American Landmark Apartments
Environmental, Social, Governance (ESG) Policy
Updated May 2023

Overview

American Landmark Apartments believes that responsible environmental, social, and corporate governance (ESG) practices are essential to creating value and mitigating risk for our stakeholders and to developing a sustainable, long-term strategy for our company. We are committed to integrating ESG priorities throughout our business and to being an honest, fair, and transparent partner to all of our stakeholders including our investor partners, team members and residents. This ESG Policy serves to document and communicate our position on matters related to environmental, social, and corporate governance.

Our Values

Our core values serve as the foundation of our culture to ensure we adhere to the highest standards in everything we do.

- **Integrity**: We conduct our business fairly, with honesty and transparency.
- **Understanding**: We demonstrate respect, compassion, and humanity for our residents, investor partners, and team members.
- **Equity & Diversity**: We embrace different perspectives and actively pursue policies and actions that promote diversity, inclusion and advancement for all team members, without regard to color, religion, origin, orientation or any other characteristic protected by laws or regulation.
- **Unity**: We work collaboratively with our team members, residents, and investor partners to build strong and longstanding relationships.
- **Excellence**: We strive to achieve the highest possible standards and provide opportunities to increase the positive impact of our organization.
- **Responsibility**: We act responsibly throughout our organization and are responsive and accountable to our residents, team members, and investor partners.
- **Environmental Stewardship**: We partner with businesses, community members and our neighbors to protect and create cleaner communities, including adopting environmentally sound business practices and technologies.

On a day-to-day basis, we implement our values through our operating model, which is built upon a positive corporate culture, responsible business practices, strong governance, accountability and transparency, and community engagement and philanthropy.

Our Mission

We strive to create healthy, equitable, sustainable environments in which our team members, residents and broader communities can flourish. For us, this means ensuring:

- our multifamily properties are vibrant, thriving communities, that provide our residents with a wonderful place to live;
- our company is an exceptional place to work that provides our team members with meaningful opportunities for growth and advancement;
- we generate attractive risk adjusted returns for our investor partners; and
- our impact on our broader communities is consistently positive.

To achieve our mission, American Landmark is committed to implementing energy efficient and sustainable practices, social responsibility initiatives and governance protocols as outlined in our ESG policy, including our environmental, social, and governance guidelines. These policies support our efforts to enhance investment performance, drive operational efficiency, increase resident satisfaction and improve team member experiences and productivity.

Our mission is guided by the UN Sustainable Development Goals (SDGs) on which we believe we can achieve a positive impact through our day-to-day business activities. We believe these sustainability objectives provide a framework for us to evaluate and communicate our impact. These SDGs include: Decent Work and Economic Growth (#8), Responsible Consumption and Production (#12), Gender Equality (#5), Reduced Inequalities (#10) and Quality Education (#4)

Responsible Investment

American Landmark's ownership and investment practices systematically include ESG considerations in investment analysis and decisions in order to reduce or manage our risks and improve returns. We demonstrate our recognition of the importance of responsible investing as a signatory to the Principles for Responsible Investment (PRI) which commits us to the organization's six principles:

- **Principle 1**: We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2**: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3**: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4**: We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5**: We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6**: We will each report on our activities and progress towards implementing the Principles.

Environmental Guidelines

We believe that doing the right thing for our environment creates better outcomes for our company and stakeholders, including our team members, residents, investor partners and the broader community. As such, we consider environmental impacts across our business operations and seek to implement sustainable protocols and practices.

To implement our environmental guidelines, American Landmark will:

- ensure the business meets the requirements of applicable environmental regulations
- prevent pollution in accordance with environmental laws and in accordance with our understanding of environmental stewardship
- promote environmental knowledge, leadership and accountability within the company
- provide education and opportunities to minimize environmental impacts to our team members and residents
- identify and implement commercially viable measures to minimize environmental risks

Connection to our Core Values

In accordance with our core value of Environmental Stewardship, we partner with businesses, community members and our neighbors to protect and create better communities, including adopting environmentally sound business practices and technologies. We recognize environmental sustainability involves meeting the resource needs of the present without compromising the ability to continue to meet such needs in future.

Connection to the SDGs

Our environmental guidelines are consistent with UN Sustainable Development Goal (SDG) 12: Responsible Consumption and Production. We are committed to protecting our environment, reducing our carbon footprint and increasing the resilience of our multifamily communities through sustainable practices. In order to measure our progress on these commitments, we track:

- programs to reduce energy demand
- programs to reduce water demand
- the generation of renewable energy

Environmental Guidelines in Action

As well as managing risks, environmental sustainability measures provide opportunities for the company to improve its operational and financial performance. As an owner-operator of properties, we also focus on increasing building resiliency to local weather-related risks in each community we operate in. To inform the company about these risks and opportunities, American Landmark collects and evaluates data on environmental measures including the use of, electricity, fossil fuels, water, waste and related emissions. We are committed to continuing to develop and implement operating practices that support both environmental sustainability and our financial performance.

Examples of successful tactics we implement include:

- energy and water efficiency retrofits of common areas and resident units
- water reduction programs for outdoor landscaping
- on-site production of renewable energy
- electric vehicle charging stations at all new properties
- use of resiliency checklists

Social Responsibility Guidelines

We know people are our most valuable assets, so as a company we strive to make everyone we come in contact with feel welcomed, respected, appreciated, and connected. We believe it is essential to our success that we act as responsible citizens which includes continuously improving our communities, team members, and processes.

To implement our social responsibility guidelines, American Landmark will:

- comply with all labor and other applicable laws
- comply with all applicable health and safety regulations to support the welfare of team members and residents
- maintain a current Health and Safety Policy
- maintain a current Operations Policy and Procedures Manual
- maintain a current Employee Handbook
- upgrade team member skills through continuing education
- support diversity, equity and inclusion (DEI) in our recruiting activities, human resources policies and leasing practices
- respect human rights in our interactions as an employer and landlord
- provide housing geared to middle-income earners
- support resident health by facilitating physical activity
- support resident social interaction through property programs
- support community engagement through company programs
- support community development by rehabilitating the housing stock

Connection to our Core Values

In accordance with our core value of Equity & Diversity, we are dedicated to creating a diverse, equitable, and inclusive culture, in which we embrace, respect and value different viewpoints, backgrounds and capabilities and actively pursue policies and actions that promote diversity, inclusion and advancement for all team members, without regard to color, religion, origin, orientation or any other characteristic protected by laws or regulation. We believe this has a direct and positive correlation to the value we create for our investor partners. Our commitment to DEI reflects our understanding that diversity is a driver of positive business outcomes. As a result, our DEI engagement is focused around developing and advancing our existing team members, cultivating the next generation of real estate professionals and supporting education more broadly.

Connection to the SDGs

Our social guidelines are consistent with the objectives of the UN Sustainable Development Goals (SDG) 4: Quality Education; 5: Gender Equality; 8: Decent Work and Economic Growth and 10: Reduced Inequalities. In order to measure our progress on these goals, we track:

- the annual participation by our team members in educational courses through Landmark University
- the number of women and minorities on our team
- health and safety program statistics
- the impact of community support programs

Social Guidelines in Action

American Landmark implements social measures to increase team member and resident satisfaction and retention, reduce costs, increase property values, and support improved operating performance. We are committed to continuing to develop and implement operating protocols that support both social goals and our financial performance.

Examples of successful programs we routinely implement include:

- resident social engagement programs such as our Artist in Residence program
- resident physical health programs such the integration of walking trails and indoor and open-air fitness centers
- community development programs such as Urban Teachers which allow us to support and improve the quality of local education
- executive training programs focused on enabling women and minority communities to develop career skills, such as Millionaire Mastermind Academy

ESG Governance Guidelines and Structure

American Landmark requires our team members to adhere to the highest standards of business and personal ethics in the conduct of their duties and responsibilities. We believe senior management has added responsibility for demonstrating the importance of this standard through their actions. Our team members are expected to understand the rules and regulations governing our business activities and to proactively promote compliance with all federal, state, local laws, rules and regulations and internal policies that govern their day-to-day responsibilities within American Landmark.

To implement our governance guidelines, American Landmark will:

- ensure the maintenance and regular review of the ESG Policy along with related ethics and compliance policies
- ensure compliance with the policies
- prioritize the company's material ESG considerations
- delegate responsibility for ESG to the ESG Committee
- ensure management is accountable for the implementation of the ESG program at the company, investment vehicle and property level
- ensure that ESG is adequately considered in investment decisions
- ensure adequate ESG training for team members
- ensure risk management practices adequately mitigate ESG risks
- ensure that ESG metrics and targets are appropriate
- ensure appropriate levels of participation in industry ESG advocacy
- ensure appropriate levels of corporate communication and disclosure around ESG
- ensure senior sign off on annual PRI Transparency Reports

Connection to our Core Values

In accordance with our core values of integrity, unity, excellence and responsibility, senior leadership of American Landmark oversees the governance of our ESG program. The ESG Committee is responsible for implementing the corporate programs and actions that connect our ESG objectives with company performance.

Connection to the SDGs

Company leadership and the ESG Committee are key to establishing and implementing the programs and actions that ensure American Landmark meets its objectives in relation to the SDGs identified under our environmental or social guidelines.

Governance Guidelines in Action

Team members from our executive team, capital markets, property operations and acquisitions teams discuss ESG related matters during our quarterly Senior Executive Management Committee meetings and executives from across several corporate functions at American Landmark, including our CEO, are members of our ESG Committee. The ESG Committee is responsible for developing, communicating and administering our ESG Policy and initiatives.

American Landmark's ESG Committee has implemented operating practices that support the Company's ESG objectives and financial performance.

Examples of successful Governance practices include:

- completion of a materiality assessment to identify priority ESG issues
- delegation of ESG governance responsibilities to the ESG Committee as documented by the ESG Committee Charter
- creation of ESG Key Performance Indicators (KPIs) to capture relevant activities
- senior leadership training in climate change related investment risks and opportunities
- company participation in industry organizations, and other ESG initiatives
- publication of an annual Corporate Social Responsibility Report

Approach to Human Rights

American Landmark's views on governance in relation to human rights are informed by the UN Guiding Principles on Business and Human Rights to Protect, Respect and Remedy. We are committed to treating our team members with dignity and respect. We also believe that our team members' personal satisfaction and self-worth are indispensable to our individual and collective success. Our Employee Handbook, and Code of Ethics and Standard of Conduct establish expectations and guide our company and team members in implementing these commitments. We provide equal opportunities of employment to any qualified applicants and our non-discrimination policy applies throughout American Landmark. We implement health and safety guidelines to minimize workplace incidents and accidents. Our commitment begins with our team members and residents and expands beyond to our investor partners, clients, vendors, and all those impacted by our work.

We implement our commitment to human rights through our social responsibility and governance guidelines and practices. Examples of successful practices that demonstrate our commitment to supporting the human dignity of our team members and broader community include:

- providing team member training on diversity, unconscious bias, sexual harassment, workplace harassment, fair housing and human trafficking awareness
- documenting and implementing policies related to responding to team member concerns, equal employment opportunity, retaliation prevention, discrimination, workplace harassment and sexual harassment
- maintaining in-depth health and safety policies and a robust occupational health and safety program to protect our team members
- building a culture of recognition that celebrates team member contributions and achievements through things like annual team member awards, an annual managers conference, AL Days, and quarterly newsletters that highlight team members successes
- commitment to supporting the community through annual #ALGIvesBack philanthropy weeks during which our team members volunteer their time with

various organizations and corporate partnerships with 501(c)(3)s such as Urban Teachers, Millionaire Mastermind Academy, Derrick Brooks Charities and New Spring Jobs REBUILD

Approach to Stewardship

ESG Stewardship is broadly defined as the use of organizational influence in relation to ESG factors to increase or protect the value of our investments.

As a vertically integrated real estate owner-operator, American Landmark defines ESG stewardship as engagement with external organizations to encourage the improvement of the ESG operating environment for our properties which might include enhancing ESG practices, sustainability outcomes or disclosure. However, given our broad operating capabilities, the primary focus of our stewardship activities is decision-making that allows us to enhance our own ESG operating environment.

Our primary stewardship objective is to maximize value (e.g., risk-adjusted returns) to our investors. Our implementable stewardship objectives are to:

- enhance the sustainable characteristics of our properties so that we demonstrate environmental stewardship through tangible outcomes
- develop our team members' professional skills and knowledge
- support the health and well-being of our residents
- positively impact the broader communities in which our properties and residents reside

The primary approaches we use to implement these objectives are:

- reducing the amount of energy and water used at our properties
- providing team members with ongoing training, professional development opportunities and mobility through promotions
- improving our residents' quality of life by ensuring a high level of service and support through our service guarantee program, Landmark 360
- providing our residents with ample opportunities to come together socially with other residents and to attend to their physical fitness and overall well-being
- engaging in philanthropy in the local communities in which our properties are located that includes financial and volunteer support for improved public education, training and mentoring opportunities for women and minorities, rehabilitating existing housing stock, and engaging in general advocacy for public improvements

Our specific approach to climate-related risks involve:

- increasing the energy and water efficiency of our existing properties
- developing new properties that are increasingly energy efficient
- ensuring the physical resilience of our properties to extreme weather

- ensuring the site characteristics of our properties are appropriate to reduce the risk of flooding

Our primary externally focused stewardship actions are:

- active involvement in industry organizations
- active volunteerism

Our primary stewardship tool is collaboration, and we encourage our employees to participate in collaborative activities supporting ESG across the organization. We believe that collaboration on stewardship with other like-minded organizations and other real estate companies is the most effective way that we can participate in external engagement activities. We will participate in policy consultations and provide technical input on potential ESG policy issues when we have the ability to do so.

Our primary internally focused stewardship actions are:

- bringing issues or proposals to the ESG Committee,
- training seminars and other forms of ESG capacity-building,
- ongoing review by the ESG Committee of our priorities, program and KPIs

Implementing Stewardship

Since most aspects of our ESG stewardship activities fall within American Landmark's decision-making and control, much of our stewardship is implemented through our day-to-day business activities, including the activities of the ESG Committee. Our ESG Committee Charter aligns our ESG activities with a commitment to sustainable finance through support for the six principles of PRI.

One requirement of our ESG program that we plan to implement in 2023 is that our team members must take annual training in ESG.

Our stewardship efforts and outcomes are communicated across the organization during annual meetings, senior management meetings, in our annual Corporate Social Responsibility Report, and through our website and internal digital communications.

Asset Class-Specific Guidelines

American Landmark is a multifamily owner-operator with communities located throughout the United States Sunbelt. As a result, our ESG incorporation is focused on priorities that are aligned with the nature of our investments.
Our ESG priorities may shift over time as our portfolio grows. However, the broad focus of our ESG incorporation will remain the same. We focus on incorporating ESG:

- into our investment decision-making

- into our property operations
- into our engagement with groups and organizations beyond our company

Approach to Sustainable Outcomes

American Landmark believes that producing sustainable outcomes is critical to the integrity of our ESG program and future decision-making. The company is focused on measuring appropriate outcomes to ensure that our ESG priorities produce a tangible benefit to our stakeholders.

As a result of our approach to sustainable outcomes, we have established Key Performance Indicators for the ESG program. As our knowledge and experience grows, we will progress in quantification of our ESG program to create targets.

Approach to Exclusions

As a regional multi-family owner-operator, American Landmark is a highly focused specialist.
As such, ESG investment exclusions relate solely to situations in which American Landmark would be unable to comply with all applicable federal, state, local laws, rules and regulations and/or internal policies including our Code of Ethics and Standard of Conduct in relation to the acquisition, ongoing ownership and operation or sale of our properties or situations that are not applicable to our asset class.

External Reporting Related to Responsible Investment

Consistent with American Landmark's core value of integrity, we are committed to transparently communicating our ESG activities and progress on a regular basis in our investor communications and through our annual Corporate Social Responsibility Report, our website and through press releases and social media.