

NORTH AT TOTEM LAKE APARTMENTS, KIRKLAND, WA



2022 ESG Annual Report

FAIRFIELD.

Letter from the CEO.

Throughout its history, Fairfield has been mindful of ESG principles, introducing green building initiatives, associate and resident programs, and wellness events. Until this past year, departments have been acting independently and we had not aligned our initiatives across the organization. I am pleased to share that in 2022, we launched an ESG Executive Committee and an ESG Committee to coordinate ESG initiatives across the organization. Our committee is led by Lisa Haring, EVP of Portfolio Management, and includes key representation from other departments within Fairfield. To facilitate this initiative, we have engaged a full service ESG consulting firm, Verdani Partners. Our overall goals remain the same, which are to use our fully integrated platform to handle acquisitions and development throughout the complete life cycle of a project, to enhance our communities and create value for our investors. With that, I am pleased to share our inaugural ESG Annual Report for 2022 to share our progress.

As part of our initial activities, we conducted a materiality assessment with key internal and external stakeholders. We combined insights from that materiality assessment together with Verdani's expertise to help develop our ESG vision, mission, and core values. We have also become a founding member of the Multifamily Impact Council™ (MIC), a key partnership focused on ESG within the multifamily industry. In addition, we committed to submitting information to GRESB for our CalSTRS joint ventures. The following provides more insight into Fairfield's efforts within the individual ESG component areas:

Environmental – Prioritizing environmental performance enables Fairfield to enhance our acquisitions and development projects to deliver efficient multifamily communities and create exceptional living experiences. We focus on energy efficiency and sustainability and prioritize the use of LED lighting, ENERGY STAR appliances, occupancy sensors, low-VOC materials, low-flow irrigation systems, and EV charging stations. Energy efficiency, water efficiency, waste management, implementing building intelligence technology, and utility data management and automation are all core components of our environmental focus.

Social – Our commitment to creating better living for our residents is front and center to Fairfield's social framework. We achieve this through engaged resident amenities and programs, offering affordable housing and related resident services. Fairfield is committed to helping add to our nation's affordable housing supply, including building mixed-income new developments, acquiring, and reinvesting in existing affordable communities, and in some cases converting market-rate units to affordable. Within our affordable communities, we are committed to fostering community engagement and improving our residents' social, health and educational opportunities through resident services programs with our non-profit partners.

Fairfield provides an empowering work environment for our associates and is invested in their career development, offering numerous education programs and benefits that promote health and well-being. Our DEIB committee was formed to help our company



achieve its diversity goals and provide an inclusive environment for associates from all backgrounds.

Governance — Fairfield has enhanced our overall governance for ESG and has integrated regulatory and corporate compliance, operational audit, insurance and risk management, affordable housing compliance, and cybersecurity initiatives.

We realize that there is much more work to be done and this will be an ongoing process. We look forward to sharing with you our achievements of this objective.



**RICHARD
BOYNTON**

CHIEF EXECUTIVE
OFFICER



MERIDIAN COURT, FEDERAL WAY, WA

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*All property images are a sample and not inclusive of all properties.

Company Profile.

You're in Great Company



Our passionate team strives to do our best – with decades of expertise and an entrepreneurial spirit woven into every fiber of our organization.

Since our inception in 1985, we have taken pride in being an owner, developer, and operator of multifamily communities throughout the United States. With a portfolio that includes approximately 42,100 units*, we offer a wide range of housing options, from luxury new construction and renovated apartment homes in both urban and suburban neighborhoods to tax credit affordable housing properties.

In addition to development, construction, renovation, and property management services, Fairfield provides portfolio and asset management, acquisition, and disposition services.

“I have found a company that I truly enjoy working for.

—SIERRA LAMBECK,
NEW CONSTRUCTION PROJECT ENGINEER —
FIFTEEN15 S LAMAR, AUSTIN, TX



Our Company at a Glance*

187

properties under management
171 owned, 16 fee managed

42.1K

units nationwide

8.9K units

under construction

\$10.6B GAV

under management

34

geographical markets

1,430

associates

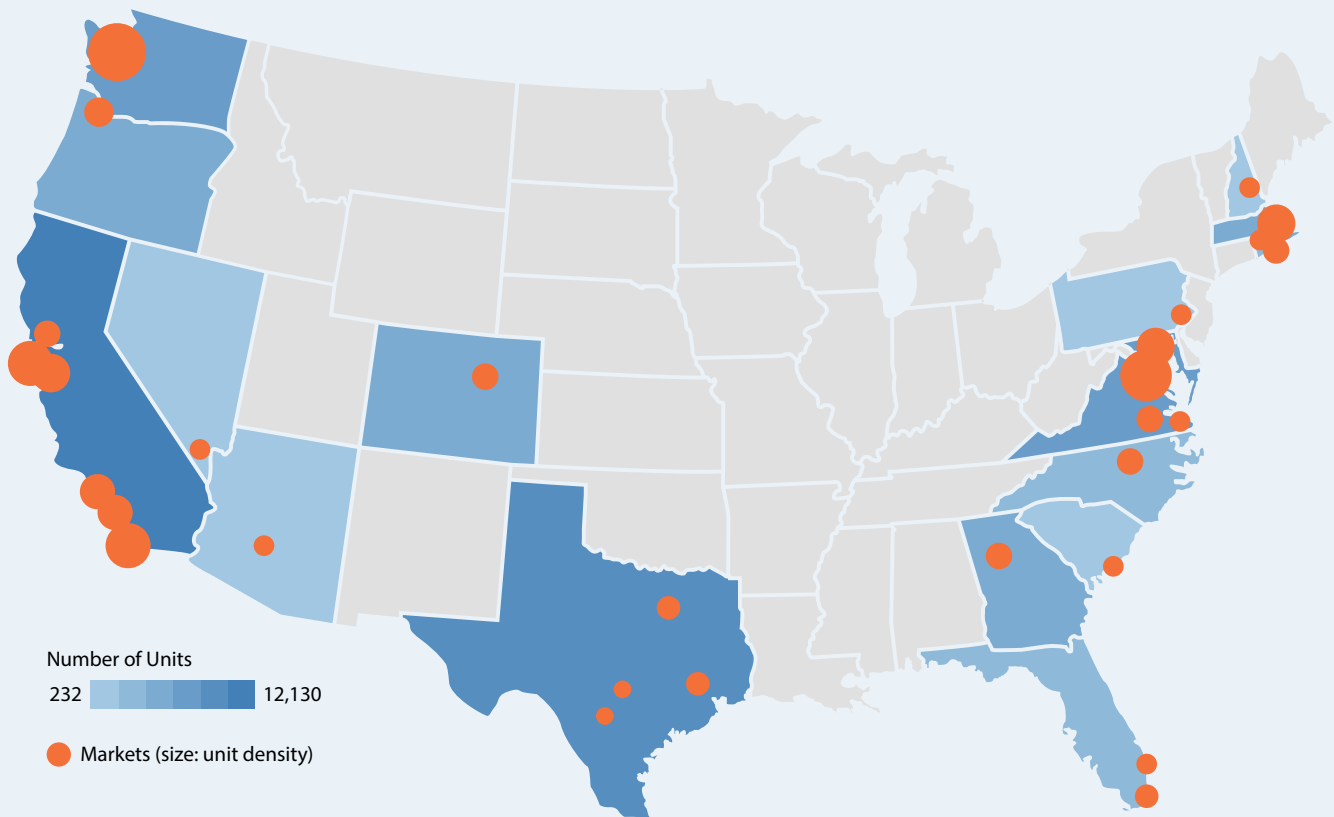
Affordable Housing

91

affordable housing properties

19.4K

affordable housing units



ESG Commitment.



Fairfield is committed to enhancing our ESG programs and initiatives, consistently striving for improvement. Our achievements, ongoing process and system enhancements, as well as our valuable partnerships, demonstrate our commitment to building our program and creating positive impacts for our stakeholders and communities in which we operate.

Vision

We envision engaged and inclusive communities that enhance the well-being of people and the environment.

Mission

We deliver meaningful environmental and social benefits rooted in our core values.

Guiding Principles



Environmental

We drive operational excellence through responsible resource management and effective building design.



Social

We create a purpose-driven work environment that empowers our associates and fosters a sense of community for our residents.



Governance

We embrace a people-first mentality and forge strong partnerships while upholding our fiduciary responsibilities.

Our Purpose

Creating better living for better lives.

Advancing Our ESG Program.

During the initial year, we made progress across all areas of our ESG program:

Strategy and Implementation

- Performed ESG Program Gap Analysis
- Conducted surveys and assessments:
 - Materiality survey and visioning survey
 - Sustainability attributes survey
 - GRESB property survey
 - Kingsley resident satisfaction survey
 - Regional resilience assessment
 - Green building certifications assessment
 - Energy benchmarking ordinances assessment
- Conducted ESG Policy review
- Implemented Green Office Guide
- Established DEIB Committee
- Completed 2023 ESG strategy recommendations

Data Management

- Issued Utility Data Automation RFP (WatchWire selected)

Performance



8

green building
certifications in 2022:
6 LEED certified, 1 EarthCraft
Multifamily, and 1 Green
Globes



5

ENERGY STAR
certifications in 2022

Reporting

- Completed CalSTRS GHG emissions submittal
- Began preparations for 2023 GRESB submission

Engagement

- Published Internal Fall 2022 ESG Newsletter
- Fairfield associates attended live ESG trainings
- ESG Essentials webinars added to The HUB, our learning management system
- Implemented Blue Moon “green” lease packet

Programs and Partnerships

- Joined ENERGY STAR Certification Nation, member-level recognition achieved
- Became founding member of Multifamily Impact Council

Key ESG Partnerships.

17 PARTNERSHIPS
FOR THE GOALS



Aligned with Sustainable Development Goal (SDG) 17*, which emphasizes the importance of fostering strong partnerships to promote sustainability, Fairfield has actively pursued key collaborations to advance our formal ESG program.



Founding Member of the Multifamily Impact Council

As a founding member of MIC, Fairfield demonstrates its commitment to advancing multifamily impact investing and upholding industry standards and principles. MIC aims to attract additional capital towards impactful investments and provide investors with the confidence that their investments align with high industry standards. This initiative aligns with Fairfield's long-term ESG goals and showcases our dedication to creating positive social and environmental outcomes through our investment practices.



Partnership with Verdani Partners

In 2022, we established a partnership with Verdani Partners™, a full-service ESG consulting firm that specializes in accelerating sustainability in the built environment for large real estate portfolios. Our collaboration with Verdani Partners strengthens our commitment to advancing our ESG program.

*(SDG) 17: Set forward by the United Nations (UN) in 2015, the Sustainable Development Goals (SDG) are a collection of 17 global goals aimed at improving the planet and the quality of human life around the world by the year 2030.

Materiality.



At Fairfield, engaging stakeholders and transparently reporting on our sustainability efforts and progress towards our ESG goals is important.

Our comprehensive materiality survey identifies ESG topics with high influence on our business and significant impact on the environment and society.

Our 2022 materiality survey involved internal and external stakeholder groups, capturing valuable insights from vendors, investors, associates, and management. This approach informs our decision-making and aligns our sustainability initiatives with stakeholders' expectations.

Stakeholders were asked to rate ESG topics by two categories: Significance and Influence. Significance refers to the impact of Fairfield's work within topic areas on the environment and society. Influence refers to the impact of ESG topics on our business performance.

Through ongoing engagement, continuous improvement, and transparent reporting, Fairfield remains dedicated to advancing sustainability, fostering stakeholder trust, and creating positive impacts on the environment, communities, and our business operations.

Survey results are crucial for prioritizing ESG issues in our annual ESG report. They guide us in addressing topics of influence and utmost significance to and influence on stakeholders and our business. Integrating these insights into our ESG strategy ensures alignment with stakeholder needs and the evolving sustainability landscape.

32

internal
stakeholders

(associates and management)

6

external stakeholders
(investors and vendors)

86%

response rate

38

ESG topics



Social.



LIFE SAFETY with PULSAR ALARM SYSTEMS

-  **PROTECT YOUR HOME**
Pulsar alarm systems provide 24/7 monitoring and alerting to protect your home from intruders.
-  **PROTECT YOUR VEHICLE**
Pulsar alarm systems provide 24/7 monitoring and alerting to protect your vehicle from theft and damage.
-  **PROTECT YOUR PERSONALITY**
Pulsar alarm systems provide 24/7 monitoring and alerting to protect your personal information and privacy.
-  **PROTECT YOUR BUSINESS**
Pulsar alarm systems provide 24/7 monitoring and alerting to protect your business from theft and damage.
-  **PROTECT YOUR FUTURE**
Pulsar alarm systems provide 24/7 monitoring and alerting to protect your future from financial loss.

pulsar
ALARM SYSTEMS

CONTACT US
800-235-3333

www.pulsaralarm.com

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Engaged Resident Living.



Amenities & Benefits

Fairfield focuses on resident needs in both new community development and community acquisition. Our understanding of consumer trends, gleaned through competitive and proprietary research and an ongoing internal feedback loop, guides the design and development of our communities. In acquiring established communities, we evaluate the surrounding market and amenities that provide value to our residents. Fitness centers and co-working spaces are popular amenities across all markets, while in-unit storage, air-conditioning, and washer/dryers are highly desired depending on the location.

At Fairfield, we listen to our communities to prioritize trends that enhance the lives of our residents. Our new developments have included and will continue to include electric vehicle (EV) charging infrastructure to comply with state requirements. With the shift towards remote work in the post-pandemic world,

we have expanded community amenities to support this lifestyle, such as adding more individual workstations and electrical access in co-working areas. Some in-unit features now include built-in desks, work dens, and USB charging outlets in high-traffic areas.

Launched in 2022, Fairfield's EVOLVE program reflects our commitment to customer focus and continuous improvement in community design and development. Once a new community reaches 75% occupancy, our internal branding team surveys residents to gather data on demographics, amenity preferences, and usage experiences. This proprietary data is analyzed with feedback from the on-site team to inform an in-person meeting of key cross-functional departments, including development, property management, construction, asset management, design, and branding. Leveraging consumer feedback is vital to our goal of providing better living for better lives.

4 EVOLVE

surveys

1,469

surveys sent

21%

response rate, 305 responses

EVOLVE

AN ENDLESS PURSUIT FOR BETTER LIVING

Fairfield EVOLVE.
Endless pursuit
for better living.



BELHAVEN, ALEXANDRIA, VA



PULSE MILLENIA, CHULA VISTA, CA



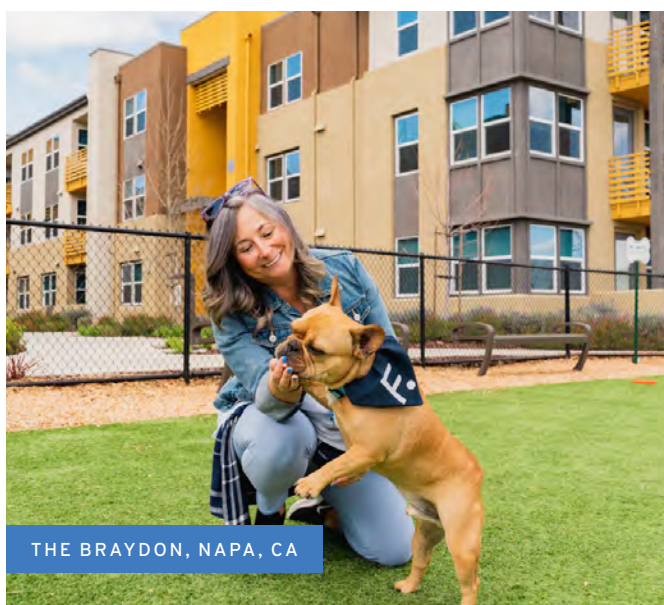
JADA LEGACY, CENTRAL PLANO, TX

Resident Retention & Services.

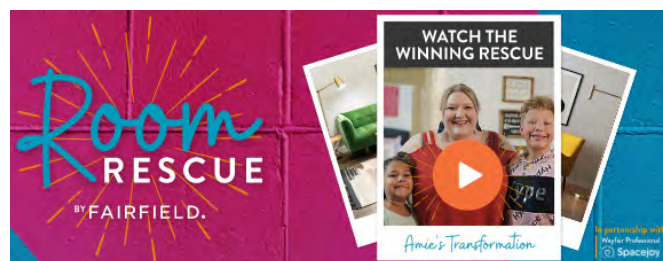


Celebrating Residents

At Fairfield, resident retention and satisfaction are core operating strategies in addition to a focus on building positive relationships with our residents. To demonstrate our commitment to providing better living, we actively seek opportunities to connect with them. In 2022, we launched two marketing programs to drive resident retention: Room Rescue and Paperless Payment Prize Pack. Room Rescue focused on enhancing the living experience for residents, while the Paperless Payment Prize Pack aimed to reduce costs and paper consumption for both residents and the company.



THE BRAYDON, NAPA, CA



Room Rescue

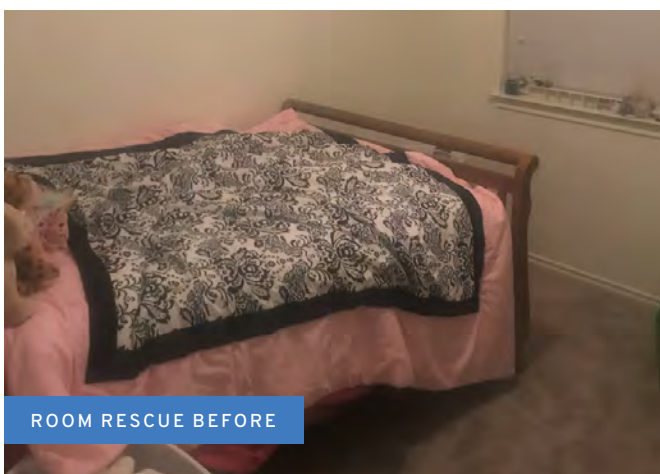
Fairfield's nationwide Room Rescue contest invited residents from all our communities to submit a large living or bedroom in need of a makeover, along with a story and photos. The final four entries were put to a social media vote, and the winning family, a mother and her two children from Weatherford, TX, received a \$15,000 budget for their bedrooms. With the help of one of our in-house interior designers, we transformed all three bedrooms and shared the results with a video that was recorded live of the family's reaction. The other three finalists received a gift card to a national online furniture and accessories retailer. This campaign exemplifies our commitment to creating better living for better lives.

\$15k

budget for bedroom makeover



CLICK TO WATCH OUR VIDEO*



ROOM RESCUE BEFORE



Paperless Payment Prize Pack

Fairfield values the role our residents play in resource consumption and waste reduction at our communities, and rewards them for supporting our efficiency and sustainability initiatives. Our Paperless Payment Prize Pack campaign aimed to increase our total online/ACH rent payments percentage past 80%. Every resident who paid rent online during the three-month campaign received an entry to win cash prizes. Each month, one entry per property won a \$50 cash prize and one entry across all properties won a \$1,000 cash prize.



ROOM RESCUE AFTER

Preservation of Affordable Housing.



With a 25-year track record, Fairfield has owned and managed rent and income-restricted affordable properties, earning the 15th spot as the largest LIHTC Manager in 2022, according to National Affordable Housing Management Association (NAHMA). Our affordable strategy encompasses key ESG initiatives, emphasizing sustainability, community engagement, and regulatory compliance.

Among Fairfield's diverse investment strategies, is our commitment to preserving rent and income-restricted affordable housing. We have a steadfast guideline against converting affordable units to market rate. Within our current portfolio, we have converted a substantial number of market rate units to affordable units. Notably, in 2022, we successfully converted 682 units across four properties from market rate to rent or income-restricted affordable housing. Additionally, we constructed 216 new affordable units as part of mixed-income new

developments nationwide. We have also completed 13,753 income certifications in 2022, ensuring compliance with governing affordable requirements.

Fairfield's affordable housing assets typically allocate a significant capital improvement budget aimed at addressing deferred maintenance, minimizing energy consumption, and ensuring long-term asset stability. This budget encompasses renovations to unit interiors, common areas, and energy-efficient initiatives like the installation of solar panels, where appropriate. By enhancing the physical condition of our assets, this capital investment allows for the long-term viability of our communities while simultaneously enriching the living environment for our residents.

Fairfield is dedicated to fostering community engagement and improving the social, health, and educational opportunities for our residents. In collaboration with non-profit organizations, we have established resident service partnerships at nearly half of our affordable properties. These partnerships offer a range of valuable programs, including education services and after-school programs, that aim to enhance the well-being of our residents. Our partnerships showcase the tangible value we bring to our Fairfield community through these essential resident-service partnerships.

898






affordable units created

HIGHLIGHT

Hilltop Commons Apartments

Hilltop Commons Apartments (324 units), an affordable housing property located in the San Francisco Bay area, showcases the transformation of property exterior and interior spaces and amenities, including accessibility enhancements and ESG related upgrades such as high efficiency new windows, HVAC system, high efficiency interior and exterior lighting, energy star rated appliances and fixtures, low-VOC paints and vinyl flooring, native landscaping, smart water meters, and roof mounted solar system.

 [CLICK TO WATCH OUR VIDEO*](#)

PARTNER ORGANIZATION	PROVIDED SERVICES
	CIRC Living prioritizes the care of elderly residents by ensuring the availability of food supplies through partnerships with food banks, assisting with lease signing and appointment scheduling, providing transportation services, and offering mental health resources and social services.
	LifeSTEPS supports thriving communities by offering a wide range of empowering services including education support, health and wellness programs, activity coordination, mediation and crisis intervention, and career assistance.
	Portfolio Resident Services provides comprehensive social assistance to residents of affordable housing communities. Their programs include job training, parenting classes, personal and teamwork development, counseling and educational services, creative arts and after-school programs, and home-buyer education.
	SAHA offers meaningful engagement opportunities for residents of affordable housing communities including after-school programs, adult education programs, health screenings and immunizations, family counseling, educational programs, emergency assistance and relief, exercise classes, and social and recreational activities.
	Wakeland offers opportunities for residents to attain greater financial stability and personal growth through programs such as ESL classes, after-school programs with homework assistance, access to food banks, adult services, and computer labs.

*<https://youtu.be/XJAs8o3DLfA>

Empowering Work Environment.



Associate Engagement

Fairfield prioritizes the career and personal growth of our associates. We believe that their achievements and well-being are crucial to our success. To support their career journey with us, we provide a collaborative and enriching workplace that values our associates.



At Fairfield, we strive to create a supportive and engaging workplace for our associates, valuing their contributions and promoting their overall well-being.

Associate Health and Wellness

Fairfield is committed to supporting the health and well-being of our associates through a comprehensive benefits program. This includes medical, dental, and vision coverage, a 401(k)-matching program, paid time off benefits such as holidays and vacation time, and 4 paid volunteer hours annually.

We also provide an extensive range of support benefits, including an associate assistance program (EAP), Wellness Wednesday EAP seminars, mental health and other wellness resources, health and commuter flex spend accounts, legal aid, identity theft protection, and life insurance coverage for associates and their families. Additionally, we offer short and long-term disability coverage and pet insurance.

To promote associate engagement, we organize programs and events such as Associate Appreciation Day, and Motivate Me, which encourages health and wellness activities with rewards. We also host breakfast or lunch events throughout the year to foster team collaboration and celebrate our associates. Furthermore, we prioritize associate well-being by offering programs and maintaining a supply of fruit in our corporate and larger regional offices.

50%

of total associates participated in Motivate Me program in 2022



Wellness-related Education and Training

Fairfield offers a wide range of wellness-oriented trainings for associates that offer numerous benefits, including promoting physical and mental well-being, enhancing work-life balance, reducing stress, increasing productivity and engagement, fostering a positive and supportive work environment ultimately aiming to improve overall job satisfaction and associate retention. We believe that investing in the wellness of our associates not only benefits them personally, but also contributes to the success and growth of our organization.

Empowering Work Environment.



In 2022, we hosted a Happy & Healthy Associate Lunch catered by women-owned Our Green Affair.

Required wellness-related trainings on The HUB:

- Emergency Preparedness Training
- Tactical De-escalation Training
- Smart Ergonomics
- Preventing Back Injury
- Personal Protective Equipment

Live wellness-related trainings in 2022:

- Discover Your Strengths
- Managers' Guide to Supporting Employees through Complex Times
- EQ and You: Connect for Success
- Wellness and YOU – a Fairfield Feud training game session
- Workplace Conflict – Strategies and Solutions
- CPR and AED Safety Training

Communication Across the Company

Effective communication is vital for maintaining aligned teams at Fairfield. We ensure regular communication touch points to keep our associates informed about company activity, including acquisitions, achievements, recognition, strategic initiatives, events, and updates to our policies and procedures.

To facilitate communication, we utilize a range of channels such as social media, and emails. We also publish two internal newsletters, corporate and property management, and an internal website. Our internal website serves as a comprehensive platform, providing the latest company news, ongoing campaigns and initiatives, past and future events, resource documents, a library of company

information, and quarterly video messages from our leadership. It also includes key contact and functional information for every department.

In 2022, we further enhanced our communication network by implementing Microsoft Teams for over 700 onsite associates across approximately 150 communities. This has increased efficiency and improved collaboration among our associates across the company.

Training & Development

At Fairfield, we value the growth and development of our associates' careers and as such, prioritize comprehensive training programs. From our proprietary onboarding program and live training events to The HUB, our learning management system with over 500 courses and programs, we offer year-round opportunities for continuing education.

Our training covers a wide range of topics, including health and safety, IT software and cybersecurity, compliance, and ESG. We are committed to providing at least one training per quarter on technology, personal development, and leadership. To ensure we offer relevant education and training, we regularly monitor the industry, business, and talent landscape.

To encourage engagement with training offerings, we set aside dedicated time each week for our onsite

associates to complete their relevant programs before the leasing office opens. This helps our onsite teams stay updated with on-the-job training, software enhancements, and regulatory updates, enabling us to deliver a best-in-class resident experience and increase training rates, as well.



Special Training Offering Proved to Be Very VALUABLE

CPR training is important. It can save a life. Learning the basics can be empowering, and it is something you will remember throughout your life-time. And that is why Fairfield proudly offered Basic First Aid, CPR and AED Training recently at our corporate office.

We partnered with Safety Compliance to provide this valuable training to about 30 Fairfield Associates who signed up as soon as the opportunity was posted. We value that kind of energy and commitment. Our team members learned to recognize and care for a variety of first aid emergencies including burns, cuts, scrapes, sudden illness, head, neck and back injuries. Also how to respond to breathing and cardiac emergencies. And of course, they had hands-on practice with CPR manikins.

Way to go, **FAIRFIELD.**

the **INSIDER**

CPR and First Aid Associate Training provided by Safety Compliance in 2022

Empowering Work Environment.

In 2022, Fairfield associates engaged in

6.1K+

total hours of live training

124K+

total hours of required training

530+

total hours of elective training

10.7

average training hours per associate

Enabling our associates to complete

26.3K+

total courses throughout the year



Launch — an onboarding program designed to elevate each new associate by providing them with training and the resources they need for a solid foundation as they begin their journey with Fairfield.

As an additional layer of professional and leadership development, Fairfield offers in-person training for our onsite teams and leaders:



Emerge — an onboarding training program that provides onsite associates of newly acquired or newly built communities with essential knowledge about our processes, software and overall expectations needed to operate the community and deliver best in class customer experience.



Ignite — an energizing, multi-session training for onsite management and leasing associates that outlines the path for exceptional leasing results in advance of a newly built community's opening.



ImpACT — a quarterly training series designed to help onsite front-office and maintenance associates strengthen and maintain essential skills that boost performance.



Elevate — a 3-day in-person training experience held at our corporate headquarters for newly promoted or new



“I’ve always been proud to be a part of a company that is continuously growing and evolving... Fairfield is truly committed to the success of its associates and communities.

— MELISSA SALAZAR, PAYROLL MANAGER

onsite Community Managers and Regional Managers that focuses on company growth strategies, property management priorities, strengthening vendor partnerships, key functional learnings, and forging new peer and partner relationships.

Leadership Development Experiences — Fairfield organizes leadership development experiences for regional managers, community managers, and maintenance managers. Annual regional conferences bring together regional managers to align around company priorities and property management strategies while fostering team building across corporate support and property management leadership teams. Bi-annually, we gather all community managers, property management leadership, and corporate property management groups for a multi-day themed offsite event.

In the alternate years, a similar event is organized for maintenance managers, property management leadership and corporate support teams. The goal of these leadership events is to align, educate, and develop our talent, enabling them to drive our company objectives while fostering personal growth as individuals and leaders.



CASE STUDY



Better Living Begins With YOU.



National Community Manager Leadership Conference.

The 2022 national community manager conference centered around the theme “Better Living Begins With YOU,” which held significant meaning. It marked the long-awaited return to an in-person event, bringing together over 300 attendees after a three-year hiatus. Recognizing individual challenges faced during the COVID-19 pandemic, the conference focused on expressing sincere gratitude to our community managers and providing them with an uplifting experience around personal well-being and leadership potential.

To ensure a tailored and impactful event, during planning, Fairfield solicited feedback from community managers on their preferred topics of engagement and learning, offering a personal touch and addressing their top priorities. Moreover, the chosen theme allowed for the integration of our new branding and core values centered around the purpose, “Creating Better Living for Better Lives.”

MAIN STAGE SESSIONS

- Executive leadership presentations and engaging Q&A sessions

Keynote speakers, personal and professional development authors, Carla Harris and Dr. Elizabeth Dunn, delivered impactful presentations on leadership, self-identification, and the psychology of happiness.

BREAKOUT SESSIONS

- Opportunities for learning, connection, and rejuvenation

Zen Den, the most popular breakout session, offered tranquil environments for quiet and self-reflection.

The leadership conference fostered meaningful connections among community managers and their corporate support partners. Social events enhanced camaraderie and participation, strengthening the sense of belonging at Fairfield and deepening the connection to our company's mission and values.



Bringing our teams together strengthened our commitment to creating better living for our associates, reflecting our inclusive culture and focus on growth.

Fairfield's Core Values

Integrity, Mutual Respect, Passion, Transparency, Trust

ESG Education & Awareness.

ESG Education

At Fairfield, we believe in empowering our associates with knowledge and resources on sustainability and ESG topics. In 2022, we took a proactive approach by adding a suite of Verdani ESG Essential webinars, produced by our ESG consultant Verdani Partners, to our associate learning platform, The HUB. These webinars are available to 100% of our associates and serve as valuable educational materials, allowing us and learners to track their progress as they delve into various sustainability subjects, enhancing their job skills and fostering a passion for continuous learning.

To further support our associates in navigating the ESG landscape, we also distributed an ESG glossary with over 40 key terms. This resource equips our associates with terminology that is pertinent to ESG and Fairfield.

12

webinars covering essential ESG topics on The HUB



Webinar topics include:

- Sustainability 101
- Corporate ESG
- Energy Efficiency
- ESG Budgeting
- GRESB Best Practices
- Decarbonization and Net Zero Strategies
- Resilience and Risk Management
- Water Efficiency
- Waste Management
- Existing Building Retrofits
- Sustainability Budgeting

Diversity, Equity, Inclusion, & Belonging.

In 2022, Fairfield established its Diversity, Equity, Inclusion, and Belonging (DEIB) initiative as a vital component of our commitment to building thriving communities.

Mission, Vision, and Values

At Fairfield, we are dedicated to cultivating an environment where our associates can thrive. We are committed to broadening and building on our DEIB efforts every day. We are on a journey to foster an inclusive culture of belonging where we interact with mutual respect and empathy. We believe that individual differences drive innovation and create value for Fairfield's associates, residents, investors, and the communities where we live and work.

Through our DEIB initiative, Fairfield aims to cultivate an inclusive culture where everyone feels valued, respected, and empowered to contribute their unique perspectives and talents. Our dedication to driving positive change within our organization and the communities we serve remains unwavering. As we move forward, we will continue to enhance our DEIB efforts, fostering a more equitable and inclusive future for all.

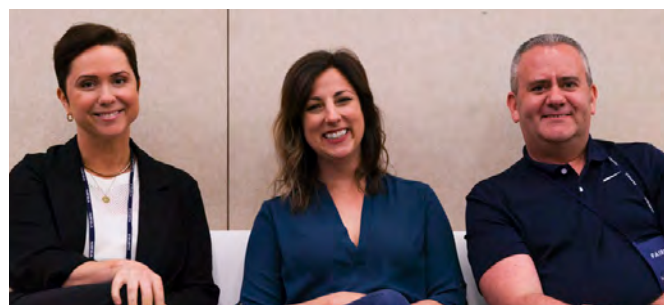
Fairfield's DEIB Values include:

DIVERSITY	Understanding individual differences, raising awareness of bias, and guiding and engaging in practices that foster mutual respect
EQUITY	Acting with an eye to fairness, recognizing that we do not all start from the same place; acknowledging this and adjusting to correct imbalances
INCLUSION	Fostering belonging by behaving in ways which encourage those around us to feel respected and valued for their unique qualities (i.e., using inclusive language and encouraging judgment-free dialogue)
MUTUAL RESPECT	Recognizing differences, understanding their significance, and responding with interest, politeness, and care
EMPATHY	Making efforts to connect with the feelings and emotions of others and responding with kindness, curiosity, and care
GROWTH MINDSET	Committing to learning and improving (over knowing and proving)

Diversity, Equity, Inclusion, & Belonging.

DEIB Strategy

Through an in-depth engagement process with key stakeholders and a comprehensive assessment that started in 2021, we ensured the program was thoughtfully designed and aligned with our values.



July 2021

SURVEY

A Culture of Inclusion
Assessment Survey sent
out to all Associates

Q1/Q2 2022

PLAN

Discussed inclusion
assessment results with the
senior leadership team and
received support for DEIB
initiative

Q3/Q4 2022

ENGAGE

Rolled out centralized DEIB
SharePoint site and incorporate
feedback tool(s)

September 2021

ANALYZE

Survey results, final report and
preliminary analysis received
from DEIB consultant, Orange
Grove Consulting

May/June 2022

BUILD

Established the DEIB steering
group, committee structure,
communication plan and
technical infrastructure/support



DEIB Committee

The Fairfield DEIB Committee is comprised of a diverse group of members, representing cross-company, cross-title, multi-departmental teams. At any given time, at least one seat on the committee is reserved for each of the following Fairfield departments:

- Fairfield Management Committee
- Human Resources
- Property Management
- Development and Construction
- Construction Management
- Accounting
- Training and Development

In addition to regular daily commitments at Fairfield, all committee members are expected to contribute:

- Regular meeting attendance
- Timely response to requests for information or assistance
- Subject matter expertise in support of the committee efforts
- Research or written guidance regarding staff training, policy, and program updates
- DEIB Change ambassadorship throughout the company
- Subcommittee and/or project leadership and participation as needed

Diversity, Equity, Inclusion, & Belonging.



DEIB Trainings in 2022

We conducted two mandatory DEIB trainings and 12 elective DEIB courses through The HUB. We also launched an internal DEIB awareness email campaign, promoting training courses to all associates and featured it in our internal publication, “The INSIDER.” Additionally, in March 2022, we hosted a Women in Leadership Panel with a Lunch and Learn event in alignment with International Women in Leadership Day.

Equipping our associates with DEIB educational resources fosters understanding and acceptance within our organization, creating a more inclusive and welcoming environment.



2022 Women in Leadership panel

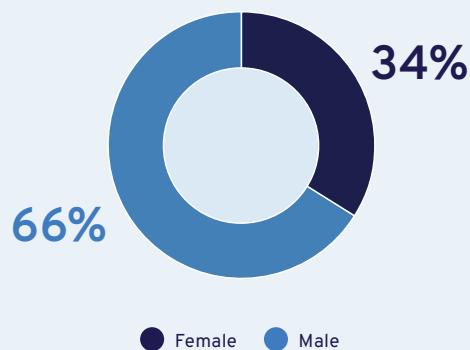


Workforce Diversity

We pride ourselves on attracting and developing a diverse workforce. We currently track diversity in senior management and associate levels by gender, race/ethnic group, and generational group.

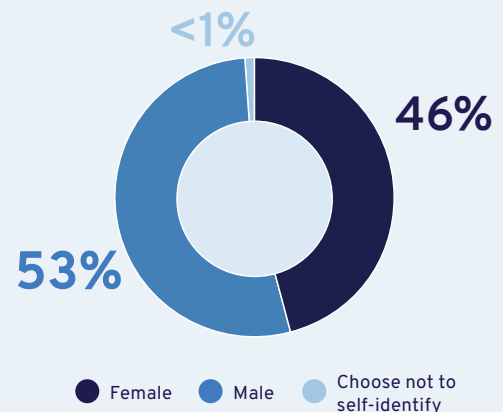
SENIOR MANAGEMENT REPRESENTATION

Defined as Senior Vice Presidents and above



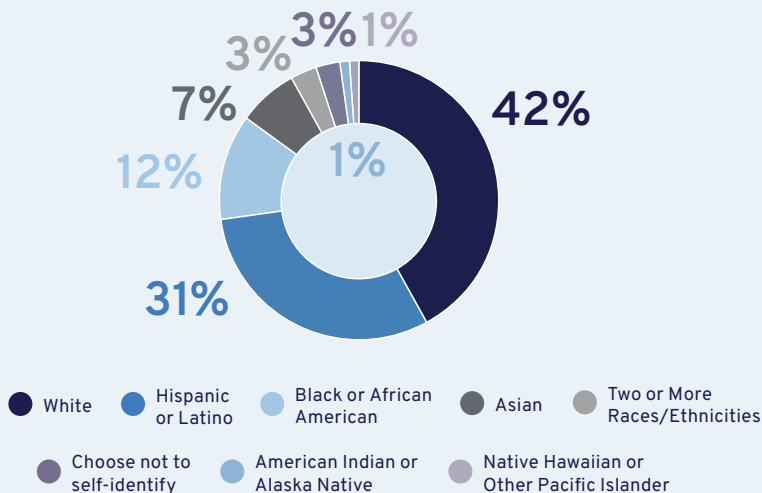
GENDER REPRESENTATION

Defined as all associates



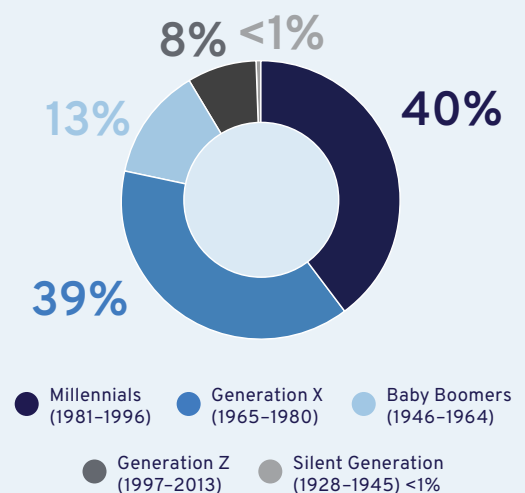
RACE/ETHNICITY REPRESENTATION

Defined as all associates



GENERATIONAL REPRESENTATION

Defined as all associates



Associate Recognition.



Fairfield recognizes the importance of fostering a culture that cultivates strong and enduring relationships with our associates, as it plays a vital role in our long-term success. Central to supporting an associate-driven culture is providing opportunities for associate and team recognition.



Fairfield values the contributions of its associates and demonstrates appreciation through the company-wide recognition program called Fairfield Honors, which recognizes associates from our on-site, construction, or corporate teams based on two criteria. The first program, is based on peer recognition and is encouraged across six categories.



The **Better Living** award is the highest recognition given to an associate who consistently embodies our core values, displays integrity, and drives exceptional productivity and performance.



The **Cornerstone** award recognizes associates who are unsung heroes playing vital roles in Fairfield's behind-the-scenes operations and going above and beyond to ensure smooth execution of projects and initiatives.



The **Visionary** award recognizes individuals who consistently contribute improvements, while working towards department, property, and company goals with integrity.



The **Champion Spirit** award is given to associates who demonstrate exceptional collaboration, accountability, and communication.



The **Rock Star Attitude** award is given to the exceptional associate who brings joy, positivity, and enthusiasm to their work.



The **Humanitarian** award recognizes individuals who actively engage in Fairfield's Diversity DEIB and ESG initiatives, strengthening Fairfield's company culture through their participation in extra-curricular activities.



Our second program of recognition applies to our onsite teams who are eligible for rewards when they surpass performance metrics in areas such as profit and loss, occupancy, resident delinquency, bad debt management, brand reputation, and service scores.

The Fairfield Honors program is evaluated and celebrated twice a year, involving corporate and regional offices and property onsite teams in each region. The events provide opportunities for associates to connect, foster teamwork, and celebrate achievements.



In 2022,

2.5K+

associates nominated and acknowledged

750+

recipients received awards



Community Partnerships.

Community engagement allows Fairfield to address social issues, promote inclusivity, and support local initiatives that align with our ESG goals. By actively engaging with our communities we can foster positive relationships, understand local needs and concerns, and contribute to the well-being of residents.



Public Enhancements

We actively engage with local and regional organizations to provide a range of community engagement services and activities that enhance the well-being of our residents and the surrounding communities. Through partnerships and direct enhancements to public spaces, we create meaningful and impactful experiences. For instance, we have implemented programs like the Auburn Court Walking Path, a scenic pathway equipped with exercise stations to promote physical and mental wellness, and Embark's Inspiration Plaza, which showcases a captivating public art installation. In addition, we support employment initiatives such as our collaboration with Circa Diversity Jobs, facilitating DEIB-focused job fairs in the local area.



Charitable Activities

Our commitment to community extends to charitable activities like beach clean-ups, food drives, and volunteering with senior groups. We also build partnerships with organizations like CIRC, a non-profit dedicated to providing seniors with social services, housing assistance, and medical appointments. Through these partnerships, community residents gain access to health screenings, counseling services, exercise classes, and educational programs, fostering holistic well-being and a sense of belonging.





Job Development



In the Washington DC Metro area, we have partnered with Urban Alliance for the past two school seasons, hosting high school seniors as interns in our apartment communities. Through skills training and mentoring, our goal is to connect these students to rewarding careers in property management. In the 2021–2022 school year, we provided two intern positions.

One position focused on office operations and problem-solving skills development, while the other focused on building infrastructure operations. We are excited about the potential for permanent employment for these interns as they pursue their careers in property management.



Volunteering & Philanthropy.





Volunteering and philanthropy play an important role in Fairfield's commitment to making a positive impact in the communities we serve.

Through our dedicated efforts, we aim to contribute to the well-being of others, foster a sense of unity, and create positive change that benefits individuals and the broader society. Associates are encouraged to support causes that they are passionate about when using their company awarded volunteer hours.

520+

Total volunteer hours used in 2022

PREA Foundation Support



Fairfield is a "Founding Benefactor" of the PREA Foundation. The PREA Foundation supports advancing diversity and inclusion initiatives in the real estate industry.





Environmental.



BLOCK 334, HOUSTON, TX

Environmental Due Diligence.

Fairfield incorporates environmental initiatives into our communities to support our ESG objectives and enhance the resident living experience. By prioritizing environmental performance we not only enhance new acquisitions, but also develop efficient multifamily communities.



New Acquisitions

Our acquisitions due diligence team conducts a comprehensive assessment of the entire property to identify potential areas for reducing utility costs and improving asset performance. This thorough examination, coupled with consideration of local regulations and lender requirements, allows us to develop actionable plans aligned with our business and ESG objectives early in the process, and lead to both landlord savings and resident savings.

During the due diligence phase, our due diligence team evaluates the condition of building systems impacting owner and tenant utilities expenses such as:

- LED lighting
- In-unit ENERGY STAR appliance packages
- Water efficiency standards of plumbing fixtures
- HVAC and mechanical system performance
- Renewable energy opportunities

Insights gained from this assessment inform the community's renovation budget, enabling us to upgrade and enhance facilities, reduce utility costs, and create enriched living spaces. Once acquired, property utility performance, effectiveness of retrofits, availability of rebates, green building certifications and loan compliance are tracked via a portfolio-wide software and scorecard system. Furthermore, our maintenance and construction management teams conduct annual community walks to ensure compliance with Fairfield standards for both physical features and operational processes.





New Development

At Fairfield, we take pride in creating communities that contribute positively to their market and surrounding areas and living experiences. When developing a new community, we consider and coordinate various factors to ensure its success.

HIGHLIGHT

Living Green®

Through annual performance inspections, we leverage Living Green, our proprietary program for community-level environmental stewardship. This program provides guidance on best practices and serves as an internal benchmarking tool for evaluating environmental practices and attributes. Property management teams annually submit a Living Green checklist to confirm compliance with our standards, and monthly community evaluations are encouraged to ensure equipment and procedures operate as intended.

One crucial aspect is site location, whether infill, suburban, or other type. The location determines the scope and type of product we build. We prefer sites with favorable Walk Scores® which indicates the presence of secure pedestrian infrastructure, convenient access to mass transit, proximity to essential services, recreation, social amenities, and other resources that contribute to a vibrant and fulfilling lifestyle.

New Construction and
New Construction Pipeline Properties

77%

>50 Walk
Score®

Somewhat
Walkable

53%

>70 Walk
Score

Very Walkable

15%

>90 Walk
Score

Walker's
Paradise

In designing our communities, Fairfield adheres to high standards. We prioritize acoustic performance, use low-VOC materials, install low-flush toilets, incorporate native plants, implement low-flow irrigation systems, and include EV charging infrastructure. As of the end of 2022, all new developments feature a minimum of 10 EV charging units, reflecting our commitment to meet the expected growth in electric vehicle demand.

Moreover, we focus on building for future demand and aligning with ESG guidelines whenever possible, including partnering with green consultants to ensure our developments meet sustainability goals.

Environmental Initiatives.



Energy Efficiency and GHG Emissions

Fairfield is committed to energy efficiency and sustainability in our communities. We undertake energy efficiency and energy generation projects that result in significant reductions in usage and expenses, while also reducing our communities' reliance on greenhouse gas-emitting fuels.

To achieve these goals, we prioritize energy-saving measures across our portfolio. This includes installing LED lighting and ENERGY STAR appliances, which contribute to lower energy consumption. Additionally, we incorporate occupancy sensors to automatically turn off lights in unoccupied spaces and utilize photocells to control exterior lighting, minimizing energy waste and unnecessary expenses. By implementing these enhancements, our residents directly benefit from reduced utility expenses and improved energy performance within their living spaces and the community. Our focus on energy efficiency not only reduces costs but also creates a more sustainable community for our residents.



Water Efficiency

Fairfield prioritizes water conservation and efficiency across our entire portfolio, particularly in regions affected by drought. We implement various strategies to promote water conservation both at the individual unit level and throughout the entire community.

In residential units, we install high-efficiency plumbing fixtures and low-flow aerators to minimize water usage. Additionally, we utilize monitoring equipment to promptly detect and address any leaks, ensuring efficient water management. To further enhance water efficiency in our communities, Fairfield incorporates xeriscaping and utilizes drought-tolerant native plants, along with other water-efficient design practices. We also employ advanced irrigation management systems and services, such as hydrometers, to optimize irrigation and minimize water waste, while maintaining an attractive and sustainable community.



Waste Management

At Fairfield, we take proactive steps to improve waste reduction and environmental stewardship. Beyond basic waste management, we actively promote the principles of reusing, reducing, and recycling throughout our organization. Both our associates and residents are encouraged to participate in sustainable waste practices, enabling us to minimize our environmental impact.

In our offices and communities, we have implemented comprehensive recycling programs that encompass a wide range of materials, including paper products, plastics, batteries, and e-waste. These programs help divert recyclable materials from landfills, allowing them to be repurposed in manufacturing processes. To further minimize waste, we encourage our associates to use reusable drinkware in our corporate offices, reducing the consumption of single-use disposable cups. Moreover, we prioritize the use of compostable utensils and previously recycled paper products, ensuring that our choices align with our commitment to sustainability.



Utility Data Management

Fairfield takes a proactive approach to utility data management by diligently collecting various utility metrics, including electric, gas, water, sewer, trash, recycling, and even organic/composting data when available. We go beyond municipal mandates or lender obligations, recognizing the value of high-quality utility data in making informed operational decisions. By leveraging this data, we can reduce consumption, enhance resident experiences, and minimize the environmental impact of our communities and organizational activities. Strong data management guides our operations, demonstrating our commitment to making a positive difference in utility usage within our communities.

Collecting utility data is just the first step; turning it into actionable insights is crucial. Fairfield employs multiple systems and methodologies to visualize and analyze the data we gather. This enables us to identify anomalies in expenses and usage, as well as detect errors made by utility providers. With these capabilities, we fulfill our responsibilities to our stakeholders.



Improving Building Longevity & Elevating Resident Experience.

Renovation of Auburn Court Senior Affordable Apartments.

Fairfield's acquisition, resyndication, and renovation of Auburn Court Senior Affordable Apartments in Auburn, Washington exemplifies our mission of Creating Better Living for Better Lives. This 61 and over senior affordable housing community consists of three buildings and 296 units.

Since acquiring Auburn Court in late 2019, Fairfield has undertaken several projects aimed at improving energy efficiency, promoting resource conservation, and enhancing resident comfort. The following list of improvements not only met but exceeded the requirements set by the city and resyndication guidelines of King County.



Improved energy efficiency:

- Installed low-flow water-conserving fixtures.
- Upgraded all common areas and units to energy-efficient LED lighting.
- Installed 96 solar panels to power common-area lighting, resulting in a 60% reduction in electric consumption and expenses in 2022.
- Replaced in-unit appliances with ENERGY STAR-certified models.
- Increased attic insulation.
- Upgraded boilers to more energy-efficient options and incorporated boiler loops for enhanced performance.

Improved HVAC and mechanical system performance:

- Improved HVAC systems by sealing existing ducting and adding air conditioning to community rooms and offices.
- Enhanced air sealing in common areas and units by sealing gaps in wall outlets, baseboards, and windows.
- Addressed dry rot issues across the community's exterior, improving unit heating/cooling efficiency, and addressing potential mold concerns while reinforcing structural support.

Supported EV vehicle usage:

- Installed eight EV charging ports.

Upgrades materials and finishes:

- Installed a new roof using ENERGY STAR Certified highly reflective, cool roof shingles.



Enhanced resident accessibility and amenities:

- Introduced a new fitness room equipped with stationary bikes, treadmills, a yoga platform, and free weights to promote resident wellness.
- Created a fitness trail and provided lockable bike racks.
- Installed automatic door openers, remodeled courtyards, and addressed trip hazards.
- Upgraded every unit with allergen-friendly and more durable wood-style vinyl plank flooring, kitchen cabinets, and plumbing fixtures.
- Set up a BBQ station.
- Established bus transportation to local grocers, pharmacies, religious sites, medical and dental offices, and more.

Fairfield enhanced the community with resident amenities promoting healthy living and community engagement. Each building now features community gardens, with a raffle system to allocate garden space. Residents even built and maintain a fourth, unplanned community garden that stems from the newly constructed fitness trail encircling the community. This fitness trail also includes recommended outdoor exercises along the path. These new features encourage our residents to spend more active time outdoors and foster a greater sense of community. In addition, the Auburn Court food pantry continues to provide residents with donated food items from local stores and charities.



CLICK TO WATCH OUR VIDEO*



Steadfast Partnership Enhances Community.

New Development: The Seaton Apartments at Mission Bay.

When developing The Seaton Apartments in San Diego, Fairfield prioritized building a strong partnership with the local community and city to align with their vision for engaged and inclusive communities that enhance the well-being of people and the environment, and add value to the area. Fairfield incorporated key elements into the development that resulted in environmental improvements, enhanced pedestrian access, and land security for the whole neighborhood. Notably, we installed an onsite solar system ahead of regulatory requirements, integrated EV charging infrastructure and charging stations, and constructed a new public sidewalk along a high-traffic road, improving safety and accessibility to a nearby bus stop. Additionally, a retaining wall was built to stabilize a hillside that posed potential hazards to the residential road above, and stormwater runoff infrastructure was implemented to address flooding concerns. These measures not only fortified the area but also enhanced the site's resilience.

Throughout a rigorous 7-year land entitlement and construction process, Fairfield respected the considerations of the local community and ensured that the final development was acceptable to all parties involved. Despite a change in city council





members advocating for higher density in this coastal community with close proximity to Mission Bay, we remained steadfast in honoring existing agreements, strictly adhering to the previously established height limit and density threshold. This unwavering commitment demonstrated Fairfield's dedication to the community and its promises.

The Seaton development project received praise from the San Diego City Council for our commitment to partnership and alignment with the community. As of December 31, 2022, the three-story, 150-unit Seaton Apartments community is 96% occupied and has been widely recognized as an enhancement to the surrounding area. Fairfield takes great pride in sharing the success story of The Seaton as a testament to its unwavering commitment to collaboration and community-driven development.



The Seaton development project received praise from the San Diego City Council for our commitment to partnership and alignment with the community.



Environmental Progress.



Certified Properties*

PROPERTY	LOCATION	CERTIFICATION
The Montgomery	Bethesda, MD	LEED O+M: Existing Building
Ascent at CityCentre	Houston, TX	LEED BD+C Silver (awarded 2017)
Fenwick	Silver Spring, MD	LEED BD+C Gold (awarded 2014)
The Bradley Braddock Road Station	Alexandria, VA	LEED BD+C Certified (awarded 2015)
Venue Apartments	San Jose, CA	LEED BD+C Gold (awarded 2015)
Verdant	San Jose, CA	LEED BD+C Gold (awarded 2014)
Atley on the Greenway	Ashburn, VA	Virident EarthCraft Multifamily Certified
Terrena	Northridge, CA	Green Globes, 3 Globes

HIGHLIGHT



FAIRFIELD HEADQUARTERS, SAN DIEGO, CA



Fairfield's corporate offices in San Diego, California are LEED Gold certified.

- 2 EV charging stations
- State-of-the-art fitness center
- Conference and training spaces
- Multiple outdoor, collaborative meeting areas
- Access to local and regional transportation arteries
- Sorrento Court shopping center and food court

*Please contact Fairfield for a full list of property certifications at FairfieldESG@ffres.com.

Sustainability Attributes

In 2022, we conducted a sustainability attributes survey, asking all operating properties to share data about a variety of environmentally sustainable features and amenities. With a response rate of 100%, the results shown here represent our portfolio of properties as of July 2022.

76%

of properties have ENERGY STAR® certified appliance

94%

of properties have LED lights in some capacity

26%

of properties have EV charging stations

56%

of properties are considered walkable or very walkable with a Walk Score® of 50+

74%

of properties have water efficient toilets

66%

of properties have at least 50% water-efficient bathroom faucets

83%

of properties have an above average livability score*

69%

of properties have native or drought-resistant landscaping

ALTITUDE PHASE II, SOUTH SAN FRANCISCO, CA

*AARP livability index score of >51%



Governance.



THE MOXLEY, FAIRFAX, VA

ESG Committee.



Established in 2022, our ESG Committee brings together cross-functional leaders from property management, asset management, portfolio management, and compliance, who report directly to the ESG Executive Committee. This diverse composition ensures cohesive alignment across the business as we develop and implement our ESG strategies and goals. Chaired by the Executive Vice President of Portfolio Management, the ESG Committee meets weekly to drive progress and excellence in our ESG program.

Our ESG Committee:

- Assesses the company's existing ESG approach and prioritizes key environmental, social, and governance considerations.
- Collaborates with the ESG Executive Committee to integrate ESG issues into our culture and core business strategy.
- Identifies reporting best practices, monitors progress, and establishes benchmarks.
- Communicates ESG recommendations to the ESG Executive Committee on a quarterly basis or as needed.
- Reviews the ESG Policy annually and proposes changes to the ESG Executive Committee for review.

ESG EXECUTIVE COMMITTEE

ESG COMMITTEE

CHAIRIED BY EXECUTIVE VP OF PORTFOLIO MANAGEMENT

PROPERTY MANAGEMENT, ASSET MANAGEMENT,
PORTFOLIO MANAGEMENT, AND COMPLIANCE

ESG Framework.

Our ESG framework serves as the cornerstone of our sustainability initiatives, providing a foundation for us to establish clear objectives, effectively track and evaluate our actions, and demonstrate our commitment to ESG considerations. Our approach creates a holistic and comprehensive ESG policy that encompasses all areas of our investment and real estate operating company.



Corporate Leadership

This encompasses Fairfield's strategy for setting ESG responsibilities, overseeing the evolution of the ESG policy and providing internal and external ESG leadership.



Investment Management

As part of our fiduciary responsibility, Fairfield incorporates ESG considerations into our investment decision making process. This includes assessment of ESG risks and opportunities during the underwriting process and throughout the lifetime of the investment.

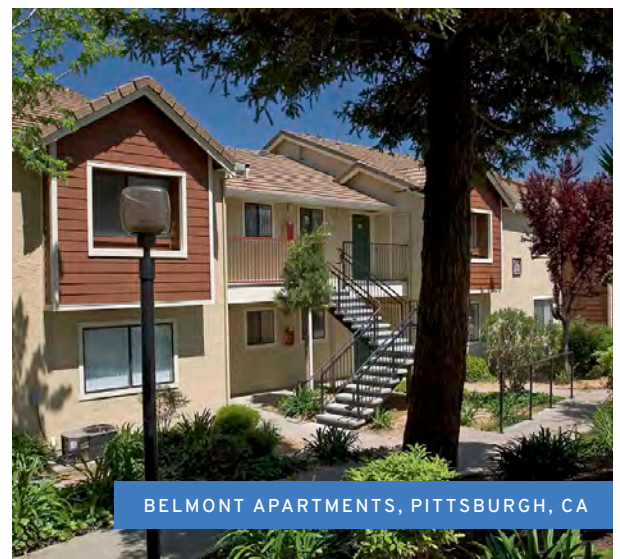


Enhanced Operations

ESG considerations are integrated into our real estate operations with a community focus. We seek to reduce our environmental impact by managing climate risks, fostering community resilience, and improving sustainability processes. These practices aim to reduce costs and provide high quality communities for our diverse resident base.



THE JAMES, SAN JOSE, CA



BELMONT APARTMENTS, PITTSBURGH, CA

Risk Management.



Fairfield adheres to established corporate governance practices, diligently executes our methodology, and tracks our progress to maintain our status as a trusted business partner. Risk management is embedded within our disciplined approach. While environmental and social factors have long been integral to our risk assessment, we are committed to further enhancing our ESG program by formalizing procedures to ensure consistent reporting and maintain data integrity.

In 2022, in collaboration with our ESG Consultant, Verdani Partners, we strengthened our commitments by updating three key ESG policies. These updates focused on areas such as green leases, energy procurement, and we prepared a Green Office Guide, further solidifying our dedication to these important aspects.

Corporate Compliance

Fairfield upholds a comprehensive approach to corporate compliance, fostering consistency throughout our organization. Our Code of Business Conduct and Ethics serves as a fundamental pillar, setting the standards and expectations for all associates. It is complemented by the Associate Handbook, a valuable resource accessible to all associates and introduced during onboarding training. Annually, associates certify their adherence to both the Associate Handbook and Code of Business

Conduct and Ethic (The Code). For our registered investment advisor (RIA) activities, supervised individuals additionally certify compliance with the Regulatory Compliance Manual, which outlines specific policies and procedures.

We prioritize training on anti-corruption and business ethics, requiring associates to complete annual Anti-bribery and Corruption or Bribery Awareness training, tailored to their roles. To ensure compliance, all contributions or donations made by Fairfield undergo a review and approval processes. Should any concerns arise, associates have established channels to escalate issues, including alerting compliance, using our HR-reporting hotline, or utilizing our Ethics Hotline. Moreover, Fairfield implements a rigorous qualification process for vendors and subcontractors, ensuring their compliance and alignment with our standards.

Regulatory Compliance

At Fairfield, transparency and accountability are rooted in our approach, spanning our work, partnerships, and role as a registered investment advisor (RIA). Our Chief Compliance Officer collaborates closely with our internal partners to safeguard our operations and communities while adhering to regulatory and investor obligations.* We conduct regular compliance audits for all communities, prioritize comprehensive insurance coverage for associates, workers, and communities, and champion corporate compliance throughout the organization.



CODE OF BUSINESS CONDUCT AND ETHICS
(for all associates)

Serves as a fundamental pillar, setting the standards and expectations for all associates.

ASSOCIATE HANDBOOK
(for all associates)

Valuable resource accessible to all associates and introduced during onboarding training. Annually, associates certify their adherence to the Associate Handbook.

REGULATORY COMPLIANCE MANUAL
(for supervised individuals)

Outlines specific policies and procedures to comply with relevant Securities and Exchange Commission regulations.

*Registration as an investment adviser does not imply a given level of skill or training, nor approval of investment activities by any regulator. In addition, not all properties are managed through the investment adviser, this only applies to assets held by private funds in a manner that they are deemed to be securities.

Insurance and Risk Management

Fairfield maintains a robust insurance program that effectively mitigates risks within our organization. Comprehensive insurance coverage is a key risk-management strategy applied across our portfolio to transfer potential liabilities. In addition to meeting lender and investor requirements, we conduct thorough assessments of operational hazards to determine the appropriate level of coverage necessary to safeguard our business.

Audits and Operational Compliance

Fairfield conducts community-level audits to ensure compliance and optimize performance. For new acquisitions, a comprehensive rent roll is performed to enhance our understanding of the community and its market position. Approximately twelve months after acquiring a community, a thorough financial audit is conducted, followed by regular 18-month financial audits. Annual property walks are also carried out to, maintain our standards, and provide a safe working environment. These compliance-focused walks, separate from maintenance supervisors' inspections, verify the accuracy of vacant apartment units, assess operations and training, ensure orderly service maintenance areas, and confirm adherence to safety and operational protocols. Initial audits also inform our team about the community's risk profile.

Affordable Housing Compliance

To maintain compliance with federal, state, and local affordable housing regulations, Fairfield has established a dedicated in-house compliance team. Comprised of 16 professionals with an average experience of 12.5 years, this team operates within our property management group to ensure that all our communities adhere to the required affordability restrictions. By centralizing this expertise within Fairfield, we can develop standardized reporting and streamlined processes for these regulated programs. This strategic approach not only ensures compliance but also provides us with a competitive edge in the market.



Cybersecurity.

At Fairfield, we take a proactive approach to managing cyber threats, recognizing the importance of reporting on cyber risk and our cybersecurity measures as an indicator of overall corporate behavior and resilience. As remote work has increased, we have continued to invest in cybersecurity and maintained cyber insurance for over a decade to protect company and customer data and communications.

To ensure compliance and promote a culture of cybersecurity awareness and preparedness, Fairfield has adopted the NIST CIF framework and the CIS Controls. These frameworks guide our continuous training and awareness programs, integrating cybersecurity into our processes. We partner with cloud security specialists, conduct monthly phishing programs, and associate trainings, and employ third-

party risk management to protect our systems, data, and stakeholders' interests. These initiatives promote vigilance, help identify potential gaps, and enhance our overall security.

In 2022, Fairfield took significant steps to enhance our cybersecurity program. We conducted a tabletop simulation of a cybersecurity threat, which led to the implementation of new security controls for incident response and recovery. Additionally, we adopted the OneTrust platform to comply with the California Consumer Privacy Act and improve data privacy practices. Furthermore, we upgraded our password policy, increasing password length requirements and rotation frequency. These measures reinforce our commitment to cybersecurity and strengthen our position as a trusted partner.

Adhere to Standard Frameworks

- NIST CIF
- CIS Controls
 - Cybersecurity integration
 - Guidance
 - Training

Strong Third-party Partners

- Cloud security tools
 - Detect-respond-recover
 - Risk assessments
 - Routine penetration testing
 - Monthly vulnerable scans
- Risk management
 - Business process impact
 - Vendor insurance

Routine Phishing Testing

Annual Cyber Training for all associates

Implemented OneTrust in 2022 for sensitive data management

Industry Partnerships.



With over 144 communities with ENERGY STAR profiles, Fairfield is an active Energy Star Partner. Our goal is to benchmark all operational assets on Portfolio Manager, monitor their performance via the ENERGY STAR score and certify eligible communities.



2022 marks the inaugural year of participation in the annual GRESB® Real Estate Assessment for Fairfield. GRESB is an industry-driven organization committed to assessing the sustainability performance of real estate portfolios around the globe. Fairfield committed to submitting information to GRESB for our CalSTRS joint ventures.



Orange Grove Consulting is a Diversity Equity and Inclusion consultancy. They support the Fairfield DEIB Committee in operationalizing our inclusion efforts with strategies grounded in data and research.



In 2022, Fairfield engaged Verdani Partners to assist with the development and implementation of the firm's ESG programs. Partnering with Verdani allows Fairfield to leverage the consulting firm's wide range of professionals and expertise including sustainable real estate experts, technical engineers, and certifications specialists.



In 2022 Fairfield began a partnership with WatchWire. Leveraging their utility data analytics platform will enable more efficient utility benchmarking, reporting, and tracking of our buildings' utility performance. We expect integration to be complete in 2023.

Industry Leadership.



Fairfield is a Silver Founding Member of the Multifamily Impact Council. The Council is a collection of multifamily housing leaders working to establish multifamily impact investments as a separate, widely accepted, and credible real estate asset class that increases the flow of capital and gives investors comfort that impact investments made are consistent with rigorous and transparent industry standards and principles.



Fairfield is on the Multifamily Leadership Board of NAHB. NAHB is a network of residential building designers and builders. It provides guidance to its members through education, networking, and advocacy.



Fairfield is an Executive Committee Member of the National Multifamily Housing Council, a forum for insight, advocacy, and action for leaders in the apartment industry. Additionally, Fairfield has representatives on the Advisory, Emerging Leaders, and Finance Committees at NMHC.



Fairfield is a PREA Foundation Founding Benefactor and has associates sitting on the Diversity, Capital Markets, Development, and Reporting & Valuations groups. PREA is a non-profit trade association for the global real estate industry with over 700 members. Their mission is to serve its members through the sponsorship of objective forums for education, research initiatives, membership interaction and the exchange of information.



Fairfield's SVP – Head of Project Finance, sits on the Real Estate and Development Advisory Board at UC San Diego, providing guidance and helping to shape future real estate professionals.



Fairfield is a founding sponsor with representation on the Multifamily, Transit Oriented Development, Affordable Housing, and Greenbuild Committees of the San Diego Urban Land Institute Greenprint Center for Building Performance, a dedicated center of research and programming at the Urban Land Institute. Fairfield is part of a worldwide alliance of real estate owners, investors, financial institutions, and other industry stakeholders committed to reducing carbon emissions across the global property industry.



Reporting & Disclosures.



808 WEST APARTMENTS, SAN JOSE, CA

About this Report.

This inaugural ESG report reflects the progress of our ESG program and demonstrates our long-term commitment to ESG principles and values. We prepared this report with the intention of providing value to our stakeholders, showcasing transparency, and upholding accountability. This encompasses a comprehensive overview of our sustainability initiatives, progress, and accomplishments. The information presented throughout the report focuses on topics that are pertinent to our diverse stakeholder groups, including investors, residents, partners, management,

associates, vendors, and communities. Quantitative information regarding environmental and social metrics pertains to the 2022 calendar year, while any qualitative information explicitly indicates its timeframe as before January 1, 2022, or after December 31, 2022. The content of this report adheres to the Global Reporting Initiative (GRI®) 2021 Standards. All figures and data represent the status as of December 31, 2022, unless otherwise specified.

For more information about Fairfield's ESG program and initiatives, please contact FairfieldESG@ffres.com



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GRI Content Index.

The Global Reporting Initiative (GRI) is a widely adopted set of global reporting standards for private entities, including the world's largest 250 corporations, to report on their environmental, social and governance (ESG) policies and activities. The GRI Standards are developed by the Global Sustainability Standards Board (GSSB), an international multi-stakeholder member-led non-profit. GRI provides reporting principles, disclosures and guidance for organizations to report on their activities within a given reporting period. With GRI Standards, organizations can consistently report on their ESG activities for diverse stakeholder groups to publicly access.

This report references the Standard Disclosures from the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Below are the corresponding GRI Content Index based on the G2021 indicators. This report contains material that references GRI 1: Foundation 2021.

Statement of Use: Fairfield has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE	PAGE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	6	Company Profile
	2-2 Entities included in the organization's sustainability reporting	64	About This Report
	2-3 Reporting period, frequency and contact point	64	About This Report
	2-6 Activities, value chain and other business relationships	6	Company Profile
		7	Our Company at a Glance
		60	Industry Partnerships
	2-7 Employees	7	Our Company at a Glance
		33	Diversity, Equity, Inclusion, and Belonging
	2-9 Governance structure and composition	2	Letter from the CEO
		33	ESG Committee
		54	ESG Framework
		55	Diversity, Equity, Inclusion, and Belonging
	2-13 Delegation of responsibility for managing impacts	54	ESG Committee
		57	Risk Management
	2-14 Role of the highest governance body in sustainability reporting	54	ESG Committee
	2-22 Statement on sustainable development strategy	9	Advancing Our ESG Program
		11	Materiality

GRI Content Index.

GRI STANDARD	DISCLOSURE	PAGE	LOCATION
GRI 2: General Disclosures 2021	2-23 Policy commitments	55 56-57	ESG Framework Risk Management
	2-24 Embedding policy commitments	56-57	Risk Management
	2-26 Mechanisms for seeking advice and raising concerns	56	Risk Management
	2-27 Compliance with laws and regulations	56-58	Risk Management
	2-28 Membership associations	60 61	Industry Partnerships Industry Leadership
	2-29 Approach to stakeholder engagement	11 30 59 64	Materiality Diversity, Equity, Inclusion, and Belonging Cybersecurity About This Report
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3 11	Letter from Our CEO Materiality
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	56	Risk Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2 44	Letter from the CEO Environmental Initiatives (Water Efficiency)
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	2 45	Letter from the CEO Environmental Initiatives (Waste Management)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	21	Empowering Work Environment (Associate Health and Wellness)
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	58	Risk Management (Insurance and Risk Management)
	403-4 Worker participation, consultation, and communication on occupational health and safety	21 23	Empowering Work Environment (Wellness-related Education and Training and Training & Development)

GRI STANDARD	DISCLOSURE	PAGE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	21 23	Empowering Work Environment (Wellness-related Education and Training and Training & Development)
	403-6 Promotion of worker health	21	Empowering Work Environment (Associate Health and Wellness)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	24	Empowering Work Environment
	404-2 Programs for upgrading employee skills and transition assistance programs	20–28	Empowering Work Environment
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33	Workforce Diversity (metrics)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	36–37	Community Partnerships

Ratings & Recognitions.

PROGRAM NAME	NO. OF ASSETS	NO. OF AWARDS	CERTIFYING BODY	CERTIFICATION PERIOD	FURTHER DETAILS
ENERGY RATINGS					
ENERGY STAR	5	5	U.S. Department of Energy	Certifications are issued on a rolling basis and are valid for one year. Properties must re-certify to maintain certification standing.	Properties must pay certification fees to pursue an ENERGY STAR certification.
ENERGY STAR Disclaimer					
GREEN BUILDING CERTIFICATIONS					
LEED BD+C: Core and Shell			U.S. Green Building Council (USGBC)	Certifications are issued at the time of building development or major renovation and last in perpetuity. Rankings range from Certified to Platinum level for individual properties.	Properties must pay registration and certification fees to pursue LEED certifications.
LEED BD+C: New Construction			U.S. Green Building Council (USGBC)	Certifications are issued at the time of building development or major renovation and last in perpetuity. Rankings range from Certified to Platinum level for individual properties.	Properties must pay registration and certification fees to pursue LEED certifications.
LEED O+M: Existing Building	1		U.S. Green Building Council (USGBC)	Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. Rankings range from Certified to Platinum level for individual properties.	Properties must pay registration and certification fees to pursue LEED certifications.
LEED Disclaimer					

PROGRAM NAME	NO. OF ASSETS	NO. OF AWARDS	CERTIFYING BODY	CERTIFICATION PERIOD	FURTHER DETAILS
Green Globes™	1		United States by the Green Building Initiative (U.S. EPA)	Certifications are issued on a rolling basis and are valid for three years. Properties must re-certify to maintain certification standing. Certification to one of four levels (i.e., 1 to 4 globes) requires achieving minimum thresholds of 1,000 points. This Fairfield property held a valid certification as of date. The property achieved a three Globes ranking.	Properties must pay an assessment fees to pursue Green Globes certifications.
Green Globes Disclaimer					
EarthCraft Multifamily	1		Viridiant (formerly EarthCraft Virginia)	Certifications are issued on a rolling basis and last in perpetuity.	Properties must pay registration and certification fees to pursue EarthCraft Multifamily certification.
EarthCraft Multifamily Disclaimer					
CORPORATE AND PROPERTY RECOGNITIONS					
2022 Top 50 Largest Owners and Managers, National Multifamily Housing Council	Corporate	1	National Multifamily Housing Council	Free ranking by portfolio size.	

Ratings & Recognitions.

PROGRAM NAME	NO. OF ASSETS	NO. OF AWARDS	CERTIFYING BODY	CERTIFICATION PERIOD	FURTHER DETAILS
<p>Fairfield's placement on the National Multifamily Housing Council (NMHC) 2023 rankings "NMHC 50 Largest Apartment Owners" and "Top 50 Largest Apartment Managers" (published as of April 10, 2023, based on Fairfield data from January 1st, 2022 – December 31st, 2022) is not intended to reflect a ranking or approval of Fairfield in any way. NMHC has confirmed Fairfield's inclusion on the "NMHC 50 Largest Apartment Owners" and "Top 50 Largest Apartment Managers" for 2023. However, Fairfield does not review or confirm the information provided to NMHC, nor does Fairfield confirm or review the accuracy of their ranking of Fairfield. "NMHC 50 Largest Apartment Owners" and "Top 50 Largest Apartment Managers" rankings comprises unit counts that are in the United States only. Owners include: Owners (partial or full) of multifamily (defined as five or more units) rental properties, including student housing, independent living and age-restricted housing. In the case of partnerships, joint ventures and investment funds, the owner is the entity – typically the managing general partner – that exercises effective control over the asset. Managers include: a survey of property management, not asset or investment management. Only multifamily (defined as five or more units) rental units (including student housing, independent living and age-restricted housing) for which the Fairfield handles property management tasks – leasing, maintenance, landscaping, etc. – is included. Fairfield is unaware of any factor that could call into question the validity of the ranking or of any unfavorable rankings of Fairfield or its multifamily housing platform. The rating of Fairfield may not be representative of any one client's experience because the rating may not reflect any actual client experience. Source: NMHC (https://www.nmhc.org/research-insight/the-nmhc-50/top-50-lists/2023-top-owners-list/)</p>					
Score of 98 in the 99th Percentile, 2022 Ora® Power Rankings	1	1	Ora Power Rankings	Free online reputation assessment is a monthly, independent ranking of apartment properties and management companies providing Multifamily Reputation Score.	
<p>Fairfield's placement on the ORA Power Rankings "The Top 100 Senior Housing Properties in the Nation 2022" (published December 2022) is not intended to reflect a ranking or approval of Fairfield in any way. To be eligible for the senior housing ranking, a property had to register an ORA score of 95 or higher with a minimum of 20 online reviews on at least two review sites in a calendar year. Fairfield is unaware of any factor that could call into question the validity of the ranking or of any unfavorable rankings of Fairfield or its multifamily housing platform. The rating of Fairfield may not be representative of any one client's experience because the rating may not reflect any actual client experience. Source: J Turner Research Ora Power Rankings (https://www.jturnerresearch.com/ora/online-reputation-rankings/senior-housing-2022)</p>					
2022 Community of the Year recipients in the Affordable category by Washington Multi-family Housing Association	1	1	Washington Multi-family Housing Association	Washington State rental housing industry awards program presented on an annual basis.	Properties must pay registration fee.

* as of December 31, 2022

** All properties included in this list held valid certifications as of December 31, 2022

PROGRAM NAME	NO. OF ASSETS	NO. OF AWARDS	CERTIFYING BODY	CERTIFICATION PERIOD	FURTHER DETAILS
<p>Fairfield's placement on the Washington Multi-family Housing Association (WMFHA) "2022 Western Washington Emerald Award Finalists, Community of the Year Affordable" (published November 29, 2021) is not intended to reflect a ranking or approval of Fairfield in any way. Impartial judges and panels evaluate submissions. Judges are selected from within and outside Washington and within and outside the property management industry. Finalists in each category are determined based on the scores of the Nominator and Nominee packets and/or shops and interviews. Those finalists proceed onto a panel interview. Fairfield is unaware of any factor that could call into question the validity of the ranking or of any unfavorable rankings of Fairfield or its multifamily housing platform. The rating of Fairfield may not be representative of any one client's experience because the rating may not reflect any actual client experience. Source: Washington Multi-family Housing Association (https://www.wmfha.org/news/2022-emerald-award-finalists-western-washington)</p>					
2022 Best of Stafford Awards – Local Business	1	1	Best of Stafford Awards	Northern Virginia business community awards.	No fee to register, only a fee to pay for signage once awarded.
<p>Fairfield's placement on the 2022 Best of Stafford Awards (Local Business Category for Lakeland Estates Apartments) (published November 29, 2021) is not intended to reflect a ranking or approval of Fairfield in any way. The Stafford Award Program is an annual awards program honoring the of local businesses throughout the Stafford, TX area. Recognition is given to those companies that have shown the ability to use their best practices and implemented programs to generate competitive advantages and long-term value. The Stafford Award Program supports and offers public recognition of the contributions of businesses and organizations in and around Stafford, TX. Fairfield is unaware of any factor that could call into question the validity of the ranking or of any unfavorable rankings of Fairfield or its multifamily housing platform. The rating of Fairfield may not be representative of any one client's experience because the rating may not reflect any actual client experience.</p>					



FAIRFIELD.

CORPORATE OFFICE

5355 Mira Sorrento Place, Suite 100
San Diego, CA 92121
858.457.2123