

# 2023

## EXECUTIVE SUMMARY — CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT







We are honored to share with you the Executive Summary for our inaugural Simpson Corporate Responsibility and Sustainability Report. Doing right by all stakeholders and pursuing sustainability have always been part of the Simpson way.

As we reflect back on 2023—our 75th year in business—we express gratitude for our employees, residents, partners, and investors. We look ahead with optimism and a continued resolve to be a leader not only in our industry, but in our sustainability and corporate responsibility efforts.

Thank you for joining us.

**FRANK ROONEY JR.**  
CEO

**KRYSTAL ELDREDGE**  
VP OF SUSTAINABILITY & COMPLIANCE

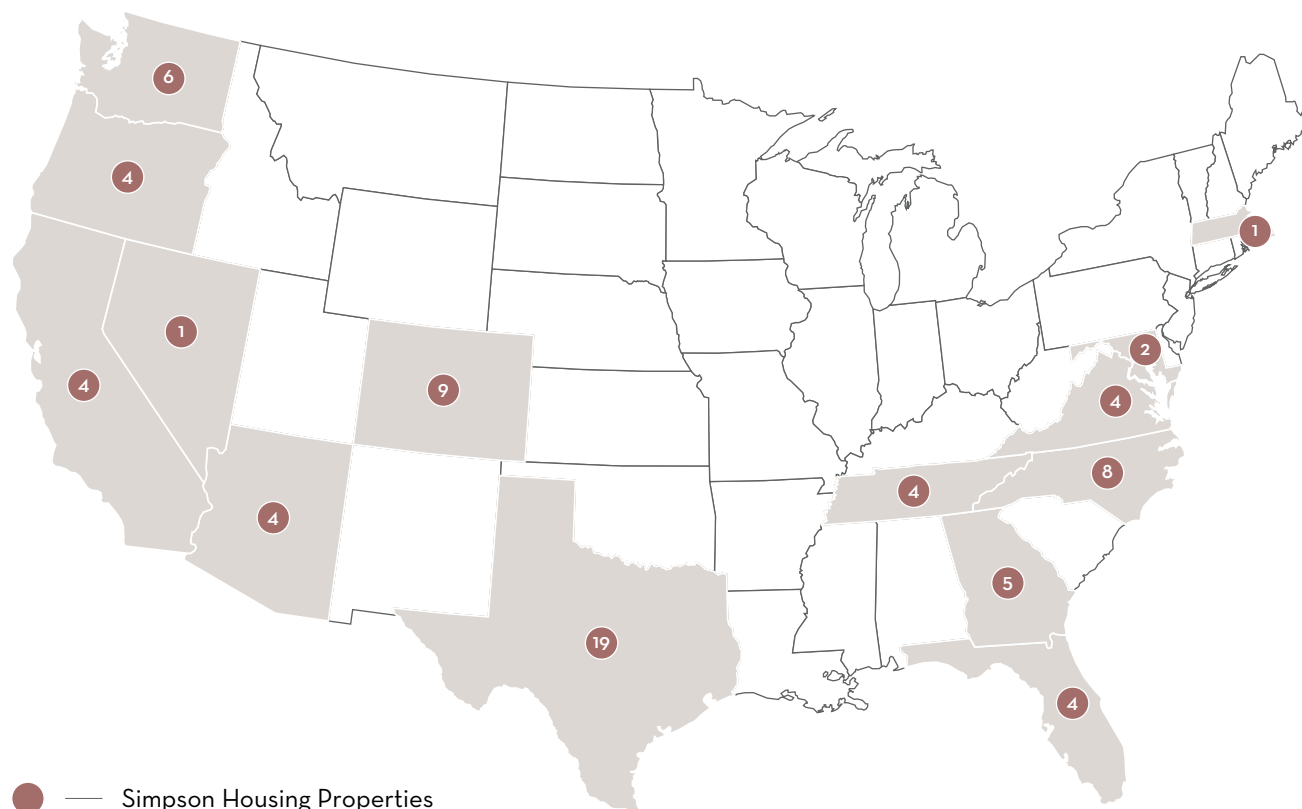


# CORPORATE OVERVIEW

Simpson Housing LLLP ("Simpson", "Simpson Housing") is a fully integrated, **75-year-old real estate** firm that currently owns or manages more than 22,000 apartment units exceeding \$7.1 billion in value. Headquartered in Denver, CO, with regional offices in Atlanta and Dallas. Simpson has owned and/or developed **more than 50,000 apartment units (200+ communities)** across 21 states and districts to date.

## MISSION STATEMENT

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



## By the Numbers

**+630**  
Employees

**03**  
Corporate Offices

**75**  
Properties

**14**  
States

**20**  
Major Metropolitan Markets

**23,000**  
Total Units

**1,119**  
Affordable Units

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

**93%**  
Average Occupancy Rate

**\$7.1 B**  
Assets Under Management

# OUR SUSTAINABILITY COMMITMENT AND JOURNEY

We are committed to adopting ESG policies and initiatives that promote sustainability, enhance quality of life for employees, increase resident satisfaction, and reduce our carbon footprint.

Our three pillars of sustainability include:



## ENVIRONMENTAL

- Sustainable Operating Strategy - We are committed to reducing our water, waste, energy and greenhouse gas emissions impact through tracking data and implementing energy-efficient technologies and fixtures.
- Responsible Development Guidelines - For all new build and joint venture projects, we are pursuing National Green Building Standard certifications.
- Climate Risk and GHG Reduction - We are working to reduce our climate footprint by accounting for and managing GHG emissions and developing a climate risk assessment and management framework that quantifies physical, regulatory and financial risks associated with climate change.



## SOCIAL

- Compensation and Benefits - We offer mentorship opportunities and competitive total compensation and benefits packages, and we strive to create an exceptional employee experience.
- Diversity & Inclusion: We are committed to fostering a diverse, equitable, and inclusive workplace where everyone feels valued, respected, and empowered to contribute their unique perspectives, talents, and experiences.
- Community Outreach: We have a long history of community engagement and each year we partner with nonprofit organizations through the companywide "Simpson Make a Difference" campaign. We also encourage each community to host local charitable and well-being events.
- Tenant Engagement: Each individual community actively engages with and informs our residents of resident social, wellness and safety events, energy conservation tips, community-managed recycling programs and emergency communication. We survey our residents annually and at specific touchpoints, working to implement their feedback to improve customer satisfaction.



## GOVERNANCE

- Ethical Business Approach: We are committed to the highest standards of ethics, integrity, and accountability.
- Values-drive Leadership: Our seven corporate values guide our actions and priorities.
- ESG Leadership: We seek for our sustainability efforts, led by our Sustainability Team including the VP of Sustainability and all senior executives, to lead out in the industry and continuously improve.



# ALIGNMENT WITH INDUSTRY STANDARDS AND FRAMEWORKS

Over the past year, our ESG leaders and executive team have worked tirelessly to begin formally aligning our diverse ESG efforts with applicable leading frameworks in the industry. We currently align with the following entities:

## INITIAL GRESB REAL ESTATE ASSESSMENT SUBMISSION AND RESULTS

In 2023, the Simpson Housing team completed the GRESB Real Estate Assessment submission at the Simpson Housing LLLP level, representing all assets wholly and partially owned, for the first time. As anticipated, Simpson Housing received a 1-star rating for our first submission, which included data captured in 2022 and submitted in 2023.

## Industry Frameworks & Assessments



# ENVIRONMENTAL

Acting as good stewards of our environment has always been a part of the Simpson way. We believe that not only are environmentally conscious approaches valuable to our natural surroundings, but they are also good business and important to our stakeholders. Over the past two years, we have formalized our approach to environmental sustainability and resource conservation. Specific areas of focus include energy consumption, greenhouse gas emissions reduction, water consumption, and waste management.

## ENVIRONMENTAL PROGRAM HIGHLIGHTS



Created **10 formal policies** to guide environmental sustainability efforts

Enhanced climate resilience and risk management efforts, including **working towards a target for net zero emissions**

Committed to pursuing **National Green Building Standard** certification of on all new developments



Formalized partnerships with **Measurable and RealPage** to track and measure our environmental outputs

Purchased and installed more than

**3,300**

**ENERGY STAR APPLIANCES**

**4,300**

**LOW-FLOW PLUMBING FIXTURES**

**5,400**

**LED LIGHT FIXTURES**

in rehabs in 2023 alone



Installed **356 electric vehicle chargers**, spread across 53% of our properties



Received a **National Green Building Standard Emerald rating** at The Camille property, the highest award possible (one of only two buildings nationwide with this distinction)

Established **SmartWaste program** to reduce waste, with

**\$140,000+ IN ESTIMATED SAVINGS**



# THIRD-PARTY BUILDING CERTIFICATIONS

In alignment with our environmental strategy, we seek to achieve green and healthy building certifications for applicable properties across our portfolio.

As of 2023, Our Portfolio Includes:

ENERGY STAR Certified



LEED Gold



Green Globes



NGBS Building Certifications



Fitwel



# 2023 Environmental Data



Total Energy Use

357,509.31

Gigajoules

Energy Use Intensity

3.81

kWh/Sq ft

% Portfolio Covered



Like-For-Like Percentage Change

-9%



Total GHG Emissions

Scope 1

6,282

MTCO<sub>2</sub>e

Scope 2

23,256

MTCO<sub>2</sub>e

Reduction 2023 v 2022

Scope 1

5%

Scope 2

4%

GHG Intensity

1.15

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



Total Water Use

822,647,221

U.S. Gallons

Water Use Intensity

31.57

kWh/Sq ft

% Portfolio Covered



Like-For-Like Percentage Change

-4%



Total Waste

13,673

Tons

Waste Diverted

4,550

Tons

% Diverted



# SOCIAL

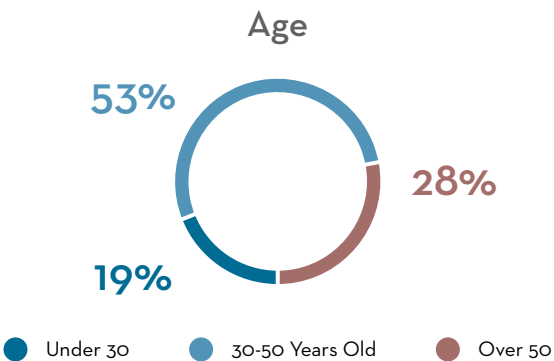
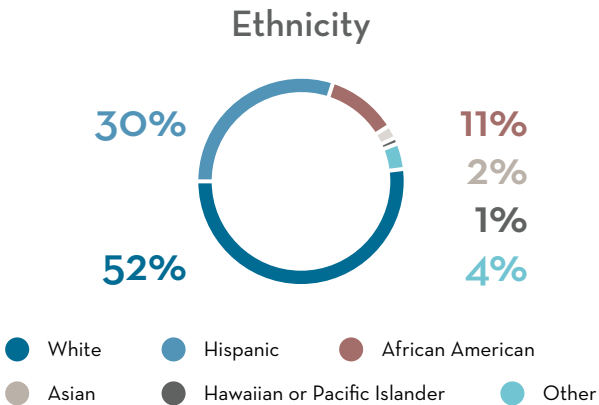
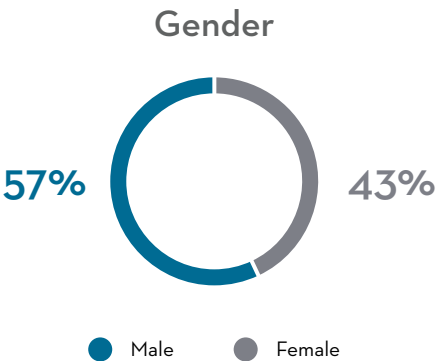
We believe that our most valuable asset is our team, and our unwavering commitment to the success and well-being of our employees lays the foundation for all that we do. We are committed to providing a positive environment for our residents and driving impact for communities in which we

operate. We strive to celebrate the richness of our diverse people and communities, promote fairness and equal opportunities, and eliminate any form of discrimination or bias. Our long-term perspective as an owner and operator means that we prioritize quality and safety, and we extend this ethos to our communities.

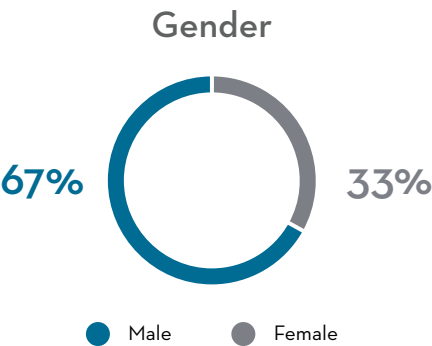
## WORKPLACE METRICS

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

### Employees



### Executive Leadership





# SOCIAL PROGRAM HIGHLIGHTS

## OUR PEOPLE



Voted as a **top workplace** in Austin, Charlotte, Dallas-Fort Worth, Oregon, and Denver.

**61%** More than 61% of employees participated in our **annual employee engagement survey**

Provided **8,000+ hours of employee training** through SH University and on-the-job training



**ADDED TWO NEW FLOATING HOLIDAYS AND EXPANDED ACCESS TO VIRTUAL THERAPY BENEFITS**

based on employee feedback

Expanded our

### ONSITE MENTORSHIP PROGRAM

that pairs new hires with seasoned employees, with more than 128 employees participating to date

## OUR COMMUNITIES

Had **four communities named in the top 1%** of all apartment communities in the nation

**A-LIST  
AWARD**

Achieved an **"A List" rating** on our annual resident satisfaction survey, which reached more than 20,000 residents

Hosted 450+ resident events nationwide, including

**EARTH DAY**

**GLOBAL ACCESSIBILITY  
AWARENESS DAY**

**HUG A LLAMA DAY**

552 employees donated **2,258 hours of service to 36 organizations** across 14 states on our annual Make A Difference Day

Collected food for 6,277 meals across 46 properties through an expanded partnership with **Move for Hunger**

# GOVERNANCE

Since our founding days as a family-owned real estate company, Simpson Housing has prioritized values-driven leadership across all of our endeavors. We know that our business is someone else's home, and we take our commitment to community and excellence seriously. We are committed to the highest standards of ethics, integrity and compliance with applicable laws in all aspects of conducting our business.

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

## SIMPSON HOUSING CORPORATE VALUES:

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



## SPOTLIGHT

### Tenured and Cohesive Leadership

Simpson Housing is trusted by investors and partners for its culture of excellence and tenured leadership team. At the date of publication, 100% of Simpson's three-person executive team had been with the company for more than 15 years, and 79% of the company's 14-person senior team had been with the company for 15 years or more.

## ESG Leadership

In the last two years, we invested in our first full-time sustainability employee, our VP of Sustainability and Compliance, who leads out on our corporate citizenship and sustainability efforts. We also created our official Sustainability Team, which includes our executive team and members of senior management representing each department along with our VP of Sustainability and Compliance. This team develops the Simpson sustainability strategy, monitors key issues and regulatory matters, reports on ESG progress, and overall advances corporate sustainability and responsibility activities and programs.



# SUSTAINABILITY PARTNERSHIPS

We continue to increase our capacity in terms of sustainability results by partnership with industry-leading consultants and advisors, including Measurable, RealPage, Culture Amp, CEL & Associates, and the National Multifamily Housing Council.

Our Sustainability team developed and communicated several official firm-wide policies that reflect our ESG stance and commitments including:

- OVERALL ESG POLICY
- RESPONSIBLE DEVELOPMENT GUIDELINES
- RESPONSIBLE VENDOR POLICY
- WATER CONSERVATION AND MANAGEMENT POLICY
- WASTE MANAGEMENT AND RECYCLING POLICY
- NET ZERO COMMITMENT POLICY
- ENERGY EFFICIENCY POLICY
- CLIMATE RISK AND RESILIENCE POLICY



## Our Current Partnerships





## THE FUTURE OF ESG AT SIMPSON HOUSING

Looking ahead, sustainability will continue to be a priority for our team. In the next year, we plan to develop an Environmental Management System, conduct a materiality assessment in partnership with a select group of university students, increase our focus on DEI and enhance our data collection, management, and reporting. As always, we remain committed to creating sustainable and efficient properties and will continue to develop our climate awareness and responsiveness.

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





# APPENDIX

## Methodology Disclaimer

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



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# Thank you.

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**Declarative;**