity (m<sup>3</sup>/floor area), and identify % of portfolio covered</li> <li>• Energy &amp; Water Tracking: Report on the number of properties with energy and water tracking (ex. ENERGY STAR Portfolio Manager Profiles)</li> <li>• Energy Ratings: Report on the number of properties with energy ratings (ex. ENERGY STAR Certification)</li> <li>• Climate Change: Physical Risk: Assess climate change physical risks (heat and water stress, wildfires, floods, sea-level rise, hurricanes, earthquakes) for properties</li> </ul>
Metrics & Targets B	Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and related risks	<p>Simpson Housing's GHG emissions for 2023 are as follows:</p> <ul style="list-style-type: none"> <li>• Annual emissions for 2023 totaled 29,538 MTCO<sub>2e</sub>, with Scope 1 emissions accounting for 6,282 MTCO<sub>2e</sub> and Scope 2 emission accounting for 23,256 MTCO<sub>2e</sub></li> <li>• These emission figures represent data for 40% of square footage in our portfolio</li> <li>• GHG emission intensity was 1.15 m MTCO<sub>2e</sub></li> <li>• Our analysis found that our reduction of Scope 1 GHG emissions from 2022 to 2023 was 5% and our reduction of Scope 2 GHG emissions from 2022 to 2023 was 4%</li> </ul> <p>Disclaimers:</p> <ul style="list-style-type: none"> <li>• <i>Simpson calculates its climate-related metrics with the support of our data management partner, Measurabl, following the GHG protocol.</i></li> </ul>

SECTION	STRATEGY	DESCRIPTION 2023
Metrics & Targets C	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	We intend to conduct a materiality assessment in the next year. This process will involve surveys with three stakeholder groups (investors/executives, employees, and residents), and we will also pursue follow-on qualitative surveys. The materiality assessment will give us greater clarity and specificity in regards to our stakeholders' priorities. We will likely continue to use the above mentioned metrics and add additional targets based on this process.

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# Thank you.

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