



PACIFIC URBAN

— INVESTORS

SUSTAINABILITY REPORT | 2020

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This report was produced in 2021 and as such the results on the 2021 GRESB (submitted based on 2020 statistics) were received and presented herein.



A LETTER FROM THE VICE-CHAIRMAN & CEO

PACIFIC URBAN INVESTORS (“Pacific”) is a research-based, multi-family apartment investment firm specializing in the development and application of sustainability standards to vintage-aged communities.

Since Pacific’s inception in 1998, we have been dedicated to the health and well-being of the communities in which we operate and to uphold best in class practices, in order to deliver excellence to our investors. It is not by coincidence but by the intentional incorporation of Environmental, Social, and Governance (“ESG”) principles throughout the investment process that Pacific has become the industry-leading company that it is today, known for its fiduciary accountability, innovative investment strategies, and ever-expanding sustainability initiatives.

In this report, you will find that despite the difficulties of 2020, Pacific’s adherence to these principles has not wavered. If anything, it has grown stronger as we work diligently to develop creative business practices, policies, and goals that promote sustainability and fiduciary responsibility even under the most unpredictable of circumstances. The ESG Task Force has, and will continue to, evaluate and monitor Pacific’s ESG Objectives.



These pages explain who we are, how we do what we do, and showcase the progress we have made, highlighting accomplishments from across our portfolio as well as at the corporate level.

Pacific has participated in GRESB submissions for many years. In the 2021 GRESB Assessment, Pacific’s PMI portfolio was #1 in the nation. For the third consecutive year, the PMI Portfolio achieved 5 out of 5 green stars, performing in the top quintile of over 1,200 GRESB participants globally.

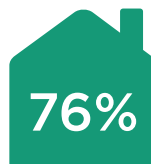
It is with great pride that we celebrate these successes and share our goals for the future, recognizing that neither would be possible without the commitment of our stakeholders, employees, partners, and residents.

ALFRED PACE | Vice Chairman & CEO

REPORT HIGHLIGHTS



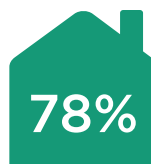
Energy Use Intensity across the portfolio decreased to 67.4 kBtu per square foot in 2020, even with a major increase in residents at home due to COVID-19 and remote working.



of eligible properties, achieved ENERGY STAR® Certification for 2020.



of properties have high-efficiency equipment and appliances and 56% have completed an LED lighting retrofit.



of properties have completed a low-flow plumbing retrofit.



of total waste diverted in 2020 from landfill, up from 12% in 2019.

20 Total Charities Supported in 2020



PACIFIC GRESB RESULTS

The Pacific Multifamily Investors Portfolio was #1 in the nation and achieved 5 out of 5 green stars in the GRESB assessment.



IREM CERTIFICATION

NINE properties are now IREM Certified Sustainable Properties, with three more approved to pursue certification in 2021.

ABOUT PACIFIC URBAN INVESTORS

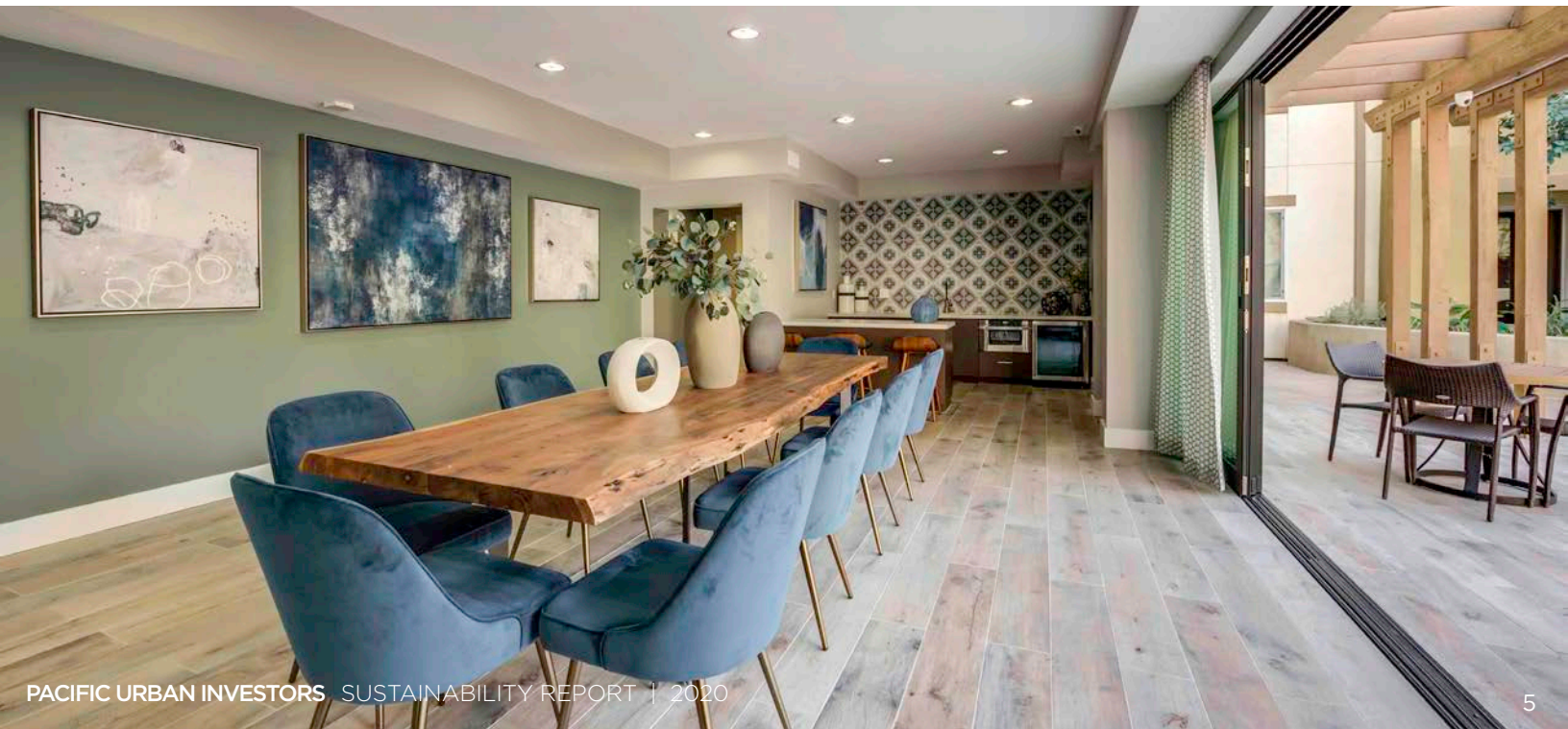
Pacific is a wholly-owned subsidiary of Marcus & Millichap Company (“MMC”). MMC enjoys a distinguished history of multi-family investment, brokerage, and financing activities. MMC provides support to Pacific in the areas of strategy, research, finance, law, accounting, and human resources.

Pacific is a multi-family real estate investment company co-founded by George Marcus and Alfred Pace in 1998. Pacific specializes in vintage assets specifically in the venture’s target markets. Since inception, Pacific has acquired over 35,456 multi-family units valued at approximately \$6.0 billion. Pacific is headquartered in Palo Alto, California, with four production offices located in Los Angeles, Irvine, Seattle, Denver, New York City, and Washington D.C.

Pacific currently has 61 employees. As of December 31, 2020, the Pacific portfolio includes approximately 11,000 multi-family units with a gross total value of approximately \$4.5 billion.

PACIFIC IS BEST-IN-CLASS OWNER, OPERATOR, AND ASSET MANAGER IN THE MULTI-FAMILY SPACE,

servicing as a fiduciary for its own partner capital as well as its strategic partnerships with institutional pension funds and other sophisticated investors.

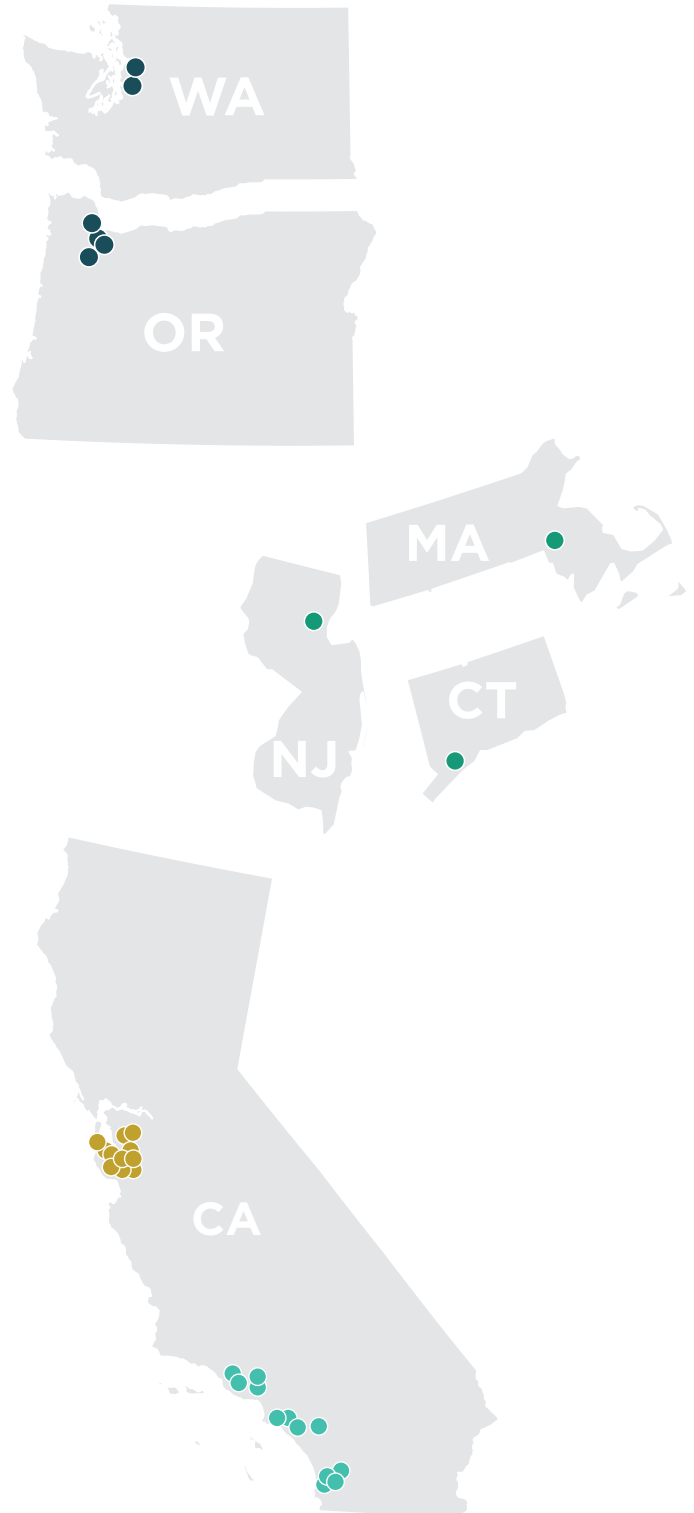


PACIFIC MULTIFAMILY INVESTORS

Pacific Multifamily Investors LLC (“PMI”) is a separate account a West Coast based pension fund client. PMI is in the business of acquiring, improving, operating, and holding for investment, wholly-owned, income-producing vintage apartment properties nationwide.

As of 12/31/2020, PMI included 32 multi-family assets, totaling 6.9 million square feet.

PACIFIC NORTHWEST		
LOCATION	UNITS	DATE OF ACQUISITION
Portland, OR	238	10/11/2016
Portland, OR	160	12/15/2016
Beaverton, OR	351	8/1/2014
Lake Oswego, OR	82	10/7/2015
Bellevue, WA	145	12/3/2014
Everett, WA	198	9/18/2019
THE NORTHEAST		
LOCATION	UNITS	DATE OF ACQUISITION
Stamford, CT	306	7/19/2019
Salem, MA	266	12/22/2020
Morristown, NJ	217	9/18/2019
NORTHERN CALIFORNIA		
LOCATION	UNITS	DATE OF ACQUISITION
Belmont, CA	69	6/28/2018
Belmont, CA	195	10/28/2016
Dublin, CA	176	10/31/2014
Fremont, CA	204	12/30/2016
Redwood City, CA	112	4/30/2019
San Jose, CA	193	2/26/2016
San Jose, CA	168	11/30/2016
San Jose, CA	271	4/25/2019
San Jose, CA	432	12/20/2019
Sunnyvale, CA	204	3/18/2014
Union City, CA	250	12/20/2018
SOUTHERN CALIFORNIA		
LOCATION	UNITS	DATE OF ACQUISITION
Chatsworth, CA	119	2/1/2018
Irvine, CA	403	1/30/2015
Laguna Hills, CA	360	3/24/2014
Long Beach, CA	160	9/30/2014
Poway, CA	193	8/13/2015
San Diego, CA	128	11/12/2015
San Diego, CA	169	6/9/2017
San Diego, CA	181	6/9/2017
Thousand Oaks, CA	191	9/22/2016
Ventura, CA	255	10/21/2019
Vista, CA	314	6/5/2018
Woodland Hills, CA	224	9/27/2018



GOVERNANCE | LEADERSHIP

Our partners and senior management team are multi-family experts. Several have been in the apartment business for the entirety of their professional careers. Our senior executives bring over 140 years of collective multi-family investment, development, and asset management experience to our enterprise.

GOVERNING BODY | SENIOR MANAGEMENT



ASH BARAGHOUSH
Managing Director,
Structured Finance



RENE BILODEAU
Director,
Consumer Experience



MARCI BYRNE
Director,
Portfolio Management



ARTHUR COLE
Managing Director
& CFO



ANDREA CU
Director,
Finance & Analytics



RORY GARDNER
President



CHRIS KOBER
Managing Director,
Portfolio Operations



JESSE MACK
Managing Director,
Investments



ALFRED PACE
Co-Chairman
& CEO



DAVID WHITE
Managing Director,
Structured Finance



JACHI XIONG
Director,
Structured Finance



ALEX YARMOLINKSY
President,
Structured Finance

ESG TASK FORCE



MARCI BYRNE
Director,
Portfolio Management



RENE BILODEAU
Director,
Consumer Experience



CHRIS KOBER
Managing Director,
Portfolio Operations



PALAK JAGGI
Associate,
Portfolio Management



BRIANA RICO
Associate,
Asset Management

Pacific is an industry-leading pioneer in the development and application of sustainability standards to vintage-aged communities. We are considered leaders in the area of ESG for older apartment homes. In addition, through our internal EcoLogic sustainability standard, we focus on the pragmatic application of retrofits and upgrades in vintage apartment homes.

Pacific has an ESG Task Force to continually evaluate and monitor the implementation and reporting of Pacific's ongoing ESG Objectives. The Task Force meets on a quarterly basis and is composed of senior members of Pacific as well as an external consultant, LORD Green Real Estate Strategies. The Task Force reports directly to the Pacific CEO, Alfred Pace.

Our team continues to grow professionally adding impressive talent to our ranks. Additionally, we are redoubling our efforts to build upon our industry leading ESG efforts while seeking to further institutionalize Diversity, Equity and Inclusion goals for the firm with Marci Byrne heading that effort. We state affirmatively we are committed to adding more women and people of color. Pacific seeks to provide opportunity to all. It is the right thing to do for our industry, for our firm and our partnerships.

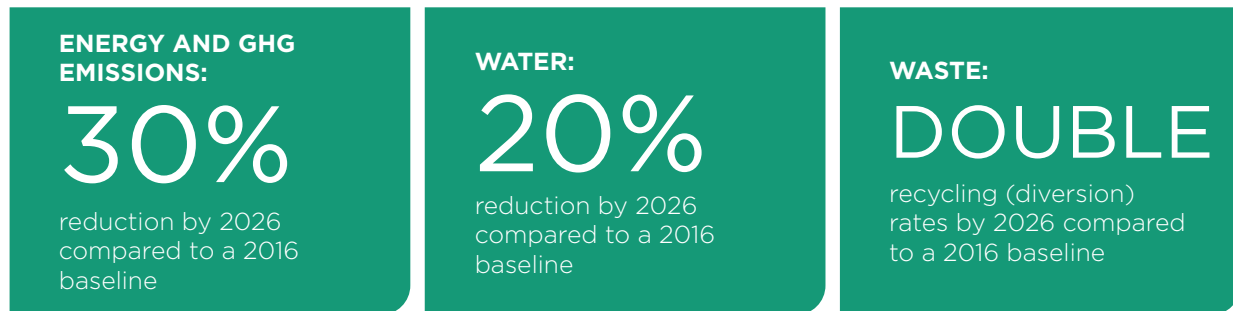
ESG OBJECTIVES

Pacific believes incorporating ESG+R principles into our business processes demonstrates good corporate citizenship and industry best practices which align with our fiduciary duty to our clients, our residents and the community we invest in. Saving resources, reducing our impact on the environment, promoting health and well-being, and increasing the resilience of our properties are concerns for us and our stakeholders.

We have developed the following ESG+R Objectives to set goals and targets as part of our EcoLogic ESG+R Program, which was created to reduce energy and water consumption, increase recycling, improve indoor air quality, enhance resilience features to mitigate risks due to climate change, and encourage the health and well-being practices of our residents throughout our portfolio.

ENVIRONMENTAL

- Reducing the energy, GHG emissions, water, and waste consumption at our properties and achieving the following long-term reduction targets:



- Tracking and monitoring the energy, GHG emissions, water, and waste at our properties and identifying low-cost sustainability measures, analyzing capital upgrades, and evaluating technologies to both improve performance and resilience to the climate-related risks of our properties and meet our reduction targets
- Evaluate and pursue third-party building certifications

SOCIAL

- **INVESTORS:** Communicating with investors and providing regular updates on our EcoLogic ESG Program
- **PROPERTY MANAGERS:** Providing training to our property managers on ESG and health and wellbeing issues through resources such as the Pacific Property Management Policy & Procedure Outline, annual ESG Surveys, and internal sustainability assessments
- **RESIDENTS:** Engaging with residents and promoting sustainability awareness by developing and distributing educational materials, hosting community-wide events, conducting resident satisfaction surveys, and providing sustainable and healthy amenities
- **EMPLOYEES:** Providing benefits and resources to our employees such as annual ESG training, promoting health and well-being through our health club program, and conducting annual career performance reviews
- **COMMUNITY:** Giving back to local communities through our Pacific Cares Program and hosting events at our properties to support national and local charities focused on supplying housing to needy families
- **SUPPLIER PARTNERS:** Interfacing with supplier partners to incorporate sustainable procedures and products. Formal Responsible Contractor Program ensures contractors and suppliers engage in fair and ethical treatment of their employees.

GOVERNANCE & TRANSPARENCY

- Publicly posting our ESG Objectives and reviewing and updating them regularly
- Following the leadership of our ESG Task Force to implement our EcoLogic ESG Program and staying abreast of new technologies, updated benchmarking disclosure laws, utility incentive programs, third-party certifications, and all other ESG-related topics.

MATERIALITY

Using the framework of the GRI materiality assessment, Pacific has identified ESG+R factors that both we and our stakeholders consider most significant in terms of their environmental, economic, and social impact. Stakeholders involved in the determination of these factors were chosen based on their level of vested interest in Pacific's business practices and investments as well as their involvement in the portfolio and its operations across the board.

To determine which ESG topics are most valued by Pacific and our client, a materiality assessment was performed using data and feedback from an array of sources. This process involved a thorough review and analysis of documents published by our client, such as proxy voting guidelines, investment policy manuals, Code of Ethics, Objectives and Goals, and Corporate Sustainability Reports.

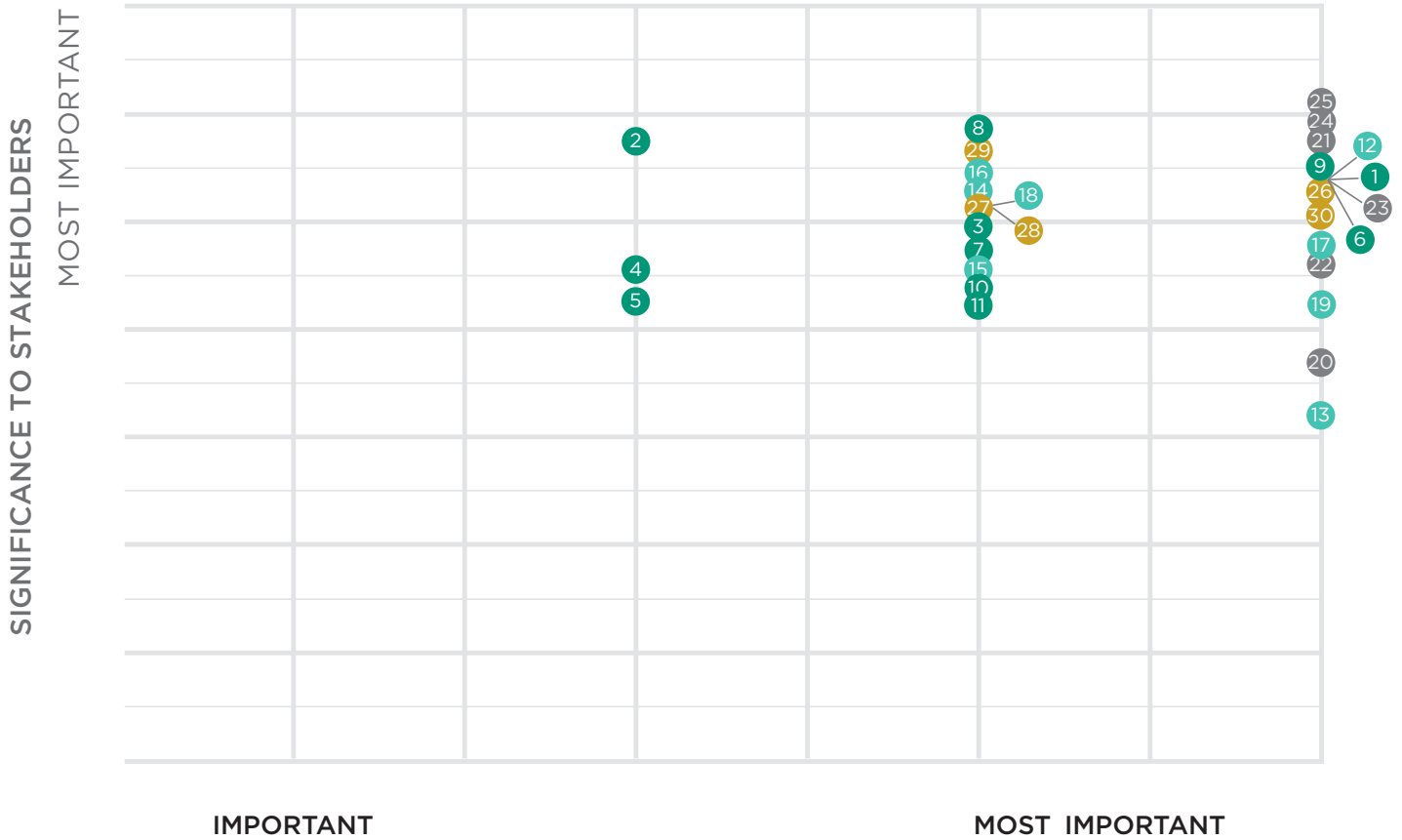
Consequently, the following topics were determined:

- Engaging with internal leaders and stakeholder group liaisons in discussions about what is important to each group and the future direction of the Firm
- Utilizing periodic surveys filled out by property management teams and occupants at our assets and other mechanisms to obtain feedback
- Holding regular meetings of our ESG+R Taskforce to discuss relevant property and portfolio-level concerns and topics
- Analyzing published documents, research, and guidelines by industry associations, such as the U.S. Green Building Council (USGBC), Global Reporting Initiative (GRI), GRESB, Principles for Responsible Investment (PRI), and European Association for Investors in Non-Listed Real Estate Vehicles (INREV)

The discussions, surveys, and document reviews are summarized in the Materiality Matrix on the following page. This matrix includes a variety of ESG topics and their relative importance to Pacific and our top stakeholders. The Materiality Matrix is reviewed and updated every three years. The matrix below has been updated for the 2020 Sustainability Report.



PMI MATERIALITY MATRIX



ENVIRONMENTAL

- 1 Energy Conservation
- 2 GHG Emissions Reduction
- 3 Renewable Energy
- 4 Sustainable Materials
- 5 Alternative Transportation
- 6 Waste Management and Recycling
- 7 Responsible Land Use
- 8 Indoor Air Quality and Pollution Mitigation
- 9 Water Conservation
- 10 Sustainable Service Providers/Suppliers
- 11 Green Building Certifications

SOCIAL

- 12 Stakeholder Engagement
- 13 Fair Housing
- 14 Community Impact
- 15 Employee Policies and Practices
- 16 Health and Wellness
- 17 Innovation and Technology
- 18 Diversity, Equity, and Inclusion
- 19 Responsible Contractors

GOVERNANCE

- 20 Industry Groups and Associations
- 21 Transparency
- 22 Cyber Security and Data Privacy
- 23 Leadership and Corporate Governance
- 24 Legal Compliance
- 25 Ethics/Code of Conduct

ECONOMIC

- 26 Economic Performance
- 27 Financial Risk due to Climate Change
- 28 Resilience
- 29 Economic Impacts on Communities
- 30 Systematic Risk Management

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



Pacific supports the aims and objectives of the United Nations Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. These 17 goals serve as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

We believe that investing responsibly by incorporating ESG+R practices into our activities can positively impact the value we provide to clients and help ensure a sustainable environment for future generations.



MATERIALITY TOPICS CORRELATION TO SUSTAINABLE DEVELOPMENT GOALS

ENVIRONMENTAL

- 1 Energy Conservation and GHG Emissions Reductions 7 13
- 2 Renewable Energy 7 13
- 3 Sustainable Materials 12
- 4 Alternative Transportation 11
- 5 Waste Management & Recycling 12 15
- 6 Responsible Land Use 11 15
- 7 Indoor Air Quality & Pollution Mitigation 11 15
- 8 Water Conservation 6 14 11
- 9 Sustainable Service Providers 9 11 12
- 10 Green Building Certifications 11 12

SOCIAL

- 11 Stakeholder Engagement 3 10 11 12
- 12 Fair Housing 11
- 13 Community Impact 1 2 4 8
- 14 Health and Wellness 3
- 15 Innovation and Technology 9 11
- 16 Diversity and Inclusion 5 10
- 17 Responsible Contractors 12

GOVERNANCE

- 18 Industry Groups and Associations 17
- 19 Transparency 16
- 20 Data Privacy and Cyber Security 16
- 21 Leadership and Corporate Governance 16
- 22 Legal Compliance 16
- 23 Ethics/Code of Conduct 16

ECONOMIC

- 24 Economic Performance 8
- 25 Financial Risk due to Climate Change 11 13 15
- 26 Resiliency 11 13 15
- 27 Economic Impacts on Communities 8
- 28 Systematic Risk Management 11 13 15



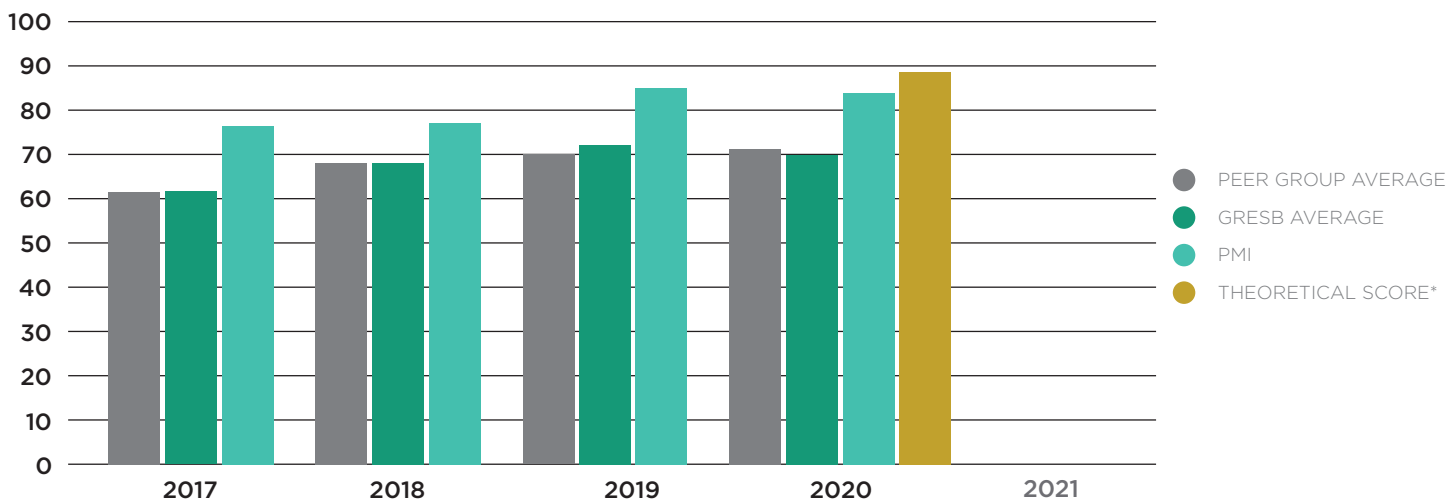
PERFORMANCE VERIFICATION



PACIFIC GRESB RESULTS

Pacific's PMI portfolio performed exceptionally well in the 2021 GRESB Assessment. The portfolio placed #1 in the nation. For the third consecutive year, the PMI Portfolio achieved 5 out of 5 green stars, performing in the top quintile of over 1,200 GRESB participants globally.

PMI GRESB PERFORMANCE (2017-2020)



*GRESB has provided a "theoretical score" showing the estimated 2020 score using the 2019 GRESB assessment structure and scoring model. PMI received a theoretical score of 89 compared to the 2019 score of 85.

PEER GROUP RANKING



GRESB SCORE | GREEN STAR
GRESB Average For All Applicants: 70
Peer Average: 71



UNITED STATES OF AMERICA | RESIDENTIAL: MULTI-FAMILY | CORE



2017



2018



2019



2020



2021

ABOUT GRESB

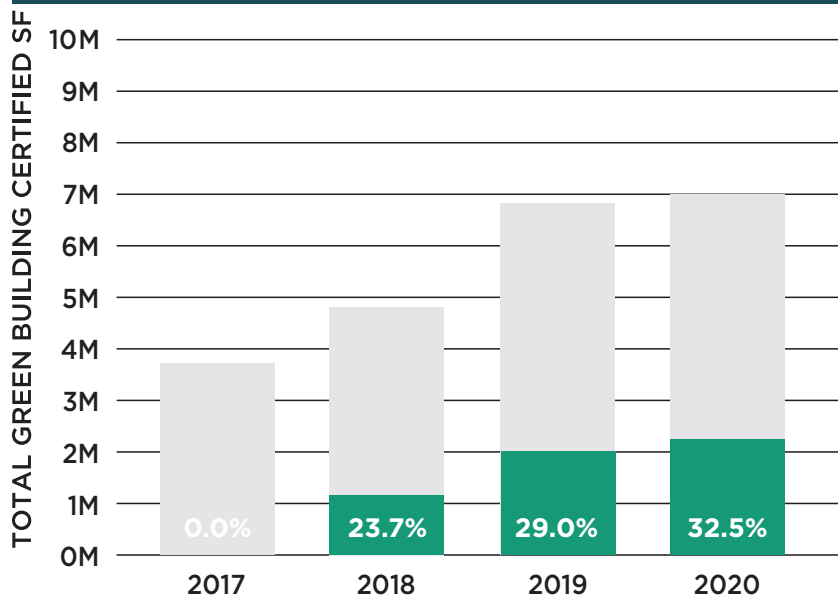
GRESB is the ESG benchmark for real assets. Working in collaboration with the industry, GRESB defines the global standard for sustainability performance in real assets, providing standardized and validated ESG data to the capital markets. In 2020 alone, more than 1,200 real estate portfolios reported to GRESB covering more than 96,000 assets. The coverage for infrastructure includes more than 540 infrastructure portfolios and assets. Combined, the reported assets represent US \$5.3 trillion AUM. The data is used by more than 120 institutional and financial investors to monitor investments across portfolios and navigate the strategic choices needed for the industry to transition to a more sustainable future.

GREEN BUILDING CERTIFICATIONS

Pacific strategically pursues third-party green building certifications such as IREM CSP, Green Globes and other certification schemes as applicable for existing multi-family communities. The Pacific PMI Portfolio added to its IREM CSP certifications in 2020 with two new certifications: our property in Beaverton, Oregon and property in Woodland Hills, California, and one recertification: our property in Vista, California.

PACIFIC NOW BOASTS EIGHT CERTIFICATIONS AND 32.5% CERTIFIED SF OVER THE PMI PORTFOLIO.

PACIFIC PMI GREEN BUILDING CERTIFICATIONS BY FLOOR AREA % certified by floor area (SF)



*Green building certification coverage is calculated by total certified floor area divided by the total gross floor area of the portfolio. This graph shows the increase in certified floor area and % of portfolio certified from 2017 through 2020.

PACIFIC PMI GREEN BUILDING CERTIFIED PROPERTIES as of 12/31/2020

Property Location	Certified Square Footage	Rating System	Level	Certification Date
San Diego, CA	201,605	IREM CSP	Certified	12/27/2019
Irvine, CA	304,350	IREM CSP	Certified	12/7/2018
San Jose, CA	438,560	IREM CSP	Certified	12/27/2019
Vista, CA	399,245	IREM CSP	Certified	12/21/2020 (Renewal)
Sunnyvale, CA	172,428	IREM CSP	Certified	12/7/2018
San Diego, CA	212,140	IREM CSP	Certified	12/27/2019
Beaverton, OR	303,866	IREM CSP	Certified	12/21/2020
Woodland Hills, CA	241,112	IREM CSP	Certified	12/21/2020

SAN JOSE, CALIFORNIA

CASE STUDY - GREEN BUILDING CERTIFICATIONS



This urban, 271-unit multi-family community is located in San Jose, CA. The property has been ENERGY STAR® certified since 2019 and is an IREM Certified Sustainable Property (“CSP”). Some initiatives that contributed to its sustainability achievements include:

ENERGY



- ENERGY STAR certified for 2020 with a score of 78, meaning it performed better than 78% of similar buildings nationwide in energy efficiency
- Achieved a 3.8% reduction in GHG Emissions Intensity (kgCO₂/SF) from December 2018 to 2020

WATER



- From January 2019 to January 2020, demonstrated a 12.5% reduction in Water Use Intensity (gal/SF), which equates to savings of about \$11,000 annually

HEALTH



- On-site fitness center with yoga and aerobics studios
- Smoke-free property
- Walking distance to the Guadalupe River Trail, Moitozo Park, and Riverview Park, a city park with tennis, basketball, and bocce ball courts

RECYCLING



- Cardboard recycling and yard debris composting offered on-site
- Diversion Rate is 21.9%, with a goal to increase by 5% per year
- In 2020, the property team diverted 23,328 cubic feet of trash from the landfill

PURCHASING



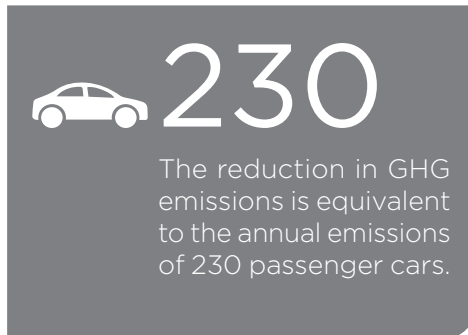
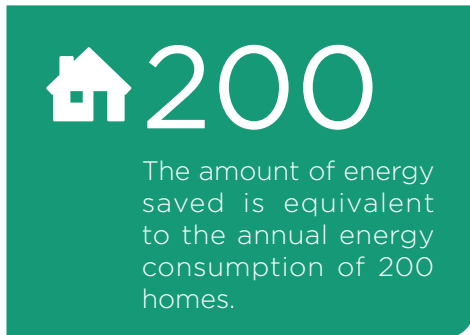
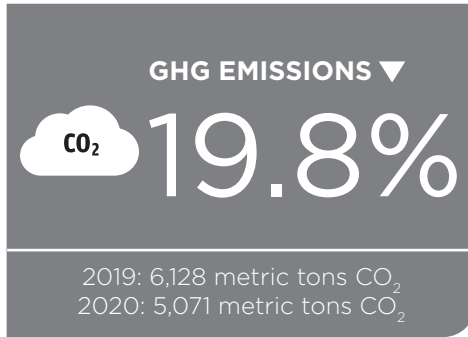
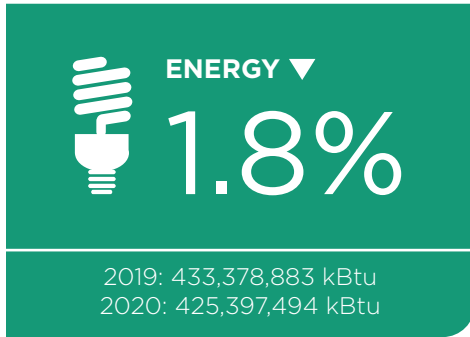
- Green office operations include reusing and recycling paper, using recycled ink cartridges, recycling used ink cartridges, and printing two-sided whenever feasible



ENVIRONMENTAL

LIKE-FOR-LIKE CHANGE

Below is a representative snapshot of the Portfolio's performance. We have compiled data where the landlord has access to such data, and prepared a same-store comparison between 2019 and 2020.



ENERGY CONSERVATION



As part of Pacific’s EcoLogic Program, we require all property teams to record energy consumption and cost using ENERGY STAR® Portfolio Manager. Whole-building (landlord and resident) energy consumption is tracked where available, while landlord only energy consumption is tracked and monitored at each property. Using this data, Pacific is able to identify changes in usage over time and compare these changes to trends at similar properties. This allows us to track progress and make progress in meeting Pacific’s reduction goal of 3% annually.

Pacific implements energy-reducing policies at all of our properties. Energy assessments have been conducted at many of our properties in which we are presented with various energy-saving opportunities then choose the most effective ones. Multiple free energy assessments have been implemented at various properties through programs established by the utility companies.

In 2020, our Long Beach property team conducted multiple energy and lighting audits. Consequently, LED lighting was installed in all units and common areas along with programmable thermostats and vacancy sensors. Other property teams have taken similar measures: 55% have performed an LED Lighting Retrofit, and 65% now have high efficiency equipment and appliances. Energy-saving measures at each property are tracked and monitored annually through the ESG Survey, GRESB reporting, and EcoLogic Program. Pacific not only promotes energy-efficient practices at the property level, but also for residents in their homes. Pacific has created a Green Living Guide for Apartment Residents, which appears on every Sofi website for easy access by residents. This guide offers low and no-cost ways for residents to limit energy consumption throughout the unit.

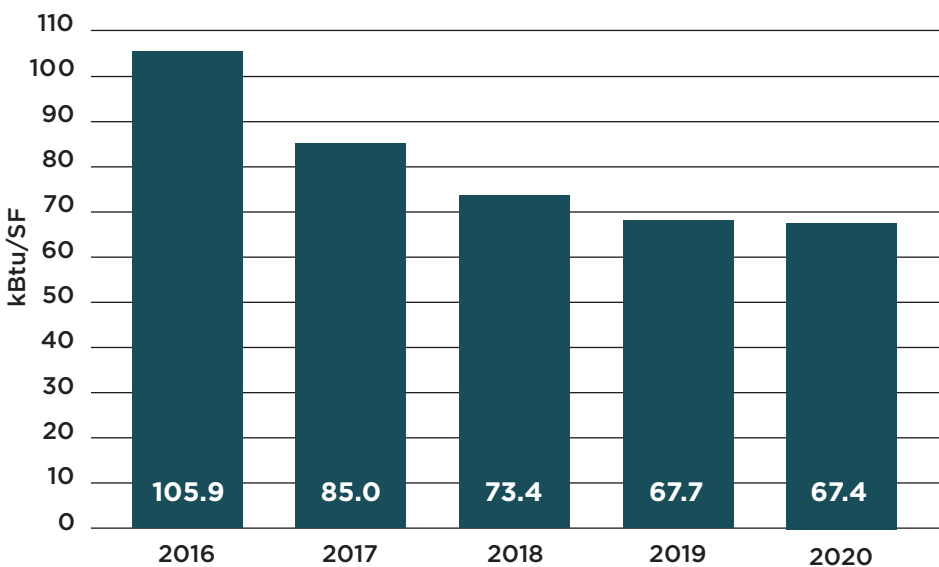
55%

of properties have performed an LED lighting retrofit

65%

have high efficiency equipment and appliances

PACIFIC PMI WHOLE-BUILDING ENERGY USE INTENSITY OVER TIME kBtu/SF



THE EUI (KBTU/SF) DECREASED FROM 67.7 IN 2019 TO 67.4 IN 2020, even with a major increase in residents staying home in 2020 due to COVID-19-related stay-at-home orders and remote working.

*The Energy Use Intensity (EUI) is calculated by summing the total 12-month, source energy use (kBtu) across all properties with whole building (landlord and resident) energy coverage and dividing by the gross SFcoverage. The EUI only includes properties with 12 months of data available in the benchmarked year. The graph shows historical EUI data from 2016 through 2020.

BEAVERTON, OREGON

CASE STUDY - ENERGY CONSERVATION



This property community is a 303,866 SF multi-family apartment community located in the Murrayhill neighborhood of Beaverton, Oregon. The property, which was built in 1991, has a total of 351 units and 552 bedrooms. The building is an IREM Certified Sustainable Property (“CSP”) and received ENERGY STAR® certifications in both 2019 and 2020.

Our property performed a lighting audit in 2019 as well as an energy audit in 2020. Additionally, in 2019, the property team did a lighting retrofit in all common areas and tenant spaces and replaced 972 incandescent light bulbs with LED bulbs. The property team also educates its residents on energy conservation, suggesting practices that can reduce energy usage such as:

- Placing a draft stopper under exterior doors
- Leaving the dishwasher door open to air-dry dishes instead of using the drying function
- Programming the thermostat to minimize heating and cooling when no one is in the apartment

As a result of these measures taken by both tenants and property management, the site energy usage decreased by 19.1% from 2019 to 2020, saving our community about \$10,000 in energy costs. In 2019, the property team spent approximately \$31,069 on energy costs and in 2020, only spent \$21,602. This decrease in energy usage also led to a 15.3% decrease in the property’s total GHG Emissions from 2019 to 2020.

SITE ENERGY USAGE DECREASED BY 19.1% FROM 2019 TO 2020.

This decrease also led to a 15.3% decrease in the property’s total GHG Emissions from 2019 to 2020.

ENERGY STAR® PORTFOLIO MANAGER

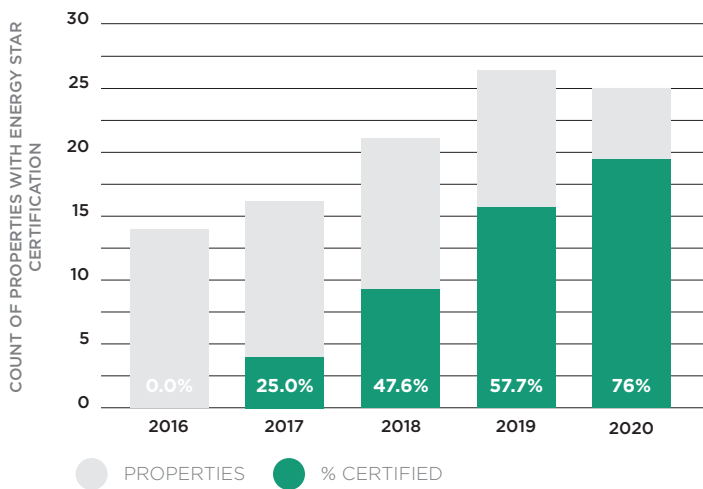


ENERGY STAR Portfolio Manager, a joint project between the U.S. Environmental Protection Agency and the Department of Energy, allows the benchmarking of a property's energy and water consumption and cost, waste production, and diversion rate.

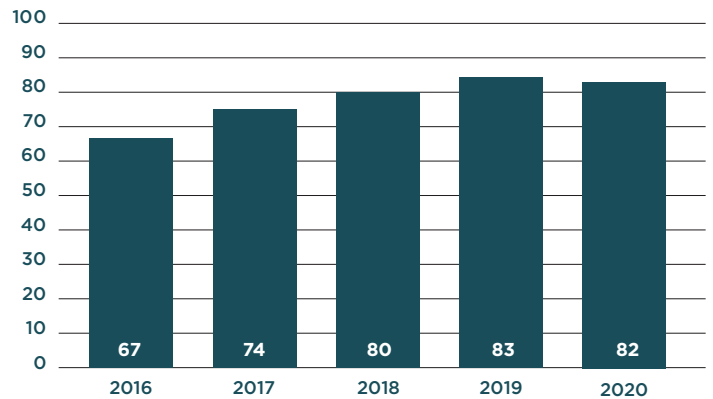
Properties with whole-building (landlord and resident) data are eligible to receive an ENERGY STAR score. Whole-building data can be acquired depending on the utility company. If a property receives an ENERGY STAR score of 75 or higher, the property is in the top quartile in energy performance and is eligible to achieve the ENERGY STAR certification. Below are our ENERGY STAR metrics over time.

ENERGY STAR CERTIFICATIONS BY PROPERTY COUNT

% of properties certified by property count



ENERGY STAR AVERAGE SCORE OVER TIME



*ENERGY STAR Score is calculated by taking into account several factors including energy consumption, occupancy, weather normalization, and peer group comparison to standardize the score.

*The U.S. Environmental Protection Agency's ENERGY STAR Portfolio Manager is utilized to benchmark energy, water, and waste for buildings across the portfolio. The Portfolio Manager tool also calculates an ENERGY STAR score on a scale of one to 100 for applicable property types. Qualifying property types with a score of 75 or higher are eligible to apply for the ENERGY STAR certification on an annual basis. Only certain property types are eligible for certification. Whole-building (landlord and resident) data must be tracked. We strongly encourage all of our eligible properties with a score of at least 75 to apply annually for ENERGY STAR certification. Only buildings eligible to achieve ENERGY STAR certification are included in the building count. To be eligible, a full 12 months of whole-building energy data must be benchmarked by the ENERGY STAR Portfolio Manager.

- **ENERGY EFFICIENCY INITIATIVES AND PERFORMANCE IMPROVEMENT** have contributed to PMI's average energy star score steadily increasing over time.
- **MULTI-FAMILY PROPERTIES IN PARTICULAR EXPERIENCED GREATER UTILITY USAGE IN 2020** due to tenants being home during stay-at-home orders and remote working.
- The consistent score from 2019 to 2020 shows that **BUILDING PERFORMANCE STAYED CONSISTENT** even during the change in operations.



RENEWABLE ENERGY



Increasing the use of renewable energy is part of Pacific’s sustainability strategy. We assess the renewable energy across our portfolio regularly. In recent years, we have increased renewable energy usage by purchasing Green Power and Renewable Energy Credits (“RECs”). These certificates serve as property rights to renewable electricity generated from low- or zero-emissions resources. 2020 Renewable Energy (“MWh”) for the PMI portfolio from on-site solar and renewable energy credits generated off-site equaled 1,049 MWh.

162 VEHICLES
off the road
for one year

THIS EQUATES TO 743 METRIC TONS OF GREENHOUSE GAS EMISSIONS AVOIDED IN 2020 - THE EQUIVALENT OF:

PACIFIC PMI RENEWABLE ENERGY OVER TIME MWh per year

The below table indicates how much green power was purchased via RECs for PMI properties in 2020.

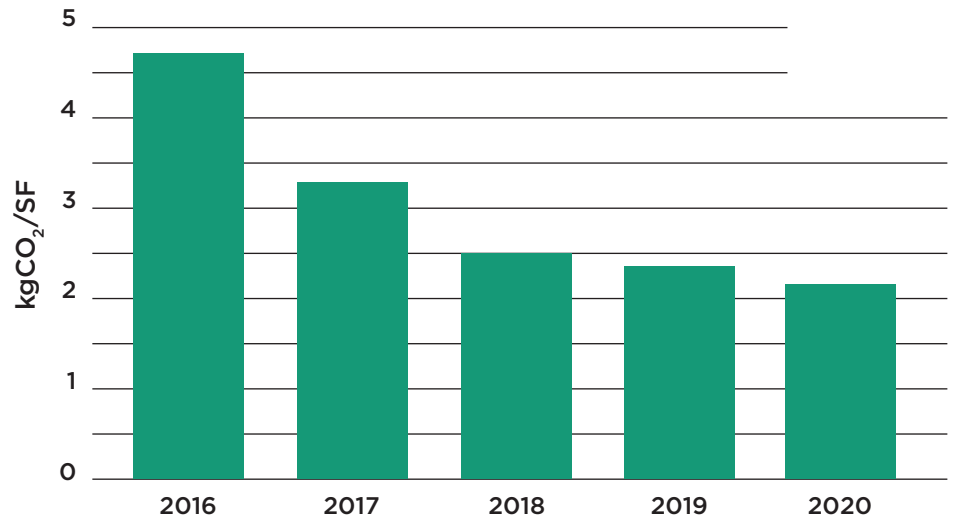
Renewable Energy Type	2020 MWh
Onsite-Solar	479
Offsite Renewable Energy	570
Total	1049

GREENHOUSE GAS EMISSIONS

Pacific minimizes GHG emissions principally by reducing energy consumption. This is done through the implementation of energy-saving policies at each of our properties. The graph below indicates a decrease in GHG emissions over time at the properties where such data is available. Property energy consumption is tracked in the ENERGY STAR® Portfolio Manager, which then computes the GHG emissions. Direct emissions are the result of on-site fuel sources (e.g. natural gas). Indirect emissions are from electricity consumption.

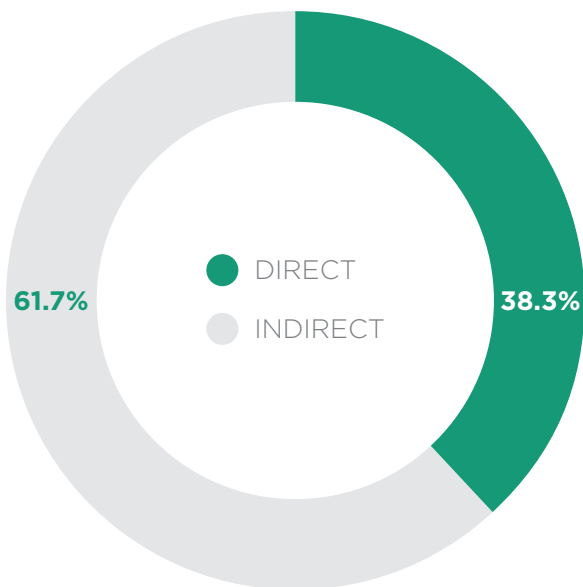


PACIFIC PMI WHOLE-BUILDING GREENHOUSE GAS EMISSIONS INTENSITY OVER TIME kgCO_2/SF



*The GHG Emissions Intensity is calculated by summing the total 12-month, GHG emissions (kgCO_2) across all properties with whole-building (landlord and resident) energy coverage and dividing by the correlating gross SF coverage. The EUI only includes properties with 12 months of data available in the benchmarked year. The graph shows historical EUI data from 2016 through 2020.

PACIFIC PMI 2020 DIRECT VS INDIRECT GHG EMISSIONS



*Direct emissions are derived from fuel sources burned on-site such as natural gas. Indirect emissions are derived from energy generated off-site such as electricity and district steam. Emissions data is calculated in the ENERGY STAR Portfolio Manager. Emissions data includes changes in the composition of the portfolio and does not represent like-for-like data.



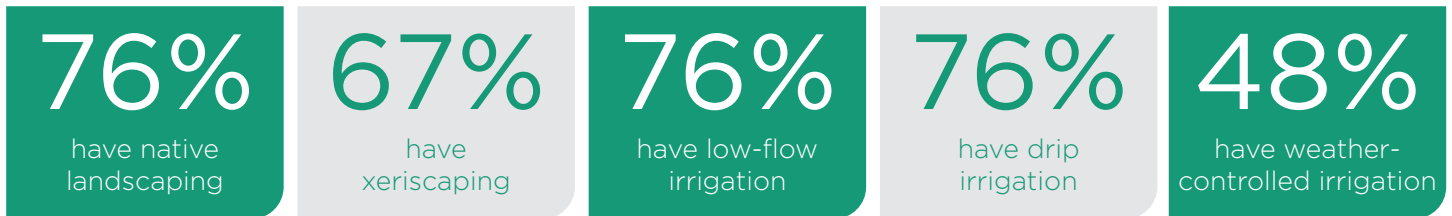
WATER CONSERVATION

As our population grows, so does water consumption. Water scarcity is becoming more critical every year; as is water quality. Pacific has acted to reduce water usage by requiring the PMI property teams to track and monitor landlord-paid water consumption through the ENERGY STAR® Portfolio Manager. The data provided enables us to identify and implement water-saving strategies across the portfolio.

Since 2016, annual reduction goals have been set by property teams in an effort to meet or exceed Pacific's total reduction goal of 20% by the year 2026. Measures include regularly checking plumbing fixtures and fittings for leaks, ensuring low-flow plumbing fixtures and fittings are installed, assessing the installation of submeters to improve water use management, utilizing smart irrigation controllers, and converting to xeriscape landscaping. In 2020, property teams continued their efforts to reduce water consumption, with many making changes in the area of irrigation. For example, 76% of our properties have low-flow irrigation as of December, and 67% have xeriscaping. Pacific encourages water conservation at the resident-level by offering water-saving tips in The Green Living Guide for Apartment Residents.

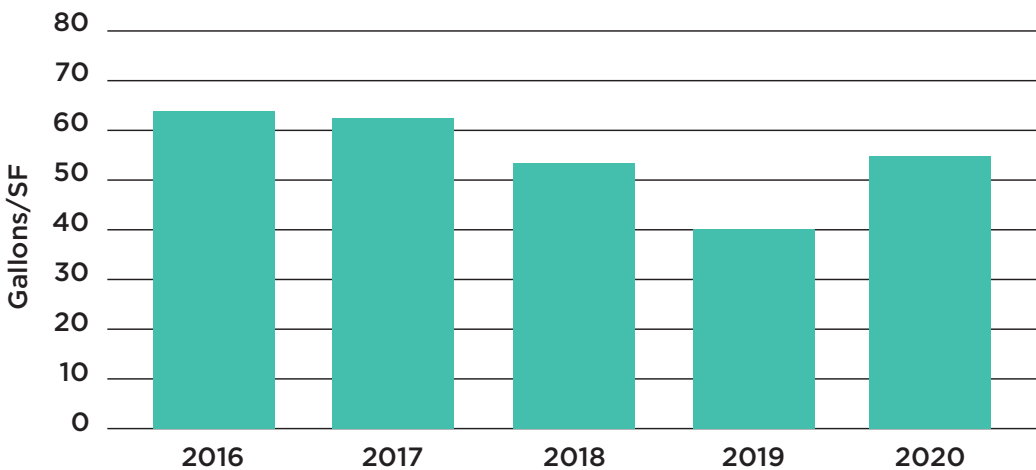


Pacific's water conservation efforts are all the more relevant in our California-based communities. The drought, which began in 2011, currently encompasses over 98% of the state and has had adverse effects on the economy and environment. In response, our property teams have gone to great lengths to institute water-saving policies. Over time, Water Use Intensity ("WUI"), or water consumption per SF, in the Pacific PMI portfolio has steadily decreased, along with the cost of water per SF. From 2019 to 2020, WUI increased due to COVID-19-related enhanced cleaning and sanitation efforts and a major increase in residents being home due to COVID-19 related stay-at-home orders and remote working. Pacific Urban Investors is committed to continuing our efforts to actively reduce water consumption at our properties.



WHOLE-BUILDING WATER USE AND COST INTENSITY OVER TIME

Water Use Intensity (Gallons/SF)

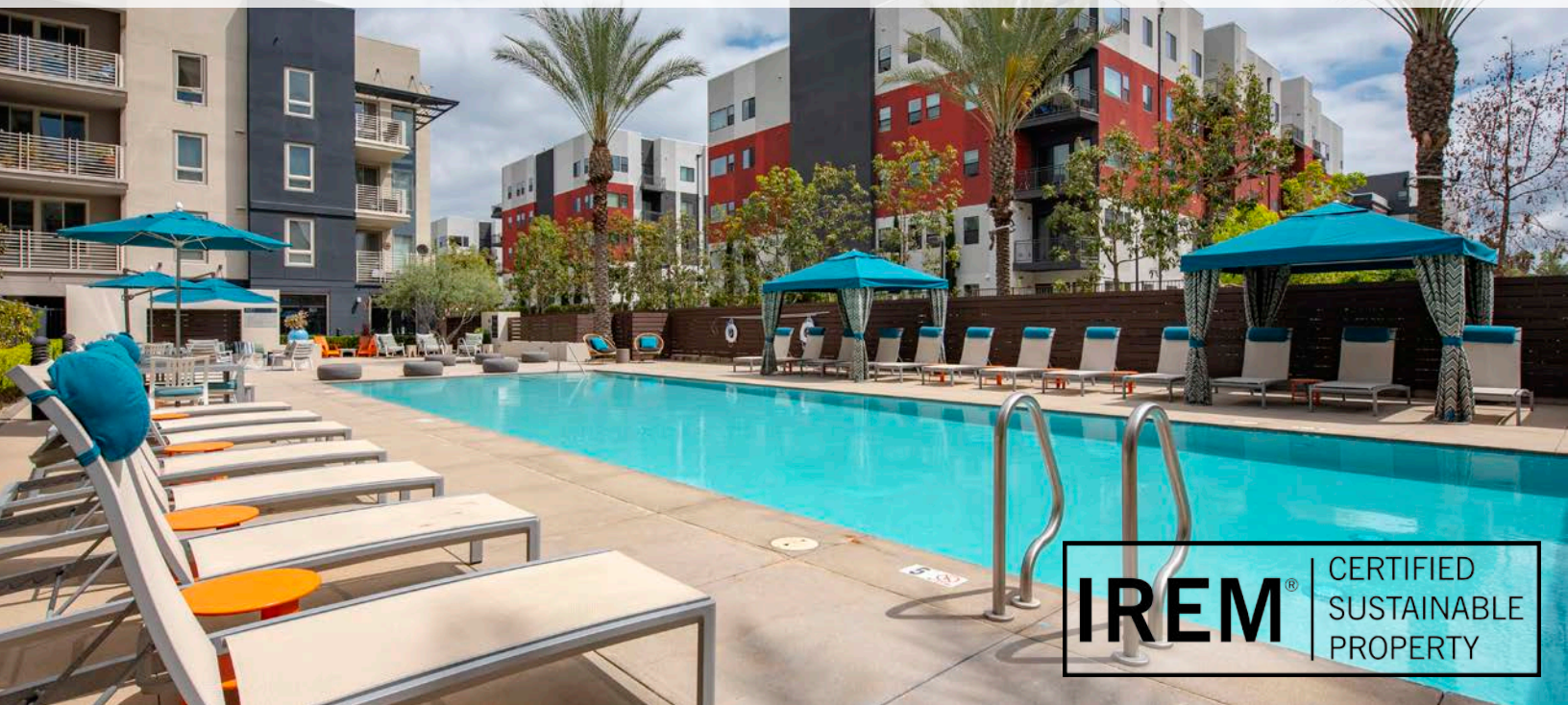



78%
of properties have completed a low-flow plumbing retrofit.

*WUI is calculated by summing the total use of the calendar year (Gal) across all properties and dividing by the gross SF coverage. The WUI only includes properties with 12 months of data available.

WOODLAND HILLS, CALIFORNIA

CASE STUDY - WATER CONSERVATION



IREM® | CERTIFIED SUSTAINABLE PROPERTY

May 2019 to June 2020, this Pacific community **REDUCED ITS WATER CONSUMPTION BY 20%.**

This four-story, 241,112 SF multi-family apartment community is located in Woodland Hills, California between Los Angeles, Santa Clarita, Thousand Oaks, and Glendale, California. Our property community is committed to sustainability and health, verified by its IREM CSP certification.

From May 2019 to June 2020, this property community reduced its water consumption by 20%, an estimated savings of 2,066,000 gallons and \$10,000 dollars annually. Part of this was due to permanent changes made at the property team such as:

- High efficiency water fixtures and appliances in common areas
- Low flow faucets, toilets, and shower heads in units
- Irrigation timers

However, a large part of the property’s decrease in water consumption was a result of tenant water conservation measures promoted by management through educational materials and sustainability guides. Examples of these positive tenant behaviors include:

- Using the sprayer setting on the kitchen sink to rinse dirty dishes
- Turning off the water while brushing teeth or washing face
- Adjusting the load setting on the washing machine to match the size of the load of laundry

WASTE MANAGEMENT



A major part of Pacific's EcoLogic Program is waste reduction. Through resident recycling programs and the implementation of waste reduction procedures, Pacific promotes both recycling and reduction in waste at each of our properties. Residents are also urged to reduce, reuse, and recycle independently, in their apartments, and can find ways to do so in Pacific's Green Living Guide for Apartment Residents.

Pacific determines the amount of on-site recycling and waste through information collected from invoices and waste haulers. Our on-site property team track the amount of recycled material monthly. This data is processed in the ENERGY STAR® Portfolio Manager along with the energy and water consumption.

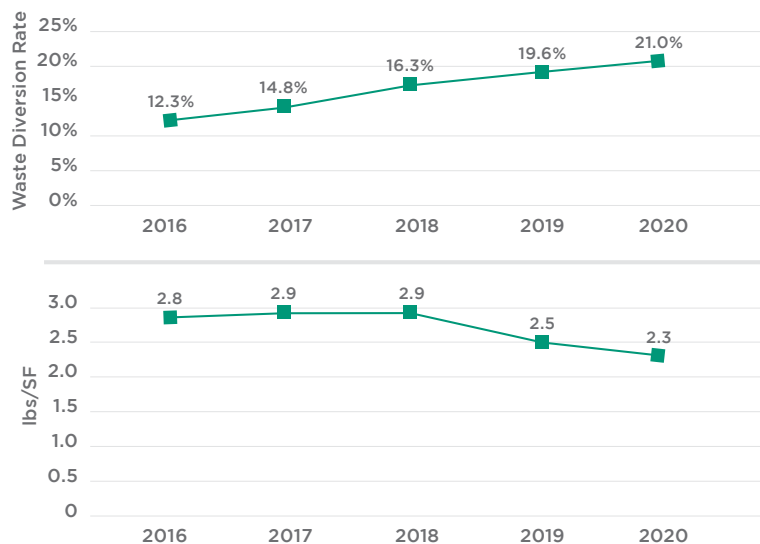
Pacific has implemented recycling programs in 100% of properties in the PMI portfolio. Recycling plans include annual and long-term diversion goals, posted signage for recycling bins, and educational materials distributed to 100% of residents. In addition to recycling plants, 44% of properties have composting programs, and 50% have lamp, bulb, and battery recycling.

Diversion rate, waste intensity (lbs/SF), and waste produced (lbs) changes from 2016 to 2020 are impressive, especially with the increase in residents staying at home in 2020 due to COVID-19-related stay-at-home orders and remote working.

<h2 style="margin: 0;">44%</h2> <p style="margin: 0;">have composting programs</p>	<h2 style="margin: 0;">41%</h2> <p style="margin: 0;">offer electronic recycling</p>	<h2 style="margin: 0;">50%</h2> <p style="margin: 0;">offer lamp/bulb/battery recycling</p>	<h2 style="margin: 0;">66%</h2> <p style="margin: 0;">offer ink cartridge recycling</p>
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PACIFIC PMI DIVERSION RATE & WASTE INTENSITY (LBS/SF)

% of waste diverted from landfill, Waste Intensity (lbs/SF)



*Diversion Rate: % of overall waste diverted from landfill from 2016 to 2020
Waste Intensity: lbs of waste produced per year per SF of the overall PMI portfolio from 2016 to 2020
The Waste Diversion Rate is calculated by adding the whole-building, 12-month total weight of materials diverted from the landfill, then dividing by the total weight of all waste materials. The Waste Intensity is calculated by adding the whole-building, 12-month waste (lbs) and dividing by gross floor area (SF).



100% of properties have on-site recycling in place.

SAN DIEGO, CALIFORNIA

CASE STUDY - WASTE MANAGEMENT



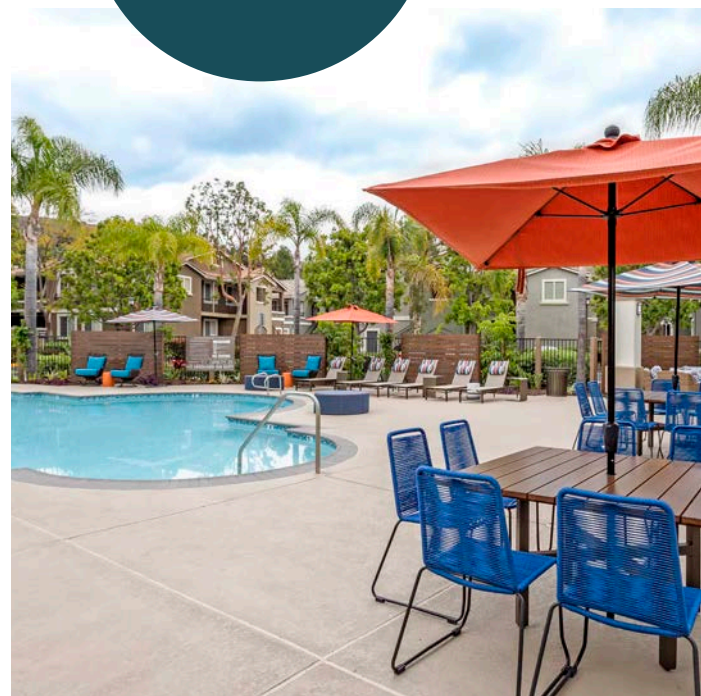
Our 212,140 SF low-rise apartment community is located in San Diego's Mira Mesa neighborhood. The property has 400 bedrooms and 181 units and boasts upscale community amenities such as a fitness center, spa, and resort-style clubhouse. The building, built in 1998, is an IREM Certified Sustainable Property ("CSP") and has achieved ENERGY STAR® certification with a score of at least 89 every year since 2018. Waste reduction and recycling are a priority at our property community. This property has a goal to increase the diversion (recycling) rate by 5% each year. In 2020, the property's diversion rate was 29.5%, a 7.2% increase from 2019.

IN 2020, OUR PROPERTY COMMUNITY DIVERTED 112.46 TONS OF WASTE FROM THE LANDFILL - EQUIVALENT TO THE WEIGHT OF APPROXIMATELY 28, 4-TON RHINOS.

The property has an on-site recycling center and puts on numerous recycling drives throughout the year. They offer a variety of recycling programs at the property including:

- Consumable recycling
- Appliance recycling
- Lamp/bulb recycling
- Battery recycling
- Cardboard recycling

In 2020, **THE PROPERTY'S DIVERSION RATE WAS 29.5%**, a 7.2% increase from 2019.



ALTERNATIVE TRANSPORTATION

By encouraging alternative methods of transportation, like walking, riding a bike, or driving an electric vehicle, we can make a big impact on the environment. We try to make it convenient and easy for our residents and employees to use alternative transportation by promoting the use of electric vehicles.

Many of our properties are equipped with Electric Vehicle charging Stations (“EVCS”), which encourage Electric Vehicle (“EV”) use and increase property desirability for residents.



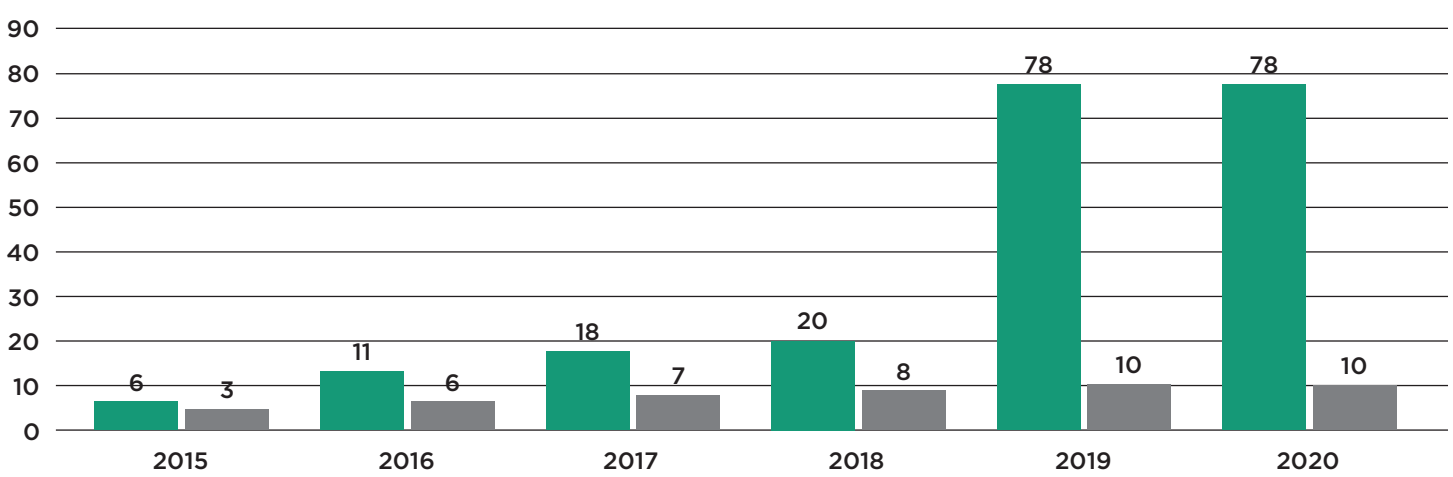
ELECTRIC VEHICLE CHARGING STATIONS

number of properties with EVCS and number of vehicles that can be charged at a time

Year	% of properties with EVCS (by property count)	# of vehicles that can be charged	# of properties with EVCS
2020	31%	78	10



PROPERTIES WITH ELECTRIC VEHICLE CHARGING STATIONS AND VEHICLES THAT CAN BE CHARGED



*The graph shows the history of EVCS and properties with charging stations in the PMI portfolio. As of 12/31/2020, 31% of properties had charging stations, and 78 vehicles could be charged at once.

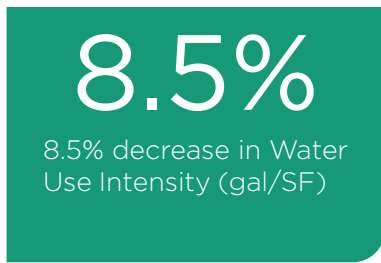
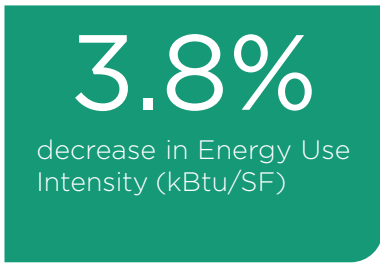
- VEHICLES THAT CAN BE CHARGED
- PROPERTIES WITH EVCS

CHATSWORTH, CALIFORNIA

CASE STUDY - ALTERNATIVE TRANSPORTATION



This 119-unit multi-family property is located in Chatsworth, California in the San Fernando Valley northwest of Los Angeles. The property boasts many luxury features including private balconies, fire pits, a pool and hot tub, sundeck, fitness center, dog run, and clubhouse. The property community was ENERGY STAR® certified for the year 2020 with a score of 98, meaning it performed in the top 2% of all similar properties nationwide in energy efficiency. From 2019 to 2020, the property exhibited a:



The number of Electric Vehicles (“EV”) and their drivers are increasing every year, so having EVCS are essential to maintaining a property’s convenience and desirability. As EVCS continue to become more accessible and numerous, driving an EV will become more convenient, contributing to the eventual shift from gas to electric-powered vehicles. EVs improve air quality and reduce the GHG emissions that contribute to climate change.

IN 2019, THIS PROPERTY COMMUNITY INSTALLED 40 IEVSE EVO32 EVO-CHARGE ELECTRIC VEHICLE CHARGING STATIONS (“EVCS”).

INDOOR AIR QUALITY

Pacific is improving the indoor air quality at our communities by reducing individual sources of pollution such as products that contain harmful Volatile Organic Compounds (“VOCs”), and by promoting clean air best practices.



BEST PRACTICES

- All properties are required to have a detailed Mold O&M Manual on-site
- Air filters should be replaced and/or cleaned quarterly
- All properties should evaluate a community-wide non-smoking policy
- All properties should evaluate non-toxic pest control programs

PRODUCT SPECIFICATION STANDARDS

- Low VOC paint should be utilized for all common areas and units
- Green Label Plus certified carpet should be used in all interior locations where carpet is specified
- GreenGuard low VOC laminate countertops should be used when laminate is specified
- Low VOC vinyl and adhesives should be utilized for all interior locations where vinyl is specified
- Floor Score certified low VOC rubber flooring should be utilized for fitness facilities
- Low VOC sundries such as tile and bath caulk should be utilized by maintenance staff and vendors
- EPA-approved non-toxic cleaning products should be utilized by all staff and vendors

100%

of leases have a “No-Smoking Addendum” which bans any use of tobacco products on the property

22%

of properties have conducted IAQ assessments

SUSTAINABLE MATERIALS

We do our best to ensure all our properties are sourced with sustainable materials in the interest of the environment and our residents. Before purchasing supplies, we take into consideration how they were made, where they were made, which materials were used in their creation, and what disposal methods are currently available for them. We also consider cost and quality. To help our residents and property teams make sustainable purchases of their own, we distribute Sustainability Reference Guides and the Green Living Guide for Apartment Residents regularly. These help educate and encourage purchasing decisions of materials that are:

- Non-toxic, chlorine-free, and made from recycled material or rapidly renewable materials
- Packaged in reusable or recyclable containers
- Packaged with minimal materials
- Recyclable or biodegradable
- Approved by third-party environmental labeling programs, such as ENERGY STAR®, Fair Trade, and Forest Stewardship Council (“FSC”)
- Energy-efficient



Pacific, as well as our property teams, use sustainability-minded vendors as much as possible, with products that can be properly disposed of and “take-back” programs at the purchase of goods. We also prioritize business with local vendors whenever feasible, to support the local economy and reduce the environmental impacts of transportation.



ENVIRONMENTAL DATA ASSURANCE STATEMENT

In 2021, we had Pacific Multifamily Investor’s 2020 annual energy, greenhouse gas emissions, water and waste data independently verified by Lucideon CICS, a private limited company and world leader in verification and certification services.

The full accreditation report and assurance statement are aligned with ISO 14064-3 standard.





STAKEHOLDER ENGAGEMENT

INVESTORS

Pacific greatly values its investor relationships and continuously seeks to strengthen these through open communication: keeping investors up-to-date on the portfolio and reporting financial data, property activity, asset level performance, and sustainability updates at annual investment plan meetings and monthly and quarterly discussions.

In a fast-moving, ever-changing world like today, Pacific contends that sustainable, responsible investing necessitates a forward-thinking approach. During the investment process, we provide essential information regarding how we manage ESG+R risks and opportunities for this reason, to deliver risk-adjusted returns to our clients long-term and to align our portfolios with client values. As stewards of our clients' assets, we believe this commitment to transparency is part of our value proposition, as proper management of ESG+R factors can be directly linked to business results such as capital, cost savings, market access, reputation, insurance cost and availability, talent retention, and risk management.

EMPLOYEES

EMPLOYEE ENGAGEMENT

Pacific recognizes that its employees establish and maintain the reputation of the firm. Each employee has an important role in the operation, and the management team seeks to provide all with the support and resources to succeed. In addition to annual performance reviews and regular feedback sessions, Pacific has an "Open-Door Policy," which recognizes the importance of employee suggestions for improving the workplace while also allowing complaints to be aired. Employees may bring any issues to their supervisor or their supervisor's manager. Pacific believes that open communication is essential to a successful work environment and all employees should feel free to raise issues of concern without fear of reprisal.

DIVERSITY

We provide equal employment opportunities to all qualified applicants and employees without discrimination with regard to race, religious belief (including dress or grooming practices), color, sex, sex stereotype, pregnancy, childbirth or related medical conditions (including breast feeding), age, national origin, ancestry, sexual orientation, gender identification and expression, transgender status, physical or mental disability, medical condition, genetic characteristics, genetic information, family care, marital status, enrollment in any public assistance program, status as military, a veteran or qualified disabled veteran, status as an unpaid intern or volunteer, or any other classification protected by law. We also prohibit discrimination based on the perception that anyone has any of these characteristics or is associated with a person who has or is perceived as having any of these characteristics.

We are committed to maintaining a work environment which is free from discrimination, harassment, bullying, and retaliation. It is improper to abuse another person through ethnic, racist, or sexist slurs, or other derogatory conduct. We do not tolerate discrimination, harassment, bullying, or retaliation by any employee (including supervisors, managers or co-workers) or independent contractor of the Company, or by any outside persons in contact with our employees and independent contractors (including our clients, potential clients, vendors, delivery persons, etc.). Pacific has regular mandatory training seminars for all employees on work environment rules and practices to ensure adherence to our goals.

We will reasonably accommodate the known physical or mental disabilities of an otherwise qualified applicant or employee, unless undue hardship would result. If an employee requires accommodation to perform the essential functions of their job, they may contact the Human Resources Department to notify us of their disability and to describe the accommodations they believe are necessary to enable them to perform their job duties. We work with employees to determine whether there are any reasonable accommodations that would enable them to perform your job duties without causing undue hardship to the Company.



PROFESSIONAL DEVELOPMENT

Pacific employees are encouraged to continue learning within their profession or career. Accordingly, all full-time employees may be eligible to receive tuition reimbursement of up to \$1,000 per calendar year for educational courses directly related to their performance and/or position within Pacific.

We encourage Pacific employees to expand their knowledge of the industry, and their position in particular, not only by providing annual tuition reimbursements for educational classes or programs, but also by offering Development Dimensions International (“DDI”) training to Pacific senior managers and partners. The goal in doing so is to help them hone their leadership skills and cultivate them in others.

Performance evaluations may be conducted annually or, more often, generally at the end of the fiscal year. Such evaluations cover 100% of Pacific employees and are intended to provide the employee and their supervisor the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss methods for improving performance. In addition to these more formal performance evaluations, Pacific encourages employees and their supervisors to discuss job performance on an ongoing basis.

Pacific recognizes the key role employees play in the everyday activities of the firm. As a result, Pacific rewards individuals who demonstrate superior contributory performance over time. These employees are promoted to senior working managers and serve in key functioning roles. Additionally, senior personnel at Pacific have equity interest in the firm, ensuring employees are involved in firm activities to the utmost level.



BENEFITS

Pacific provides the below list of benefits to its full-time employees:

- Medical, dental, life and AD&D insurance
- Disability insurance
- Unemployment compensation
- Social Security
- Worker’s compensation
- Post-termination continuation of health insurance
- Sick leave and personal time off
- Leaves of absence
- Educational assistance/tuition reimbursement
- 401(K) plan
- Flexible spending accounts for medical, dental, vision, and child care needs

HEALTH AND WELLNESS

Pacific provides the Corporate Wellness Program to employees as a benefit. The program includes personal training sessions, unlimited access to group fitness classes, and two one-day guest passes.

COVID-19 RESPONSE

Pacific implemented protocols in conformance with the CDC and local guidelines at each of its corporate offices. Proof of vaccination is required to enter any Pacific office, and workflow has been organized in shifts to increase social distancing. Temperature checks are in place at all office entry points.

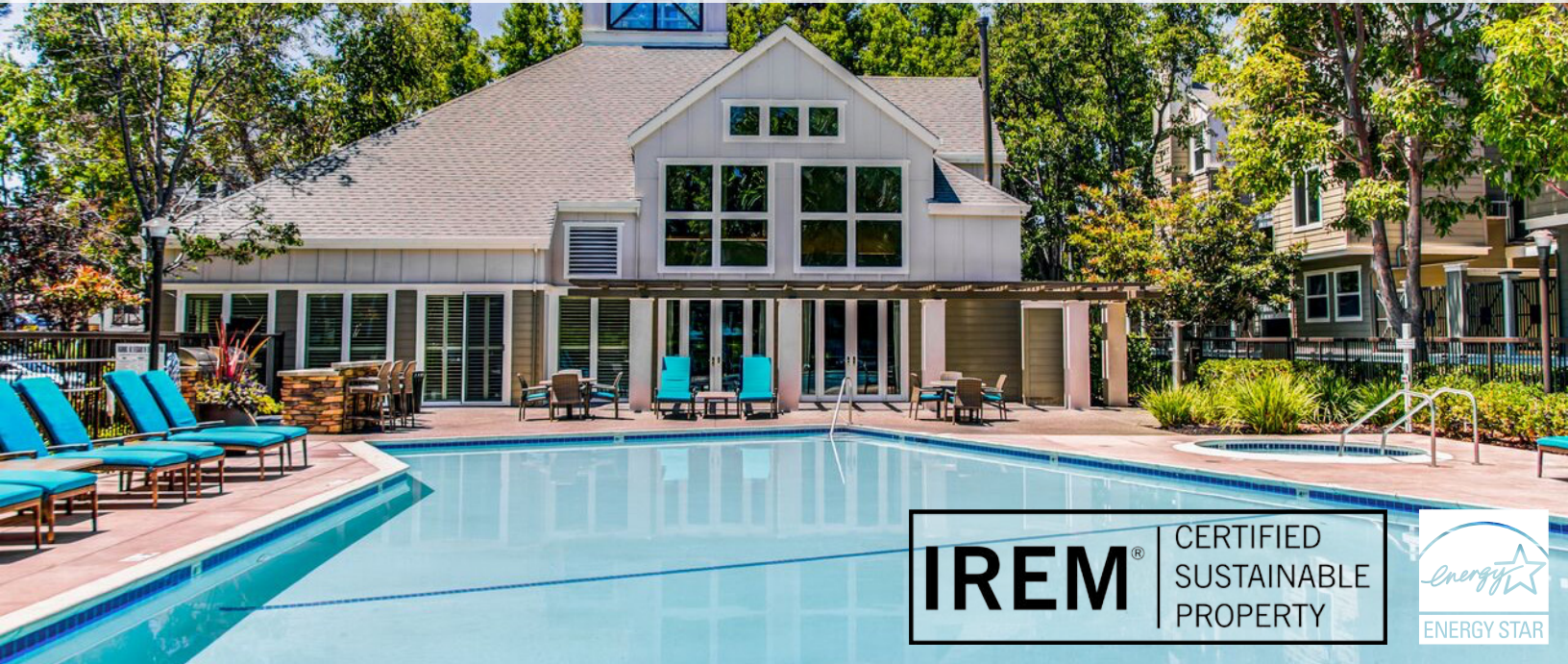
Self-screening instructions were circulated to all the employees who planned to enter the office (even when the office was closed); employees were also required to complete an online self-screening each day before leaving home and were allowed to report to the office only upon receiving a green clearance code.

Use of face coverings was required when working in or walking through commons areas, such as hallways, stairways, elevators, and parking facilities, and in any room or enclosed area where other people (except for members of the person's own household or residence) were present when unable to physically distance.



SUNNYVALE, CALIFORNIA

CASE STUDY - HEALTH & WELLNESS



Our multi-family property consisting of nine buildings and 204 units conveniently is located in Silicon Valley between Mountain View and San Jose, California. The property, built in 1990, is an IREM Certified Sustainable Property (“CSP”) and has been ENERGY STAR® certified since 2017. The property is committed to the health and well-being of its residents, employees, and surrounding community. The dog-friendly, garden-style apartments allow residents to enjoy spacious floor plans, large patios and balconies, and ample access to greenery and views. Some health features at the property include:

- Filtered water fountain
- Fitness center with yoga classes hosted once a week
- Spa & swimming pool with grill area
- Walking paths
- Bike racks
- On-site dog park

Sunnyvale is a non-smoking city, and our property community commits to being a smoke-free property with an official non-smoking policy and signage throughout. The property has performance Indoor Air Quality Audits to assess air quality, cleanliness, thermal comfort, lighting, acoustics, and HVAC systems. The property also partners with the Make-A-Wish Foundation to hold events, where tenants have the opportunity to donate.

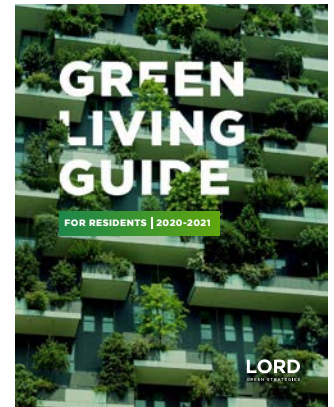
RESIDENTS



RESIDENT BREAKFAST ON-THE-GO

Engaging with residents is paramount when it comes to establishing sustainable solutions in our communities. Residents are the primary consumers of energy and water on our properties, and the primary producers of waste. Without their willingness to work with property management, our reduction goals are harder to achieve. Additionally, each community has its own website, through which residents can pay rent and submit maintenance requests, suggestions, and feedback. These websites provide office hours and contact information specific to the property and are required to be updated regularly for accuracy.

In an effort to educate residents on sustainability initiatives, we offer the Green Living Guide for Residents which contains practical ways for residents to efficiently use resources and practice sustainability in their homes.



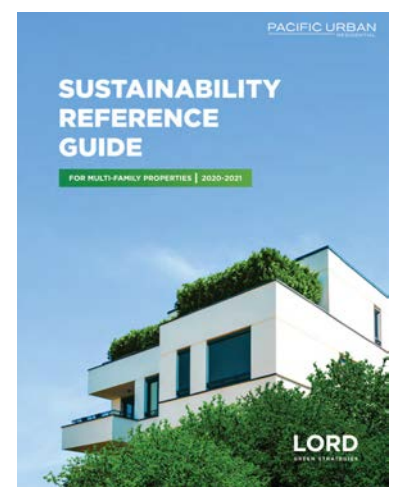
Once a year, Pacific conducts tenant satisfaction surveys on all properties. These help us better understand residents' needs and identify the areas in which we are meeting and exceeding expectations. Our hope in doing so is to involve resident feedback in the process of creating a secure, healthy, and sustainable space that they can appreciate.

THIRD-PARTY PROPERTY MANAGEMENT COMPANIES

Pacific manages its communities using professional Third-Party Management Companies. Third-Party Property Managers must follow the guidelines and expectations laid out in Pacific's Property Management Policy & Procedure Outline. This guide encourages frequent, direct communication between Third-Party Property Managers and Asset Managers. Particulars regarding the leasing office traffic, and leasing process, lease types, customer and resident relations, resident file maintenance, new resident orientation, advertising and marketing, common amenities and model units, how to adhere to Fair Housing/Americans with Disabilities Act, reporting, etc. are also outlined to ensure Pacific's highest business standards are promoted at all properties.

Pacific's EcoLogic ESG Program was designed to assist these managers in achieving the Company's sustainability goals. The program tracks sustainability initiatives across the portfolio, including energy and water consumption, recycling, and indoor area quality, providing Third Party Managers the information they need to implement effective policies going forward. Pacific also distributes the Green Living Guide to these managers, which sets forth helpful practices that can be instilled in their communities at the resident-level. The guide likewise encourages managers to engage with their residents, local communities, and service providers to reach sustainability goals. Residents also have access to this guide.

Pacific's partnership with LORD Green Strategies, a third-party sustainability consultant, likewise engages managers by providing them with resources, monitoring, and reporting on sustainability performance. Our joint collaboration with Third-Party Managers is key in increasing green awareness, furthering our long-term reduction goals, and developing healthier, more sustainable communities.



COMMUNITIES

The Pacific Cares Program was established for each property to be a valued member of the community in which it resides. For many years, Pacific property teams have given back to their communities through the Pacific Cares Program, organizing events throughout the year to benefit non-profit organizations in their area and beyond. More information about the Pacific Cares Program can be found here: pacificurbaninvestors.com

Beginning in 2017, Pacific decided to focus its communities' efforts on one nonprofit to make the largest impact possible. Pacific chose Make-A-Wish Foundation because it is a national organization with local focus and provides an amazing service for children in need. In addition, every property supports particular local charities especially those that focus upon the housing challenges of needy families. These organizations include: A Million Thanks, Don't Let a Child Go Hungry, Cheer for Children, SAVE, and many local community outreach efforts such as food banks and pet humane societies.



IRVINE, CALIFORNIA

CASE STUDY - COMMUNITIES



IREM® | CERTIFIED SUSTAINABLE PROPERTY



Donated approximately **FIVE BOXES OF FOOD** through Harvest First annual food drive

RAISED AROUND \$650 THROUGH FUNDRAISERS for the Make-A-Wish Foundation

Hosted resident events to **RAISE AWARENESS ABOUT SUSTAINABILITY** and released several resident sustainability guides

Our property community, located in Irvine, California, is a 204,350 SF multi-family apartment community with 403 units and 480 bedrooms. The property is conveniently located within walking distance of several grocery stores, retail shops, and dozens of restaurants. The property is an IREM CSP and has achieved ENERGY STAR® certification with a score of at least 90 every year since 2017, testifying to its energy efficiency. The property community provides ample opportunities for resident and community engagement. The property team utilizes social media platforms like Facebook and Instagram to advertise events both at the property and in the community, feature local businesses and restaurants, and discuss fun lifestyle topics such as recipes, crafts, and decorating tips.

The property team is actively involved with various charitable organizations and contributes in several ways, including:

- Hosting an annual food drive through Harvest First - in 2020, they donated approximately five boxes of food
- Holding fundraisers for the Make-A-Wish Foundation two to three times a year - the property historically donates around \$650 annually
- Collecting old clothing and house-ware items and donating them to local homeless shelters

The community's property team also involves its residents and the community in its sustainability efforts. They host a number of resident events focused on increasing sustainability awareness and have released several sustainability guides for residents covering topics such as energy efficiency, water conservation, recycling, purchasing, and transportation.

SUPPLIERS

Our EcoLogic Sustainability Program Guidelines & Requirements promote engagement between Third Party Property Managers and suppliers. Created to assist managers through this process, they include talking points for discussions about sustainable products and procedures.

The guidelines also cover the following topics:

- Water-efficient plumbing fixtures
- Xeriscape landscaping
- Low VOC paint and flooring
- EPA-approved non-toxic cleaning products
- ENERGY STAR®-certified appliances
- Efficient lighting
- Smart irrigation controllers
- Purchasing recycled products when possible
- Partnering with third-party vendors and contractors who utilize recycling programs



The construction of improvements and renovations at all PMI portfolio properties is guided by the Responsible Contractor Program in which each supplier or contractor must certify that their employee work environment meets fairness, equality and ethical standards. Through this program Pacific ensures that our workplace standards are carried through the supply chain.

The Multi-family Property Renovations and Make-Ready Guide is a reference guide to provide ideas to implement sustainability features and initiatives. Potential strategies are divided into Energy, Water, Waste and Materials, Green Building Certifications, and Health and Well-Being. No-and low-cost opportunities exist to implement new features and improve the useful life of apartment buildings.

By making apartment buildings more energy and water efficient, the apartment complex may gain a competitive advantage over its peer group, commanding rent premiums and lowering utility and maintenance costs. More and more residents are looking to lease units that have sustainable and environmentally friendly features that can promote a healthy living style.



GOVERNANCE

MILESTONES AND COMMITMENTS



97%
of the portfolio has resident recycling programs in place

100%
of the portfolio has third-party utility benchmarking in place

90%
of the portfolio has completed third-party utility audits



Since implementing our sustainability program, Pacific has made steady progress towards realizing our initiatives.

COMMON AREA ELECTRICAL RETROFITS INSTALLED:

- Number of Fixtures: 2,166
- Replacement Cost: \$74,132
- Net Cost After Rebates: \$8,863
- Estimated Annual KWH Savings: 464,650 KWH
- Estimated Annual Utility Savings: \$58,500

INTERIOR UNIT ELECTRICAL RETROFITS INSTALLED:

- Number of Fixtures: 6,206
- Replacement Cost: \$214,362
- Net Cost After Rebates: \$0
- Estimated Annual KWH Savings: 980,468 KWH
- Estimated Annual Utility Savings: \$136,722

INTERIOR UNIT PLUMBING RETROFITS INSTALLED:

- Number of Fixtures: 2,730
- Replacement Cost: \$368,300
- Net Cost After Rebates: \$0
- Estimated Annual KWH Savings: 8,778,269 GAL
- Estimated Annual Utility Savings: \$72,434

KEY MEMBERSHIPS AND COMMITMENTS



PACIFIC IS A SUPPORTING MEMBER OF PARTNERSHIP FOR SUSTAINABLE COMMUNITIES, an inter-agency partnership between the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Transportation (DOT), and the U.S. Environmental Protection Agency (“EPA”), which have joined together to help communities nationwide improve access to affordable housing, increase transportation options, and lower transportation costs while protecting the environment.



PACIFIC IS AN ENERGY STAR PARTNER and is committed to benchmarking energy performance, developing and implementing a plan to improve energy performance, and educating staff and residents on improving resource conservation in all aspects of apartment community life. Pacific has been an Energy Star Partner since May 2010.



PACIFIC HAS BEEN A PARTICIPANT OF ULI GREENPRINT CENTER FOR BUILDING PERFORMANCE SINCE 2015.

BUILDING BENCHMARKING LEGISLATION

Over the past decade, an increasing number of local governments in the U.S. have taken measures to encourage and enforce energy, water, and waste benchmarking ordinances. These ordinances require buildings with certain qualifications, many of which are commercial, government, and multi-family properties, to track whole-building (landlord and resident) energy and water usage and comply with locally-specified standards.

Tracking and reporting to each jurisdiction is done through the EPA's ENERGY STAR® Portfolio Manager. Once the data is collected, the building's performance is evaluated. Buildings that perform poorly are expected to then meet minimum efficiency standards by limiting use and/or investing in cost-effective upgrades. These buildings may also have to complete regular audits and in some instances, perform retrocommissioning.

AS OF 2020, SIX STATES AND MORE THAN 20 CITIES, INCLUDING LOS ANGELES, SAN DIEGO, PORTLAND, AND SEATTLE, HAVE MANDATORY BENCHMARKING POLICIES.



Five states have incorporated voluntary benchmarking programs and policies. In a growing number of jurisdictions, buildings' performances are ranked and posted publicly as an added incentive to reduce consumption. All properties located in benchmarking and audit ordinance jurisdictions must share their data annually with their respective city or state. Properties unable to gather whole-building data themselves must collect aggregated whole-building data from their utility providers. Audit exemptions and requirements are tracked and monitored for compliance.

For reporting year 2020, of properties in the PMI portfolio 23 California properties submitted their 2020 energy usage to comply with California AB 802 benchmarking ordinance. Additionally, several properties submitted both energy and water usage to comply with San Jose's Energy and Water Benchmarking and Transparency Ordinance, San Diego's Building Energy Benchmarking Ordinance, or Los Angeles' Existing Buildings Energy and Water Efficiency Program. Portland's Benchmarking Ordinance was suspended for reporting year 2020 due to COVID-19.

TRANSPARENCY

Pacific takes pride in its commitment to building relationships with stakeholders that are fair and transparent. We provide clear, concise, and accurate information about our products and services so our investors can make informed financial decisions at all times. Stakeholders are made aware of our approach to and performance on ESG-related matters through our annual GRESB reporting.

To promote accountability, we post our ESG+R Objectives publicly and review and update them regularly. Additional information related to our EcoLogic Program and performance metrics is provided in our quarterly and annual investment reports, due diligence surveys, as well as this Annual Sustainability Report.

Pacific continues to implement the EcoLogic Program, stay abreast of new technologies, update benchmarking disclosure laws, utility incentive programs, third-party certifications, and all other ESG-related topics.

RISK

ESG risk assessments take place through the Pacific EcoLogic ESG Program, and are an ongoing part of our investment management process. We are proactive in our approach toward implementing cost-effective sustainability measures and apply this approach (referred to as the Precautionary Approach by The United Nations in Principle 15 of 'The Rio Declaration on Environment and Development') throughout the holding period, commencing with the acquisition process.

In the acquisition and due diligence process, we are continually seeking to uncover numerous risks through our standard practices including obtaining ALTA surveys (flooding and natural hazards risk), Environmental Site Assessments (natural hazards, contamination and regulatory risk), Property Condition Assessments (mechanical, electrical, plumbing, utility supply, building safety and materials, regulatory, natural hazards, flooding, geotechnical), seismic studies (where applicable) and Sustainability Acquisition Assessments from qualified third parties on every acquisition. In addition, internally we conduct a thorough Market and Economic Assessment (socioeconomic risk).

Concerning our third-party Sustainable Investment (ESG) Consideration Matrix, we specifically address the following aspects:

- **Biodiversity**
- **Climate change risk**
- **Resilience**
- **Resource scarcity**
- **Emissions/pollution**
- **Renewable energy and energy efficiency**
- **Recognized Environmental Condition (RECS)/Contamination**
- **Accessibly**
- **Community Relations / Interested Party Engagement**
- **Diversity and Inclusion**
- **Health and Wellness and Safety**
- **Insurance Claims**
- **Labor Relations and RCP Compliance**
- **Litigation**
- **Low Income Housing / Impacts on Workforce Housing**
- **Alignment of interests**
- **Regulatory**
- **Tenant business model**

On an ongoing basis, we continue to monitor these risks through our standard practices and operations. Additionally, the PMI Portfolio's insurance companies monitor risk related to contamination, flooding and natural hazards as well as resilience and climate change.

ETHICS & CODE OF CONDUCT

Pacific is a U.S.-based company that enjoys a distinguished history of multi-family investment, brokerage, and financing activities in the field of commercial property. As a wholly-owned subsidiary of MMC, Pacific is supported in the areas of strategy, research, finance, law, accounting, and human resources by the parent organization.

Pacific's Code of Ethics reflects the business practices and principles of behavior we stand by and promote. We expect every employee, independent contractor agent, officer, and director to read and understand this Code and its application to the performance of their business responsibilities. We hold each of our employees, independent contractor agents, officers, and directors accountable for adherence to this Code.

The Pacific, Inc. Corporate Governance Guidelines includes policies on executive compensation. The Board, through the Compensation Committee, reviews, with the assistance of management or outside consultants if desired, appropriate compensation policies for the directors serving on the Board and its committees, taking into account board compensation practices of other public companies, contributions to Board functions, service as committee chairs, and other appropriate factors. Furthermore, the Pacific Employee Manual covers bribery and corruption policies (business conduct) and diversity and equal opportunity policies.

DATA PRIVACY & CYBER SECURITY

Pacific is dedicated to protecting the integrity and security of clients' proprietary and confidential information for which it is entrusted. Pacific's Confidentiality and Non-Solicitation Agreement outlines each employees' responsibility to use this sensitive information only in an authorized manner which corresponds to their job duties. This agreement is executed in accordance with the laws of the state of California for both active and past employees.

Pacific's Information Technology Policies & Resource Guide outlines the organization's procedures and policies relating to Data Privacy and Cybersecurity. The IT and Human Resources Departments oversee that company resources are used and in a way that protects the confidentiality, privacy, organization, and reliability of client data. All users are required to have antivirus and end-point software installed and enabled on their computers at all times. All computers are equipped with multiple security applications. Data is essential to performing business, but client and personal data is to be viewed as a valuable resources for which the company has both rights and obligations to manage and secure.

RESILIENCE

Pacific believes incorporating ESG+R into our business processes demonstrates good corporate citizenship and industry best practices, which aligns with our fiduciary duty. Saving resources, reducing our impact on the environment, promoting health and well-being, and increasing the resilience of our properties to climate change are concerns for us and our stakeholders. The decisions we make today will long outlast us; therefore, we operate with a social, ecological, and economic conscience.

Pacific's EcoLogic Program is an organization-wide initiative designed to formalize, benchmark, and develop the environmental and social responsibility activities within the company. While this program continues to evolve, the principles it promotes—sustainability, reducing risk, and social responsibility—are values Pacific has maintained since its inception.

Resilience to climate-related risk includes both physical risks, such as sea-level rise, increased extreme weather events, heat stress, etc. and transition risks, which are the risks due to the transition to a low-carbon economy.



HAVING A CLIMATE-RELATED RESILIENCE PROGRAM IN PLACE HAS BECOME INCREASINGLY VITAL, AND PACIFIC IS DEVELOPING ITS SUSTAINABILITY PROGRAM TO SUPPORT ITS CLIMATE CHANGE-RELATED RISK AND READINESS.

We are evaluating the Taskforce on Climate Related Financial Disclosures ("TCFD") framework and data analytics to establish a thorough and effective program. Through our sustainability program, we continually analyze our ESG policies and procedures organization-wide and identify potential opportunities for growth, providing us with a valuable tool to reaffirm our dedication to these principles and further integrate them throughout our firm.

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A rooftop patio at dusk, featuring string lights, striped umbrellas, and outdoor furniture. The patio is furnished with several tables and chairs, some of which are yellow. There are also lounge sofas with blue cushions. The background shows a cityscape and mountains under a clear blue sky.

PACIFIC URBAN

INVESTORS

PREPARED BY

LORD

GREEN STRATEGIES