



# PACIFIC URBAN

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INVESTORS

## 2024 SUSTAINABILITY REPORT

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# LETTER FROM THE VICE CHAIRMAN & CEO

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Pacific Urban Investors is committed to delivering communities that serve people and the planet. Through our lifecycle approach to property management and development, we are bringing new life to existing buildings and creating value for our investment partners, employees, residents, and the greater community with assets that promote environmental performance, health, well-being, and resilience.

Over the last year, we have worked diligently to map and measure our environmental impact. We analyzed portfolio-wide scope 1, 2, and 3 emissions reduction scenarios to set data-driven goals to reduce energy consumption and greenhouse gas (GHG) emissions. In this effort, our first priority is to measure asset performance, which we do using ENERGY STAR® Portfolio Manager®. This also helps us target and deploy efficiency upgrades and retrofits where they are most beneficial.

Throughout our workplaces and portfolio of assets, we promote health, well-being, and a culture of inclusion that helps our team and residents live and prosper. Our employee benefits and development program sustains our workforce and

develops a pipeline to career growth. Amenity upgrades at our assets keep our residents satisfied with their accommodations creating places where people live and communities thrive.

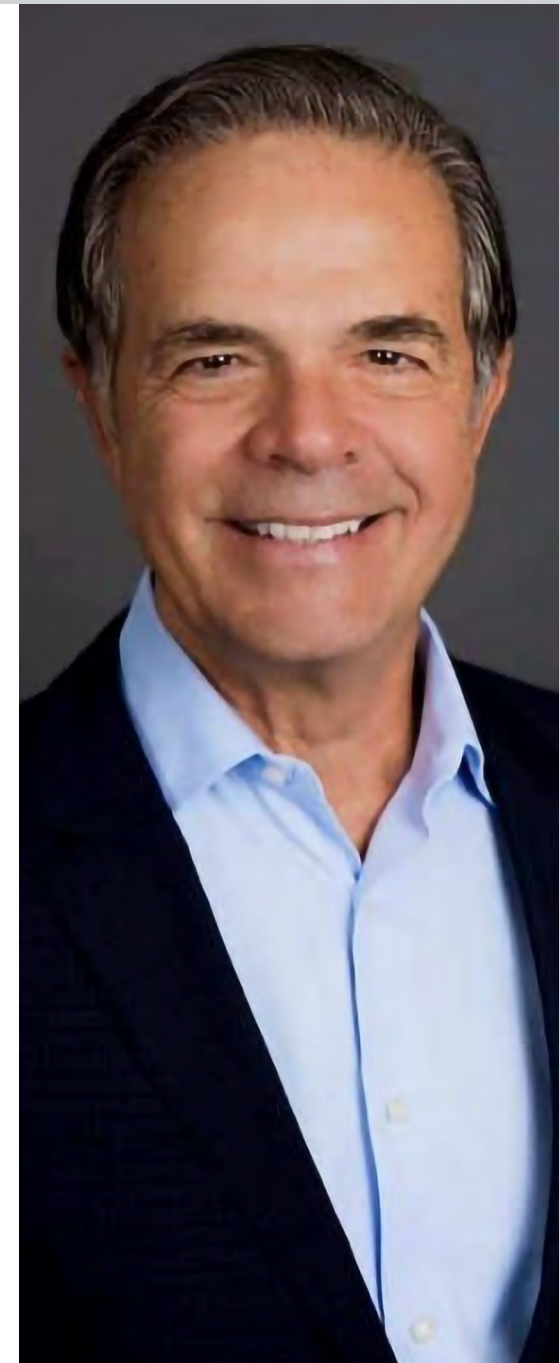
Strong governance guides our sustainability efforts and keeps Pacific Urban Investors abreast of physical and transition risks as we operate transparently and ethically. We will continue to exercise sound decision-making through firm-wide policies, industry involvement, and resilience planning.

At Pacific Urban Investors, we are proud of our commitment to delivering value through sustainable business practices. Through revitalizing and retrofitting our properties, Pacific Urban Investors looks

to apply sustainable business practices that reduce operating costs and optimize resource consumption, promote healthy lifestyles and community connections, and mitigate risks to ensure long-term value. Throughout this annual sustainability report, we invite you to learn about our strategies for success and how we plan to carry that success into the future

Sincerely,

**Alfred Pace**  
Vice Chairman & CEO



Alfred Pace | Vice Chairman & CEO

# ABOUT PACIFIC URBAN INVESTORS —

Pacific Urban Investors, a wholly-owned subsidiary of Marcus & Millichap Company (MMC), is a real estate investment company specializing in multifamily assets across job-centric, urban, and suburban high-barrier-to-entry markets. At Pacific Urban Investors, we set a new standard for strategic multifamily investment, transforming lifestyles and communities while providing superior returns to our investors and delivering results that stand the test of time.

## Our Focus

**Resident**

SATISFACTION

FIDUCIARY

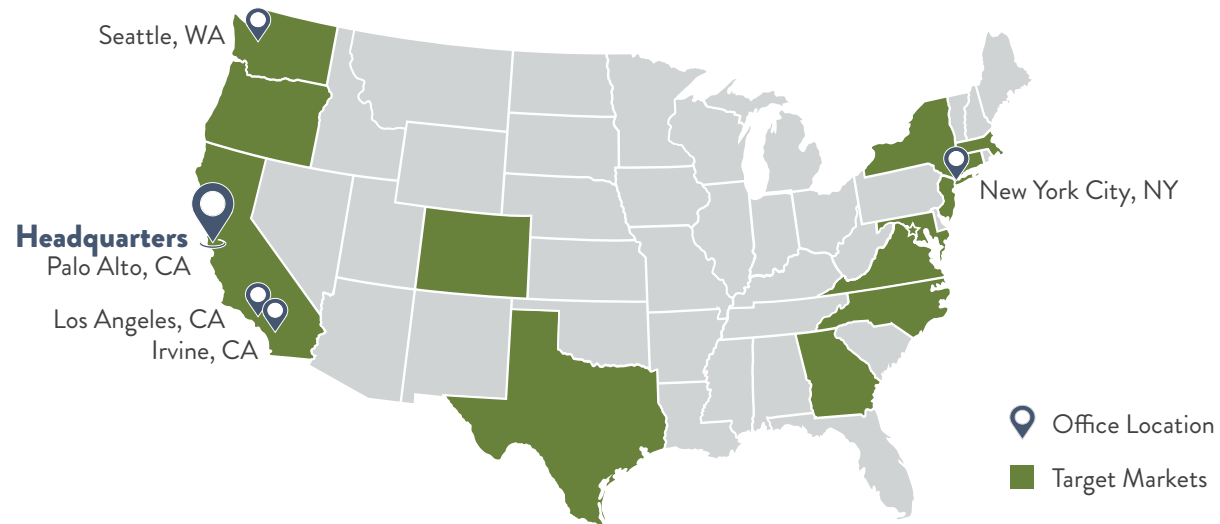
DUTY TO

**Investors**

POSITIVELY  
IMPACTING OUR

**Communities**

## Target Markets



**Founded** 1998



**\$5.7 Billion** realized investments



### Main Business Functions

- Asset Management
- Construction
- Consumer Experience
- Investments
- Portfolio Management
- Research



**89** Total Employees



**257 Communities**  
since inception



**\$13.7 Billion** transaction volume  
since inception



**45,000 Apartment Homes**  
since inception

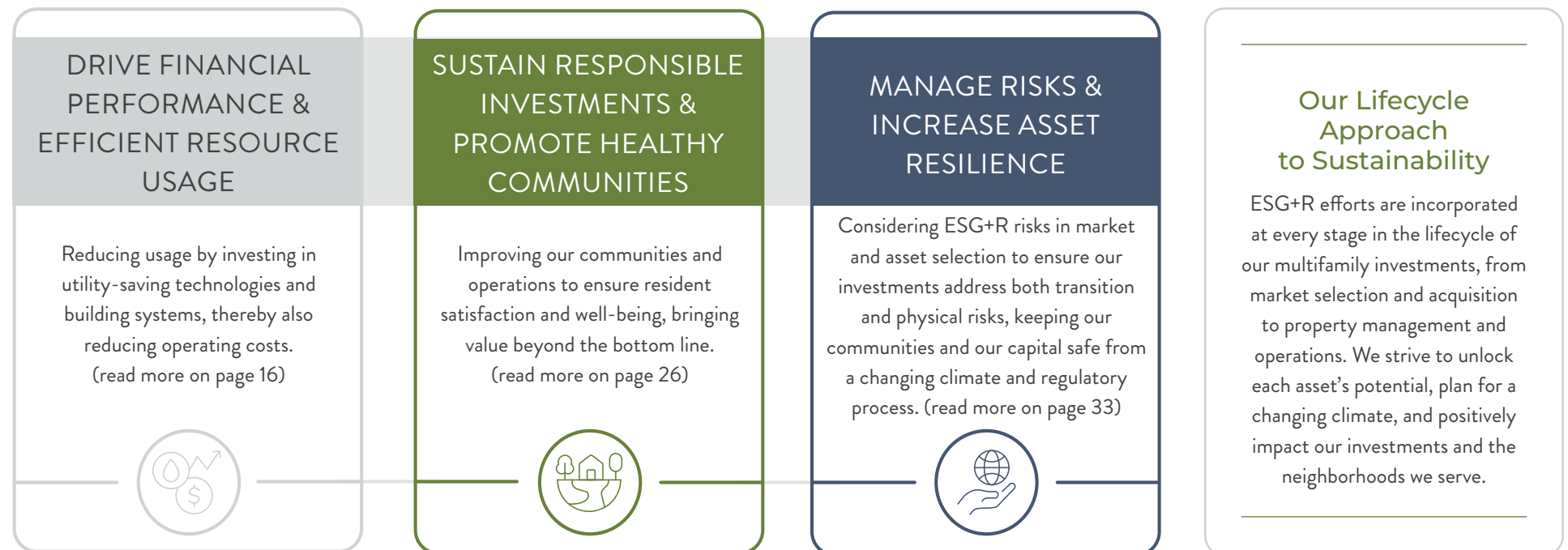


**SUSTAINABILITY**  
AT PACIFIC  
URBAN INVESTORS

# SUSTAINABILITY AT PACIFIC URBAN INVESTORS

Pacific Urban Investors takes a holistic approach to delivering value to our stakeholders. We understand that integrating environmental, social, governance, and resilience (ESG+R) strategies is crucial for the long-term success of our investments, people, and communities. Our reputation in this space is a testament to our commitment to responsible practices that benefit communities, the environment, and our investors.

We see ESG+R as an opportunity to provide solutions:



## SUSTAINABILITY AT PACIFIC URBAN INVESTORS

# ESG+R OBJECTIVES



### Environmental:

- Track and monitor energy, water, and waste using ENERGY STAR® Portfolio Manager®
- Obtain whole building (landlord + resident) utility data where available
- Evaluate properties for energy and water efficiency improvement opportunities
- Install electric vehicle (EV) charging stations at all properties within the portfolio, using rebate opportunities, where available, to offset or eliminate our out-of-pocket costs
- Provide recycling and composting opportunities for residents, where available, to increase waste diversion from landfills
- Evaluate properties for opportunities to invest in on-site renewable energy and emerging “smart” technologies that improve the efficiency of existing building systems
- Assess all properties for the potential to achieve energy ratings and green building certifications, such as ENERGY STAR® and IREM® Certified Sustainable Property
- Make progress toward established carbon use intensity, energy use intensity, and water use intensity reduction targets, as well as renewable energy procurement and waste diversion goals



### Social:

- Engage residents and the local communities through the Pacific Cares program to help the growth and development of the communities in which we live and work
- Assess resident health and well-being by distributing regular resident surveys
- Prioritize our property teams’, employees’, and residents’ mental, physical, and social health by providing healthy, comfortable, and inclusive spaces and amenities
- Provide updated Sustainability Reference Guides and Green Living Guides for property teams and residents annually
- Champion inclusion and diversity across the organization and track international backgrounds, age, gender, and racial diversity for our employees and leadership
- Ensure equal employment opportunities to all qualified applicants and employees without discrimination



### Governance:

- Hold regular ESG+R Taskforce meetings to oversee our ESG+R objectives, monitor progress, and make updates
- Review and update our ESG+R objectives regularly and disclose them publicly
- Utilize sustainability reporting frameworks such as GRESB and the Global Reporting Initiative (GRI) to improve overall ESG+R transparency and performance of our portfolios and update investors regularly on our sustainability initiatives and progress
- Ensure properties comply annually with applicable benchmarking, performance, and audit ordinances



### Resilience:

- Apply our resilience program, which is aligned with the Task Force on Climate-Related Disclosures (TCFD) framework
- Consider physical and climate hazard risks during due diligence for new acquisitions, identifying and underwriting capital and operating steps we will take during ownership to manage those risks
- Review transition risks during due diligence to determine whether new acquisitions will comply with resource usage and emissions regulations during the investment period, identifying and underwriting capital and operating steps we will take during ownership to ensure compliance with regulations
- Assess the existing portfolio regularly for physical and transition risks due to climate change and emerging new regulations



Avery at Orenco Station, Hillsboro, OR

## SUSTAINABILITY AT PACIFIC URBAN INVESTORS

### 2024 Highlights\*

Our most significant ESG+R accomplishments in 2024.



#### Environmental

##### ACHIEVED 90% WHOLE BUILDING ENERGY DATA COVERAGE ACROSS THE PORTFOLIO

- Updated long-term portfolio sustainability goals, including commitment to carbon emissions reductions and renewable energy
- Committed to using responsible ENERGY STAR and low-flow materials across the portfolio, where available
- Installed our first on-site photovoltaic (PV) solar energy project, which will offset 400 MWh annually of property amenity space and common area electricity usage
- Maintained resident satisfaction through our people-focused approach to engagement and responsible stewardship of local communities
- Hosted 150+ onsite social events for residents to gather, meet neighbors, and develop a sense of community
- Invested \$5.9M in on-site amenity spaces to promote healthy residents and communities
- Promoted a workplace that supported employees in and out of the office to drive our people to be their best selves
- Donated \$138,000 to charities and foundations in and around our communities



#### Social



#### Governance & Resilience

- Developed a comprehensive approach to addressing climate change and transition risks using Moody's Climate on Demand and Munich RE Location Risk Intelligence climate risk software to stay ahead of building performance standards and possible fines and to future-proof our portfolio
- Achieved a #1 rating in our peer group and a 5-star overall rating on our GRESB submission

\*Values are representative of Pacific Multifamily Investors (PMI) properties only.



2900 on First, Seattle, WA



## SUSTAINABILITY AT PACIFIC URBAN INVESTORS

Pacific Urban Investors began submitting to GRESB in 2016 and have since worked to deliver increased performance in the annual benchmark, year-over-year. The GRESB assessment continues to evolve and refine its scoring methodology year-over-year to push the real estate industry further on ESG+R efforts; we are proud to have continued to rank among our industry's top submissions.



## GRESB Score\*



## Ranked 1st Among Peers

Residential: Multi-Family: Low-Rise Multi-Family



## Overall Score

GRESB Average 76

★★★★★

Peer Average 80



## Management Score

GRESB Average 27

Peer Average 27



## Performance Score

GRESB Average 49

Peer Average 52

## Historical GRESB Performance &amp; Ranking



## 2024 Peer Group Ranking

1st out  
of 6IN PREDEFINED PEER  
GROUP RANKING1st out  
of 26IN CUSTOMIZED PEER  
GROUP RANKING

\*Scores are representative of PMI properties only.

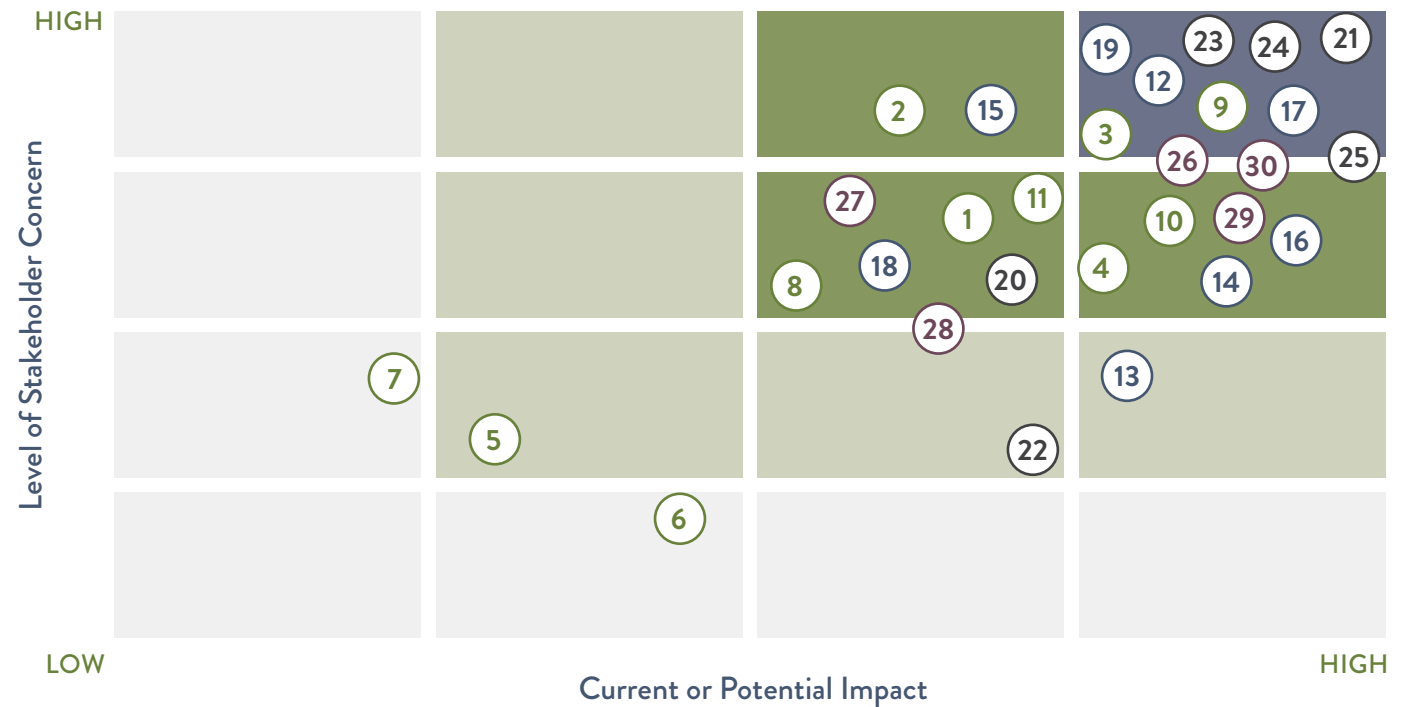
## SUSTAINABILITY AT PACIFIC URBAN INVESTORS

### Materiality

Pacific Urban Investors has identified and ranked ESG+R factors that our stakeholders consider significant in terms of their environmental, economic, and social impact.

When first identifying our material issues, we engaged a range of stakeholders to compile topics and assess their importance to our long-term success. This process involved a thorough review and analysis of documents, such as our proxy voting guidelines, investment policy manuals, Code of Ethics, objectives and goals, and sustainability reports. These factors are reviewed and updated as needed as our business needs change. We consider the following topics to be material:

#### Materiality Matrix



#### ENVIRONMENTAL

1. Energy Conservation
2. Greenhouse Gas (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

## SUSTAINABILITY AT PACIFIC URBAN INVESTORS

# United Nations Sustainable Development Goals

Pacific Urban Investors uses the United Nations Sustainable Development Goals (SDGs) to help demonstrate our alignment with internationally recognized goals aimed at ensuring a sustainable world.

These 17 global goals, set by the United Nations General Assembly in 2015 for the year 2030, serve as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity.



We endeavor to align our initiatives and show impact towards several of these goals, finding a way to institute universal sustainability standards that connect our local efforts to these global targets. Pacific Urban Investors is proud to show alignment with the following goals:

### 3 Good Health and Well-being

Pacific Urban Investors provides our employees and residents with benefits and amenities that promote good health and well-being. See how on pages 22 and 26.

### 5 Gender Equality

We help encourage a diverse, supportive workforce that celebrates what makes each of us unique. Routine satisfaction surveys, development opportunities, and disclosure of our employee demographic information help Pacific Urban Investors drive a dynamic workforce that promotes gender equality. See more on pages 21 and 24.

### 7 Affordable and Clean Energy

Renewable energy procurement and deployment of solar strategies across our portfolio are key parts of our strategy to create communities that last. See more on page 16.

### 11 Sustainable Cities and Communities

Pacific Urban Investors builds and renovates for the future. In all projects, we are committed to using sustainable materials. See more on page 17.

### 13 Climate Action

We seek to understand our impact on the environment by accounting for the emissions associated with our operations and setting clear, measurable goals to reduce our impact. See how on page 13.



Sofi Ocean Hills



ENVIRONMENTAL

# ENVIRONMENTAL

Pacific Urban Investors is delivering value and environmental stewardship by investing in resource reduction technologies at our assets and continually tracking our consumption habits.

## Our Goals\*:

In 2024, Pacific Urban Investors completed a portfolio-wide analysis to understand our scope 1, 2, and 3 emissions reduction scenarios and to set strategic goals to reduce our energy consumption and GHG emissions by 2035. Current commitments, industry trends, and a peer analysis informed the development of these new goals.

- Reduce carbon use intensity (CUI) by 30%
- Reduce source Energy Use Intensity (EUI) by 10%
- Source 7% of whole building electricity usage from on-site renewable energy
- Achieve 40% waste diversion
- Reduce property water usage intensity by 5%

## 2024 Consumption\*



Energy consumption:

**167,453,187 kWh**



Water use:

**723,284,899 Gallons**



Waste diversion rate:

**28%**

\*Pacific Urban Investors established goals, and reported consumption is for PMI properties only.

## ENVIRONMENTAL

### Data Management

Tracking our utility consumption is how we continue to pinpoint opportunities for efficiency upgrades and set strategic goals to reduce emissions, energy, and water consumption, and improve waste management efforts. Tracking utility consumption is also essential to identifying assets where emerging Building Performance Standards and regulations will necessitate operational or capital upgrades.

#### Overall Data Coverage\*:

**100%**

OF THE  
PORTFOLIO TRACKED  
IN ENERGY STAR®  
PORTFOLIO  
MANAGER®

**42%**

OF PMI PROPERTIES  
IMPACTED  
BY BUILDING  
PERFORMANCE  
STANDARDS



#### Data Coverage by Utility\*\*

Water consumption: 98.8%

Energy consumption: 90.3%

Waste generation: 96.2%

\*Values are representative of Pacific Multifamily Investors (PMI) properties only

\*\*Percentage of the portfolio tracking

## ENVIRONMENTAL

### Performance at the Property

Maintaining environmental performance across our assets requires property-level efforts that target specific aspects of a building's operations and management.

#### Efficiency Measures

Across our sites, Pacific Urban Investors incorporates efficiency measures to reduce resource consumption at the source.

 **100% of properties** have efficiency measures in place

 **\$2.3M invested** in building efficiency projects over the last 2 years

### EV CHARGING AT HOME

Pacific Urban Investors monitors the marketplace for emerging technologies that will benefit our residents and reduce energy consumption. We also monitor for rebates that are available for the installation of emerging or energy-saving technologies. Using available rebates, Pacific Urban Investors has installed over 1,000 electric vehicle (EV) chargers at our properties. These chargers help residents reduce their GHG emissions and charge their vehicles where they live. Almost all installations utilized rebates and came at zero cost. Over half of our residents have access to EV chargers at their community.

In the San Francisco Bay Area, where 30% of new car sales are electric, Pacific Urban Investors installed 93 charging stations at our Sofi Belmont Hills asset using utility rebates.

1,000+ EV  
Chargers  
at Our  
Properties



SKYLINE AT MURRAYHILL

## ENVIRONMENTAL

# OUR BLUEPRINT FOR SUCCESS

## Deploying Technology Upgrades at Existing Buildings

Applying new technology, modern materials, efficient equipment, and renewable energy at our properties to reduce resource usage and greenhouse gas emissions. This may include:

- LED lighting upgrades
- Low-flow water fixtures
- Renewable energy procurement
- ENERGY STAR® appliances & fixtures
- EV chargers
- Decarbonization of building systems, where appropriate
- On-site solar energy

Upgrade opportunities are identified at acquisition by our team alongside a third-party 'High Performance Building Assessment' that we commission. The costs and associated savings from upgrades are incorporated into acquisition underwriting on each new investment.

### Solar Generation

Pacific Urban Investors is expanding on-site solar to lower energy use and emissions. In 2024, we installed 600 solar panels at Harbor Point in Mill Valley, CA, generating 378 MWh annually. The panels were mounted on custom carports, some with EV chargers. Two more solar projects are under contract to produce a combined 1,162 MWh per year, with additional installations planned to further reduce our environmental impact.



## Ground Up Sustainability Considerations for New Developments

Sustainability is built into our foundational principles and includes a range of design choices or project standards that ensure we are developing buildings that consider people and the planet. These include:

### ENERGY EFFICIENCY

- Building performance monitoring
- ENERGY STAR® appliances & LEDs
- Passive design strategies

### WATER CONSERVATION

- Low-flow fixtures
- Drought-tolerant & native landscaping
- Smart irrigation
- Stormwater management

### SUSTAINABLE MATERIALS

- Recycled content & Forest Stewardship Council (FSC)-certified wood
- Low-volatile organic compound (VOC) paints, adhesives, & finishes

### GREEN TRANSPORTATION

- EV charging stations
- Secure bike storage

### INDOOR AIR QUALITY

- Natural ventilation
- HVAC systems with MERV-rated filters

### GREEN BUILDING CERTIFICATIONS

- Certification at LEED Silver (minimum)

### COMMUNITY AND WELLNESS

- Green spaces
- Gyms or fitness centers

### CLIMATE ADAPTATION AND RESILIENCY

- Solar battery storage
- High performance building envelope materials

### WASTE MANAGEMENT

- Diverted construction
- On-site recycling & composting

## ENVIRONMENTAL

## Sustainable Materials

Caring for our environment starts at the foundation of our buildings and seeps into every aspect of our management approach including the choice of building materials used.

### Trusted Standards

We look to utilize vendors and products that incorporate sustainability through reviewed standards and quality control, including:



### Sustainability Reference Guides

Provided to residents and property teams, our sustainability reference guides help encourage the purchase and use of materials that are:

- Non-toxic, chlorine-free, and made from recycled or rapidly renewable materials
- Packaged in reusable, recyclable, or minimal material
- Recyclable or biodegradable
- Approved by a trusted third-party environmental standard
- Energy-efficient

### The “Spec Sheet”

Used to ensure construction and development projects adhere to a minimum standard of environmental stewardship, our Spec Sheet sets requirements for purchased or installed materials, including:

- LED lighting
- ENERGY STAR® certified appliances (where available)
- Preference for low-volatile organic compounds (VOCs) in paint and carpet
- Low-flow water fixtures
- Outlets equipped with USB A/C ports
- Programmable thermostats



Maintenance Supervisor at Harbor Point, Mill Valley, CA, applying the specification sheet, which contains ENERGY STAR-rated and WaterSense rated appliances and fixtures.

## ENVIRONMENTAL

## Green Building Certifications\*

Attaining green building certifications helps communicate and validate our sites' environmental and health-focused qualities through third-party accreditation. We will continue prioritizing certifications and recertifications wherever possible to show growth and dedication to people and the planet.

# 47

TOTAL GREEN  
BUILDING  
CERTIFIED  
PROPERTIES



Recognizes excellence in property operations and performance based on aspects such as energy, water, health, recycling, and procurement.

# 38

BUILDINGS  
CERTIFIED



Acknowledges that our construction practices improve public health, safety, and well-being.

# 3

BUILDINGS  
CERTIFIED

# 68%

OF OUR  
PORTFOLIO IS  
GREEN BUILDING  
CERTIFIED



Certifies buildings and products against strict energy performance standards set by the United States Environmental Protection Agency (EPA).

# 29

BUILDINGS  
CERTIFIED



Validates our performance in designing and operating buildings using environmental best practices.

# 1

BUILDING  
CERTIFIED

\*Values are representative of Pacific Multifamily Investors (PMI) properties only.

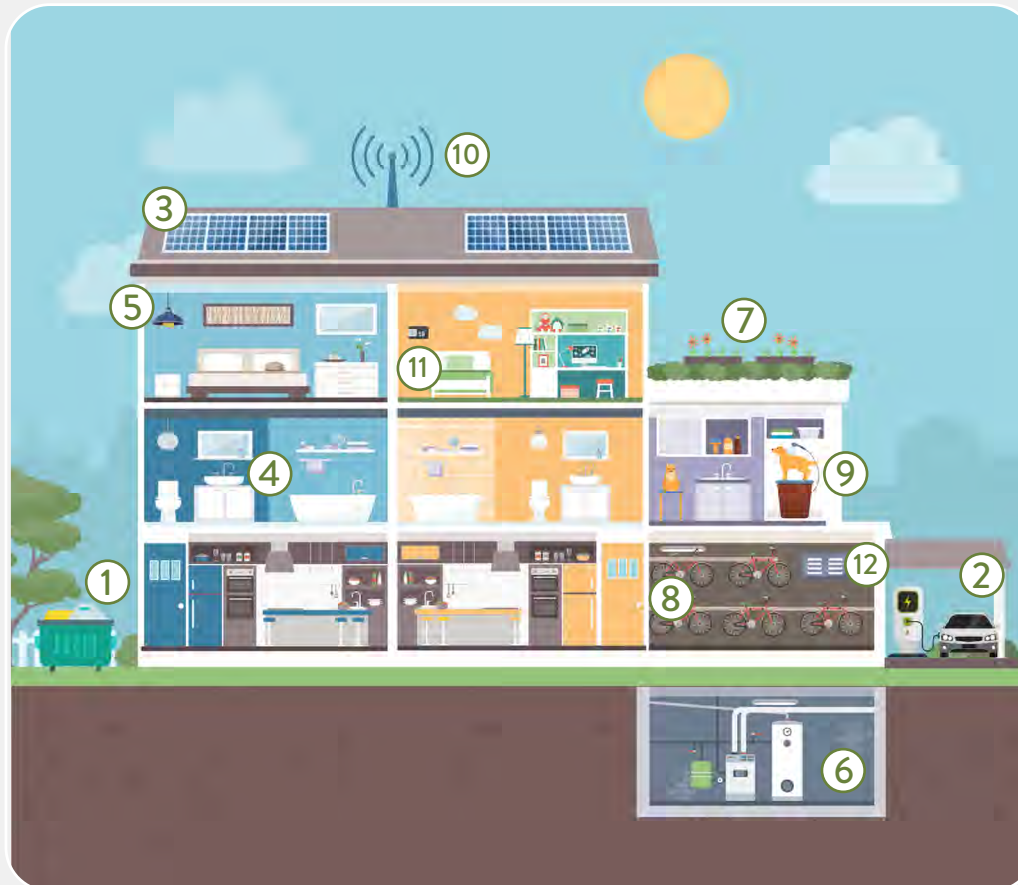
## ENVIRONMENTAL

# IMPROVING RESILIENCE FROM THE GROUND UP

Pacific Urban Investors has a ground-up development division\*, ‘Summerhill Apartment Communities.’ Through Summerhill, we incorporate ESG+R efforts. We strive to achieve LEED status (Silver or Gold) on all our deals and comply with the CALGreen GreenPoint Rated system based on each jurisdiction’s requirements. Pacific Urban Investors sets targets for our projects and employs consultants to help develop and manage our commitment to sustainability.

At our recent development at Santa Clara, we included a range of sustainability applications that will contribute to our submission for LEED Silver certification, including:

- A construction waste diversion goal of 65% ①
- EV charging stations ②
- Heat-reflective & resistant materials
- Solar panels to produce renewable energy ③
- High-efficiency HVAC & low-flow fixtures ④
- LED lighting ⑤
- Third-party building monitoring & envelope performance testing
- Use of low VOCs, moisture-resistant material, & non-toxic pest control measures ⑥



- Landscaping that is water efficient, drought-tolerant, & provides stormwater and erosion control ⑦
- Bicycle storage ⑧
- Pet wash stations ⑨
- Community Wi-Fi ⑩
- Individually programmable thermostats ⑪
- Fresh air vents in every home & air filters throughout the community ⑫

\*In 2023, Summerhill Apartment Communities merged with Pacific Urban Investors to form our operating division that performs ground-up development.



## STAKEHOLDER ENGAGEMENT

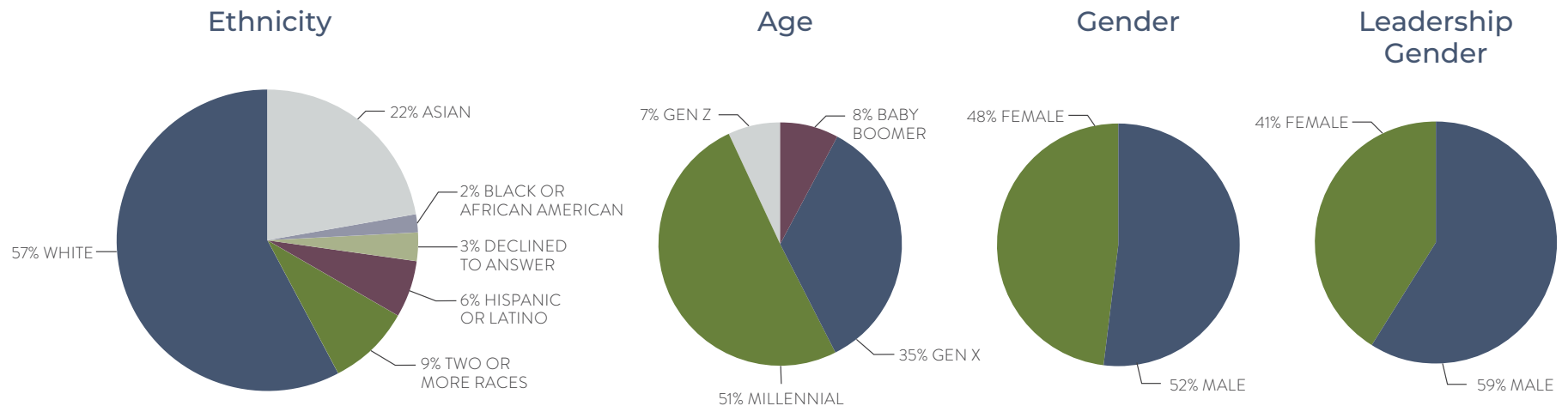
# STAKEHOLDER ENGAGEMENT

Our residents' satisfaction, partners' investments, and employees' security have always been at the core of our overarching mission - our human impact is what matters most. Pacific Urban Investors works to support our employees, residents, and communities by providing benefits, resources, and two-way communication to ensure we keep people healthy, safe, and engaged with our ESG+R efforts.

## Employees

### Demographics

Every one of our employees is a crucial player within our organization, and we leverage their unique perspectives and backgrounds to create a dynamic and agile workforce.



## STAKEHOLDER ENGAGEMENT

## Benefits

Our employee benefits are competitive and comprehensive, helping our people take care of their well-being from day one of their employment.

### COMPREHENSIVE, FLEXIBLE HEALTH COVERAGE

- Medical, dental, and vision
- Flexible spending accounts for health care costs, dependent care fees, and commuter benefits

### ROBUST FINANCIAL SUPPORT

- 401(k) plan with matching benefit up to 50% of salary

### TIME OFF

- Up to four weeks off per year for employees with tenure
- 12 holidays observed

### EMPLOYEE ASSISTANCE AND WELLNESS PROGRAMS

- Fitness membership discounts
- 24/7 confidential support for mental health, financial, legal, childcare, and eldercare issues

### EDUCATIONAL AND CAREER DEVELOPMENT

- Continued learning stipend up to \$1,000 per calendar year

### VOLUNTARY INSURANCE OPTIONS

- Lump sum benefits for unexpected illnesses and recovery

### A COLLABORATIVE COMPANY INTRANET

- Easy access to important employee resources

### VOLUNTEER OPPORTUNITIES

- Volunteer Time-Off Program (VTO)
- Sponsored yearly engagement opportunities to donate time and resources

## EMPLOYEE ASSISTANCE PROGRAMS

Pacific Urban Investors employees have access to an Employee Assistance Program (EAP), which is a voluntary, confidential service provided by employers to help employees manage personal and work-related issues. Key features of the EAP include:

- **Counseling Services:** Access to licensed professionals for mental health support, including stress, anxiety, depression, and substance abuse
- **Financial and Legal Assistance:** Resources and advice on financial planning, debt management, legal issues, and estate planning
- **Work-Life Balance Support:** Assistance with childcare, eldercare, and other dependent care needs
- **Crisis Intervention:** Support during critical incidents, such as workplace violence or natural disasters
- **Health and Wellness Programs:** Educational resources and programs to promote physical and emotional well-being

Through this program, Pacific Urban Investors looks to help improve employee productivity, accessibility to support services to reduce absenteeism, and increase job satisfaction.



## STAKEHOLDER ENGAGEMENT

# Employee Volunteering

## 2024 Volunteer Efforts driven through our VTO Program

Pacific Urban Investors is dedicated to social responsibility and community engagement. Our Volunteer Time-Off Program, launched in 2018, allows regular full-time employees to use 16 hours (2 work days) of paid time off per calendar year to participate in charitable organizations with a 501(c)3 designation. All employees are provided with resources, including websites, to guide the use of their VTO.

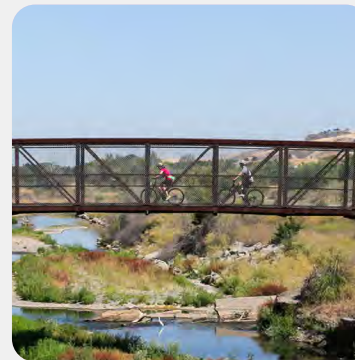
**In 2024, our employees used VTO, and as an organization, we have donated to the following charities and foundations:**

- PREA Foundation Inc.
- All Five
- Hillsborough Auxiliary to PFS
- Lucile Packard Children's Hospital
- Make-A-Wish Foundation
- San Carlos Education Foundation
- Housing Leadership Council
- Housing Trust Silicon Valley
- Housing Endowment & Regional Trust of San Mateo
- Carlmont Academic Foundation
- ULI Foundation
- Burlingame Community Education Foundation (BCE)
- Burlingame High School Excellence Fund (BHS)
- Kennedy's Disease Association
- Housing Industry Foundation
- Marin School of the Arts
- World Central Kitchen
- Over the Rainbow Association
- Boy Scouts of America
- Feeding America
- Ecumenical Hunger Program
- Salvation Army



### GIFTING WITH THE SALVATION ARMY

Our Consumer Experience team out of Seattle volunteered with the Salvation Army, where they, alongside other community volunteers, fulfilled holiday wishes for 300 families. In addition to their time, the group was also able to donate gift cards to the Salvation Army on our behalf to spread the joy of gifting.



### PACIFIC URBAN INVESTORS RIDE HOME PROGRAM

Pacific Urban Investors participated in the Housing Industry Foundation (HIF) Ride Home Program, an annual fundraiser that raised over \$20,000 to support HIF's initiatives, which aim to help individuals and families remain in or return to stable housing through various programs. Ten of our employees took part in a day of cycling and walking to support HIF's housing programs.



### MOONLIGHT RUN & WALK

Employees in our Palo Alto office participated in the Moonlight Run & Walk hosted by the City of Palo Alto and the Palo Alto Weekly, which supports local non-profits serving families and children in the Palo Alto area. The funds raised help provide grants to over 100 local organizations that offer services such as tutoring for low-income students, grief support, legal assistance, and daily meals for seniors. 17 of our employees and associates took part in the event.

## STAKEHOLDER ENGAGEMENT

## Training & Development

We stay focused so we can stay on top of our game, keeping up with the ever-evolving industry and honing a well-informed workforce through our specialized training and development programs.

Training in 2024 included topics such as:

- Workplace violence prevention
- Workplace fire safety
- Workplace harassment & discrimination prevention

Our culture pushes for continuous learning. Through educational assistance opportunities, we are encouraging our employees to develop their skills and upgrade their professional certifications and industry knowledge.

### Transparency Tied to Performance

Pacific Urban Investors uses a performance management system to track and monitor our employees' professional performance and goals. Our Human Resources team provides employees with training and access to the system that allows them to track their individual performance. This transparency helps our employees tune in and identify where improvements or support are needed. Key components of this system include:

- **ANNUAL PERFORMANCE REVIEWS**

Inclusive of self-assessments, manager reviews, and one-on-one conversations to ensure comprehensive reflection on overall performance.

- **AUTOMATION AND TRANSPARENCY**

The entire review process is automated, providing easy access to both managers and employees. This ensures that both parties have access to the same information, fostering a sense of fairness and transparency.

- **JOB COMPETENCIES AND GOAL SETTING**

Accurate goal setting is achieved through specified job competencies that each employee must apply to their work. Yearly goals are set, tracked, and updated as needed as business priorities evolve.

## RETAINING A WORKFORCE OF EXCEPTIONAL PEOPLE

Through comprehensive benefits, development, and training strategies, we are creating a pipeline of opportunities for our people to stay, learn, and grow within our company.

### RETENTION BY THE NUMBERS:

Average tenure: **7.6 years**

20+ years of experience at Pacific Urban Investors: **5 employees**

11+ years of experience at Pacific Urban Investors: **5 employees**

10 years of experience at Pacific Urban Investors: **15 employees**

### DECADES OF EMPLOYEE DEVELOPMENT:

**Andrea Cu** serves as our Director of Finance and Analytics. Andrea began as a Ventures Associate 23 years ago and has consistently sought opportunities to grow her skills and knowledge, helping prepare her to take on her current role as Director.

**Rory Gardner** serves as our Company President. Rory joined Pacific Urban Investors 25 years ago as a Ventures Associate. Rory's journey, rising from associate to President, is a testament to our mentoring and talent development opportunities.

## STAKEHOLDER ENGAGEMENT

### Third-Party Property Management Companies

In addition to the environmental resources we provide our third-party property management teams (see page 17), we share a Property Management Policy & Procedure Outline that encourages good management skills and active communication across stakeholder groups.

100% of property managers  
are provided ESG  
resources or training

All of our property management teams are provided with and trained on our policies and procedures, which include a host of ESG+R best practices and resources. An annual dedicated ESG+R training, which is provided by an external partner, ensures our property management teams are up to date on our latest ESG+R strategies, industry trends, and best practices.



Alley South Lake Union, Seattle, WA

## STAKEHOLDER ENGAGEMENT

### Residents

Our residents keep us accountable for performing our best, and we encourage them to provide us with feedback so we can improve their experiences. Pacific Urban Investors provides our residents with more than just homes. We also offer resources to promote healthy, active lifestyles. We are proud to support our residents with open communication and amenities that help enrich their lives.

#### 2024 Satisfaction Assessment Results:

OVER  
**50%**

OF RESPONDENTS RATED  
4 OR ABOVE OUT OF 5  
WHEN ASKED ABOUT  
RATING THE AMENITIES  
OF THEIR PROPERTY

**64%**

OF RESPONDENTS RATED  
4 OR ABOVE OUT OF 5  
WHEN ASKED ABOUT THE  
CONDITIONS OF THEIR  
PROPERTY

#### Amenities commonly found across our properties include:

- Fitness centers
- Gathering spaces
- Designated working areas
- Pools
- Outdoor grilling and seating areas
- Children's play areas and playground equipment
- Community gardens
- Security and package locker systems
- EV charging stations

**\$4,257,275 HAVE BEEN INVESTED  
IN IMPROVING AMENITIES IN  
OUR RESIDENTIAL SPACES**

### SUPPLEMENTING HEALTHY LIFESTYLES AT VINTAGE ASSETS

In the restate property sector, upgrades such as play areas and fitness centers are often overlooked. Pacific Urban Investors see these types of resources as valuable spaces where our residents can mingle, exercise, and practice mindfulness within their community. At our property in Kent, Washington, Pacific Urban Investors created a fitness center and playground that connected our residents to some much-needed amenities and space that the surrounding community could not provide.



Skyline at Murrayhill

## STAKEHOLDER ENGAGEMENT

### Pacific Cares

### Giving Back with Our Residents

Through the Pacific Cares program, we are helping our residents give back to their local communities.

#### SHARE THE LOVE CAMPAIGN

- 41 properties held a resident event to show support for a local charity of their choice



#### MAKE-A-WISH CAMPAIGN

- 48 properties held a resident event
- \$22,200 fundraised/donated



#### TOYS FOR TOTS CAMPAIGN

- 47 properties collected donations
- 53 properties hosted a resident event
- 181 toys collected



# 176

EVENTS WERE  
HELD WITH  
RESIDENTS  
ACROSS FOUR  
CAMPAIGNS

#### EARTH DAY CAMPAIGN

- 40 properties hosted a Clothing Swap for their residents to support sustainable fashion
- 2,500 pounds of clothing were donated to local shelters



#### Other Initiatives

In addition to these volunteer opportunities, we also held over 150 “breakfast on the go” and taco truck socials, ice cream gatherings, and other community engagement events to give our residents a chance to get together and build connections.

## STAKEHOLDER ENGAGEMENT

### Investors

At Pacific Urban Investors, we strive to deliver superior outcomes and stable returns to our investors.

We work hard to keep pace with our ever-changing world, and we inform our investors of our portfolio, financial, and non-financial data through multiple modes of communication, including:

- An annual investment plan
- Quarterly reporting
- Periodic discussions

Each of our investor groups has different ESG+R priorities. As such, we customize our approach to ensure that the programming we provide aligns with their expectations.

### Suppliers

Pacific Urban Investors works with our suppliers to promote engagement with property teams to procure sustainable products. In addition to those standards mentioned in the sustainable materials section (see page 17), we also adhere to a Responsible Contractor Program that promotes the use of vetted contractors who offer fair wages and benefits.





GOVERNANCE

# GOVERNANCE

Pacific Urban Investors' governance is backed by strong leadership and policies. We have a team of trusted professionals with an average tenure of 17 years in the industry, who look to create value by integrating ESG+R focused strategies.

## OUR LEADERSHIP TEAM



**Alfred Pace**  
Vice Chairman  
Chief Executive Officer



**Rory Gardner**  
Managing Director  
President



**Alex Yarmolinsky**  
Managing Director  
Chief Financial Officer



**Arthur Cole**  
Managing Director  
Chief Accounting Officer



**Marci Byrne**  
Managing Director  
Portfolio Operations



**John Fluke**  
Managing Director  
Investments



**Bruce Greenwood**  
Managing Director  
Portfolio Management



**Rene Bilodeau**  
Director  
Consumer Experience



**Andrea Cu**  
Director  
Finance & Analytics



**Jachi Xiong**  
Director  
Structured Finance



**Austin Becker**  
Director  
Construction

## OUR ESG+R TASK FORCE

Helping guide our leadership team, Pacific Urban Investors has a dedicated ESG+R Task Force to drive our ESG+R efforts and successes. Made up of a cross-function group of leaders, the ESG+R Task Force works to disseminate initiatives, generate action plans, and review our progress toward established targets or goals.

## TASK FORCE MEMBERS



**Rory Gardner**  
President



**Andy King**  
Senior Vice President



**Stipe Karacic**  
Project Manager



**Briana Rico**  
Associate

## GOVERNANCE

## Leadership Approach

Our leadership upholds our priority to conduct business with people and the planet in mind. We rely on standards of business to promote valuable work, life, and investment experiences. Our Code of Business Conduct and Employee Handbook, which are provided to all employees, are central to communicating and documenting our approach.

### Diversity, Equity & Inclusion

Pacific Urban Investors fosters a connected culture that embraces diversity and promotes equity and inclusion for all. We use our tools and resources to cultivate a supportive, respectful, inclusive, and fair environment for those who work and live with us.

### Ethics & Code of Conduct

The Company's Code of Business Conduct and Employee Handbook are designed to ensure that all business activities comply with legal requirements and the highest ethical standards. This Code outlines the principles that guide employee behavior and promote:

- **HONEST & ETHICAL CONDUCT:** Employees are expected to act with integrity and accountability
- **COMPLIANCE WITH LAWS AND REGULATIONS:** Adherence to all applicable government laws, rules, and regulations is mandatory
- **ACCURATE REPORTING:** Timely and accurate reporting and disclosures are essential
- **INTERNAL REPORTING OF VIOLATIONS:** Promptly report any suspected violations of the Code or company policies

The Code and Handbook emphasize that ethical principles and business goals are interdependent and applied in every aspect of the company's operations. Our legal, human resources, and leadership teams review both every two years and make updates and adjustments as needed.



Avery at Orenco Station, Hillsboro, OR

## GOVERNANCE

# Leadership Approach

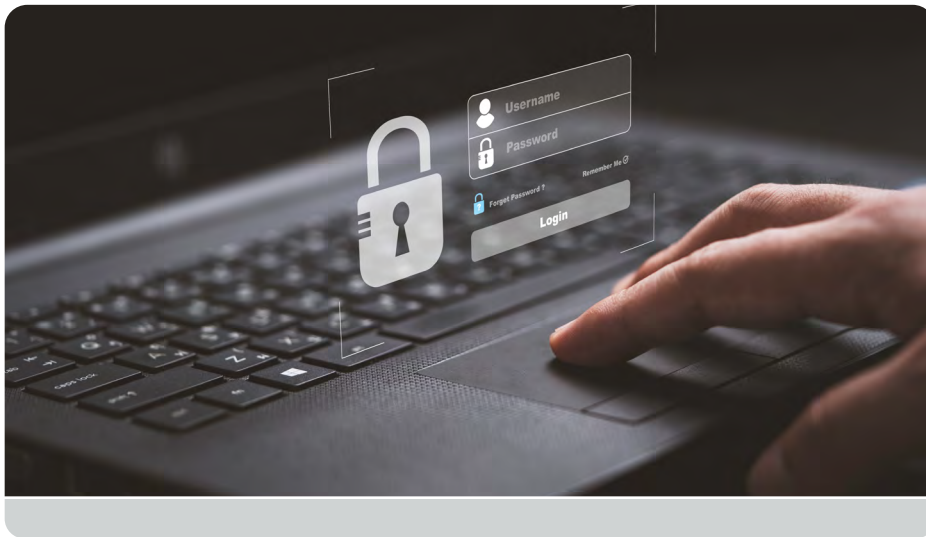
## Policies

Our policies help enforce good governance. Pacific Urban Investors sets up strong policies to ensure our employees, suppliers, and investors have clear expectations for conduct and can reference our priorities for success at any time. Our policies include:

- Employment Policies
- Pay Policies
- Policies relating to the Company's Code of Business Conduct

## Data Privacy & Cyber Security

Keeping people's and our portfolio's information safe is a priority. We communicate procedures and resources for maintaining strong data privacy and cyber security across our organization, keeping stakeholders informed through our IT Policies and Resources Guide as well as the Employee Handbook. All employees are required to acknowledge compliance with our policies to ensure we stay vigilant against software attacks.



## GOVERNANCE

## Addressing Risk

Risks across our portfolio are managed and mitigated through our resilience program. Aligned with the Task Force on Climate-Related Financial Disclosures (TCFD), Pacific Urban Investors is proactive about risks through ESG+R integration. We are adding efficiencies and amenities that will secure the long-term performance of our investments and buildings. Our ESG+R task force continually monitors the implementation and reporting of our ongoing ESG+R objectives, including those relating to risk, reporting directly to our President.

Pacific Urban Investors has identified both the physical and transition risks our portfolio faces and has identified pathways to reduce or ameliorate these risks.

Using climate risk software in conjunction with third-party review, we can identify potential climate-related physical risks on existing assets as well as during the due diligence process for new acquisitions. Identifying and implementing resiliency measures and futureproofing at the property level provides us with the opportunity to add value and benefits that can be passed along to our investors, stakeholders, and communities. **Pacific Urban Investors has already evaluated 50% of its portfolio for physical risks, with the remaining set to be evaluated in 2025.**

### Physical Risks

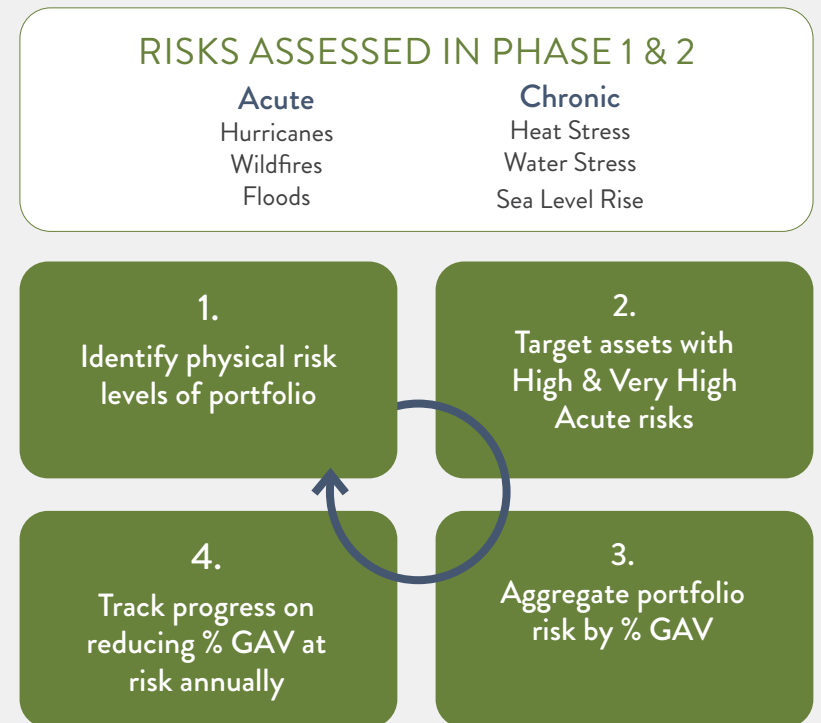
- Water stress
- Sea level rise
- Heat stress
- Earthquakes
- Wildfires
- Floods
- Hurricanes and typhoons

### Transition Risks

- Benchmarking, audit, and performance target ordinance regulations
- Carbon costs and fines
- Renewable energy certificates
- Energy supply and utility costs
- Emerging technologies

## IDENTIFYING PHYSICAL RISKS

On an annual basis, assets at risk are assessed through a comprehensive third-party analysis process, including tools such as Moody's Climate on Demand Tool. In a secondary analysis, assets are sorted by gross asset value and are then run through the Munich RE Location Risk Intelligence tool. A comparison of physical perils between Moody's and Munich RE is performed, leveraging additional resources such as flood maps and historical wildfire maps. Risk mitigation checklists by peril are then provided to the investment and property teams to complete for at-risk properties. Based on the on-site data collected, risk levels are adjusted for a final time to set a true risk factor value. Through this comprehensive process, we are able to map out where and what types of physical climate-related risks our assets face. See this process and the physical risks assessed in the graphic below:



## GOVERNANCE

# Preparing for Building Performance Standards

Building Performance Standards (BPS) are changing the way we build, manage, and operate around the country. At Sierra Chelsea in New York City, Pacific Urban Investors relies on our knowledge and preparation for Building Performance Standards to address reporting requirements related to Local Law 97. In New York City, Local Law 97 limits GHG emissions from buildings. To be proactive, we researched and determined that while Sierra Chelsea complies today, it will exceed GHG emissions caps in the future. To counteract this risk, we partnered with a group to install new equipment that utilizes artificial intelligence. We are using this AI tool to micromanage the HVAC equipment within the building for more efficient usage, which in turn will lead to decreased emissions at the property.



Bidwell Park Fremont, Fremont, CA

### Building Performance Standards Impacting Pacific Urban Investors' Portfolio

# of Assets Subject to Standard	Standard
3 assets	Washington State, City of Seattle
11 assets	Washington State
1 asset	New York City (LL97)
4 assets	San José
3 assets	State of Colorado (Building Performance Colorado)
1 asset	Chula Visa, CA
1 asset	Montgomery County, MD
1 asset	Maryland
8 assets	Oregon

## GOVERNANCE

### Industry Associations and Memberships

Collaborating, engaging, and connecting with industry associations helps Pacific Urban Investors stay abreast of best practices and industry trends. We are committed to championing our industry by attending conferences and information sessions and then using the knowledge gained from these activities to enhance our strategy. Pacific Urban Investors is proud to be involved with:



### Transparency

Pacific Urban Investors acts with honesty, transparency, and accountability in all our decisions and partnerships.

We will continue to share our progress and update our stakeholders on the work we are doing to enhance sustainability across our operations and in our buildings. Reporting with reference to the GRI and submitting to GRESB are added steps we take to show how our ESG+R initiatives compare to our industry and global benchmarks. This Sustainability Report will continue to be our platform to report and reflect on our sustainability efforts.

# LOOKING AHEAD

As we maintain our sustainability approach and the ensuing benefits to our portfolio, people, and profits, Pacific Urban Investors is vigilant for market changes and societal shifts that may impact or influence our strategy.

Our focus, looking ahead today, includes:

- Maintenance and excellence in data reporting across our buildings so we can take full account of our utility and resource consumption
- The adoption of solar power as an investment in sustainability for the benefit of residents, climate, and investors
- Continual support of our people, residents, suppliers, and communities through engagement, benefits, and amenities
- Adherence to our foundation and policies that promote ethics and resilience

## OUR PATH FORWARD WITH RENEWABLE ENERGY

Cutting emissions at the source of energy generation helps our residents and our portfolio reduce GHG emissions, while securing access to clean energy alternatives that align with our environmental goals. Our renewable energy procurement strategy includes:

- Purchasing renewable energy where available
- Securing renewable energy credits (RECs)
- Creating options to scale on-site solar to reduce reliance on grid electricity





DISCLOSURES

# DISCLOSURES

Pacific Urban Investors has reported the information cited in this GRI content index for the period January 1 2024 through December 31, 2024 with reference to GRI standards.

GRI STANDARD	DISCLOSURE	PAGE
<b>General Disclosure</b>		
2_1	Organizational details	4
2_2	Entities included in the organization's sustainability reporting	4
2_6	Activities, value chain and other business relationships	4
2_7	Employees	21
2_9	Governance structure and composition	21   30
2_10	Nomination and selection of the highest governance body	31
2_11	Chair of the highest governance body	30
2_12	Role of the highest governance body in overseeing the management of impacts	30
2_13	Delegation of responsibility for managing impacts	30
2_14	Role of the highest governance body in sustainability reporting	30
2_16	Communication of critical concerns	31   33
2_17	Collective knowledge of the highest governance body	3
2_18	Evaluation of the performance of the highest governance body	30
2_22	Statement on sustainable development strategy	3   6
2_23	Policy commitments	31-33
2_24	Embedding policy commitments	30
2_25	Processes to remediate negative impacts	30-31
2_26	Mechanisms for seeking advice and raising concerns	30-31
2_28	Membership associations	35
2_29	Approach to stakeholder engagement	21-26   28
<b>Material Topics</b>		
3_1	Process to determine material topics	10
3_2	List of material topics	10
3_3	Management of material topics	10

# DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE
<b>GRI 201: Economic Performance</b>		
201-1	Direct economic value generated and distributed	4
201-2	Financial implications and other risks and opportunities due to climate change	31   33
<b>GRI 203: Indirect Economic Impacts</b>		
203-2	Significant indirect economic impacts	8   11   33
<b>GRI 205: Anti-corruption</b>		
205-2	Communication and training about anti-corruption policies	31
<b>GRI 301: Materials</b>		
301-2	Recycled input materials used	16-17
301-3	Reclaimed products and their packaging materials	16-17
<b>GRI 302: Energy</b>		
302-1	Energy consumption within the organization	13
302-4	Reduction of energy consumption	13-16
<b>GRI 303: Water and Effluents</b>		
303-1	Interactions with water as a shared resource	13   17
303-5	Water consumption	13-14   16-17   19
<b>GRI 305: Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	13
305-5	Reduction of GHG emissions	13   17
<b>GRI 306: Effluents and Waste</b>		
306-2	Management of significant waste related impacts	13- 17   19
306-3	Waste generated	13-14
<b>GRI 308: Supplier Environmental Assessment</b>		
308-1	New suppliers that were screened using environmental criteria	17   28

# DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE
<b>GRI 401: Employment</b>		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	21-22
401-3	Parental leave	21-22
<b>GRI 402: Labor. Management Relations</b>		
402-1	Minimum notice periods regarding operational changes	31
<b>GRI 403: Occupational Health and Safety</b>		
403-2	Hazard identification, risk assessment, and incident investigation	21-22   24   31
403-3	Occupational health services	21-22
403-4	Worker participation, consultation, and communication on occupational health and safety	21-22   24
403-5	Worker training on occupational health and safety	21-22   24
403-6	Promotion of worker health	21-22   24
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	21-22   24
<b>GRI 404: Training and Education</b>		
404-1	Average hours of training per year per employee	21-22   24
404-2	Programs for upgrading employee skills and transition assistance programs	21-22   24
404-3	Percentage of employees receiving regular performance and career development reviews	21-22   24
<b>GRI 405: Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	21
<b>GRI 413: Local Communities</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	23   26-27
<b>GRI 414: Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	28
<b>GRI 416: Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	15   18
<b>GRI 417: Marketing and Labeling</b>		
417-1	Requirements for product and service information and labeling	17-18



# PACIFIC URBAN

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INVESTORS

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