



Net Zero Commitment Policy

1. Introduction

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

2. Purpose and Scope

This Net Zero Commitment Policy outlines Simpson’s commitment to achieving net zero carbon emissions across its operations and value chain. This policy applies to all of our business activities, including our properties, operations, and supply chain.

3. Policy Statement

We recognize the urgent need to address climate change and are committed to our role in limiting global warming to well below 2°C, in line with the Paris Agreement.

As part of our ongoing commitment to sustainability and environmental responsibility, Simpson has committed to reducing Scope 1 and 2 emissions to net zero emissions by 2050 in alignment with the Paris Climate Agreement and IPCC recommendations to limit global emissions to 1.5°C.

We define our net zero commitment boundaries based on the GHG Reporting Protocol’s financial control model which includes emissions from our owner- controlled interior and exterior asset spaces. Simpson Housing acknowledges a decarbonization commitment is only the first step in our journey and further commits to exploring the inclusion of scope 3 emissions. We intend to meet this critical goal through a mix of decarbonization strategies including energy efficiency, on-site and off-site renewable energy, and electrification.

4. Definitions

Net Zero: Achieving a state where the greenhouse gases released into the atmosphere are balanced by removal or eliminated through reduction measures, striving for a neutral impact on the climate.

Scope 1 Emissions: Direct emissions from company-owned and controlled resources, including fuels burned on-site and company vehicles.

Scope 2 Emissions: Indirect emissions from the consumption of purchased electricity, heat, or cooling, reflecting the company's choice and use of energy providers.

Scope 3 Emissions: Emissions that are a result of activities from assets not owned or controlled by the reporting organization but linked to the company's operations, including upstream supply chain processes and downstream product use.

IPCC: Intergovernmental Panel on Climate Change is an intergovernmental body of the United Nations. Its job is to advance scientific knowledge about climate change caused by human activities.

5. Commitments

Emissions Reduction: We are currently conducting a comprehensive assessment of our carbon footprint to identify key areas for emissions reduction. This includes evaluating energy use in our properties, transportation, and supply chain processes. We are committed to implementing interim measures to reduce our carbon footprint as we work towards defining a net zero target.

Carbon Offsetting: While we work towards our net zero target, Simpson will explore investing in carbon offsetting initiatives and mitigation projects. These projects will be selected based on their ability to provide verifiable emissions reductions and additional environmental or community benefits.

Supply Chain: We are actively building upon our existing Responsible Vendor Policy by engaging with our suppliers to further assess and enhance their sustainability practices. Our aim is to integrate these efforts into a comprehensive green procurement strategy, ensuring alignment with our anticipated net zero commitments. This approach not only reinforces our commitment to a sustainable supply chain but also complements our broader environmental objectives.

Stakeholder Engagement: Simpson is committed to regular engagement with our stakeholders, including residents, investors, and local communities, to gather insights and collaborate on sustainability initiatives. This engagement will play a crucial role in shaping our net zero strategy.

Reporting and Transparency: We will maintain transparency in our journey towards setting a net zero target by regularly reporting on our progress, challenges, and interim achievements. Reports will be prepared in accordance with recognized sustainability reporting standards.

6. Responsibilities

The successful implementation of this Net Zero Commitment Policy requires the collective effort of all departments and employees of Simpson. Specific responsibilities are as follows:

Executive Leadership Team: Provide strategic direction and oversight for the policy, ensuring it aligns with the overall business objectives and sustainability commitments of Simpson Housing.

Sustainability Team: Oversee the overall implementation of the policy, monitor progress, and report to the Executive Leadership Team.

Department Heads: Ensure that their respective departments align with the policy's objectives and implement necessary measures to achieve net zero targets.

All Employees: Adhere to the guidelines and practices outlined in this policy and participate in relevant training and awareness programs.

7. Monitoring and Evaluation

To ensure that we are on track to achieve our net zero targets, we will:

- Conduct regular monitoring of our carbon emissions to track progress against interim reduction goals and inform our evolving net zero strategy. This will involve the use of advanced software analytics and methodologies to ensure accurate and comprehensive emissions data.
- Engage third-party experts to conduct independent evaluations of our sustainability initiatives.
- Use specific key performance indicators (KPIs) to measure our progress and adjust our strategies as needed.

8. Training and Awareness

Simpson is dedicated to fostering a deep understanding among all employees about the significance of our advancing towards net zero goals and their role in this journey. To achieve this, we will:

- **Conduct Regular Training Sessions:** These sessions will focus on sustainability best practices and the specifics of our emerging net zero initiatives. They will be updated regularly to reflect new developments in our sustainability strategy and evolving environmental standards.
- **Launch Awareness Campaigns:** We will initiate campaigns to update our employees on our progress towards net zero and contextualize these efforts within the broader scope of global sustainability endeavors. These campaigns will also highlight the impacts of our sustainability initiatives, including those related to our Responsible Vendor Policy.
- **Provide Resources and Tools:** Employees will be equipped with various resources and tools to facilitate the incorporation of sustainable practices into their daily responsibilities.

9. Reporting

We are committed to transparency and accountability in our journey towards net zero. In support of this commitment, we will undertake the reporting practices:

- **Annual Sustainability Reports:** We will publish annual sustainability reports that detail our emissions data, progress in sustainability initiatives, and steps taken towards our net zero goals. These reports will align with internationally recognized reporting standards, such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the Task Force for Climate-related Disclosures (TCFD).

Understanding the importance of collaboration and external verification in our sustainability journey, we recognize the need to align with and report to various esteemed organizations in the field. The following is a list of key organizations to which we will regularly report our progress and initiatives, ensuring adherence to the highest standards of environmental accountability and transparency:

- **GRI (Global Reporting Initiative):** Our annual report will be structured in alignment with GRI Standards, ensuring comprehensive and comparable sustainability reporting.
- **CDP (Carbon Disclosure Project):** We will disclose our carbon emissions, reduction strategies, and climate-related risks and opportunities to CDP on an annual basis.
- **GRESB (Global ESG Benchmark for Real Assets):** As a participant, we will submit our ESG data, including our net zero progress, to GRESB for benchmarking against industry peers.
- **Other Relevant Organizations:** Simpson will continuously evaluate and engage with other reporting platforms and organizations to ensure our progress is communicated to a broader audience.
- **Stakeholder Engagement:** Beyond formal reporting, we will engage with our stakeholders, including investors, residents, employees, and the broader community, to share updates and gather feedback on our net zero journey.

10. Alignment with Industry Standards and Frameworks

Simpson recognizes the critical role of global standards and frameworks in shaping our Net Zero commitments. Our strategy for achieving net zero is not only informed by but also actively supports the goals of key international frameworks, including:

- **United Nations Net Zero Coalition (2022):** In line with the UN's mission to forge a worldwide coalition for net zero emissions by mid-century, Simpson's initiatives are designed to contribute to this global endeavor towards a carbon-neutral future.
- **Science Based Targets initiative (SBTi):** We will set our emission reduction targets in accordance with the latest scientific findings, ensuring our contributions are meaningful in the collective effort to limit global warming to well below 2°C.
- **Task Force on Climate-related Financial Disclosures (TCFD):** Simpson is dedicated to transparently reporting climate-related financial risks and opportunities. This commitment ensures that our stakeholders are consistently informed about our progress and approaches in addressing climate challenges.
- **Other Relevant Frameworks:** Recognizing the dynamic nature of sustainability,

Simpson will continuously evaluate and align with emerging frameworks and standards that bolster our net zero aspirations. This ongoing alignment will ensure that our strategies remain at the forefront of sustainability best practices.

11. Review

This policy will be reviewed annually to ensure it remains relevant and aligned with the latest scientific research, industry best practices, and stakeholder expectations.

12. Approval

This version of Simpson's Net Zero Policy has been approved by Simpson's Executive Leadership Team on 11/25/2024.