

Sustainability

Sustainability is not only an environmental and social challenge but a business challenge. As the largest multifamily REIT, sustainability represents an opportunity to have a positive impact across our communities.



Our Approach

Our approach is based on a belief that sustainable solutions must provide benefits to our communities, our environment and our investors at the same time. This win-win approach has helped us identify increasingly meaningful opportunities to have a positive impact on people, planet and profit.

As a multifamily REIT, we understand that by its very nature multifamily living is more sustainable than single-family living. Our investment strategy drives us toward more urban assets which provide more sustainable lifestyles for our residents. But that is only where the story begins. By viewing sustainability as an opportunity, we have taken some of the most sustainable housing in the country and made it more so.

Our focus spans our business. Whether in our existing properties, our acquisitions or our new developments, we continuously seek to seize the full potential that sustainability represents for our company and our industry.

Leadership

At the industry, company and property level, we see sustainability as a way to exercise leadership.

Industry Leadership We chair the NMHC Sustainability Committee, where we help drive the agenda of sustainability forward for the industry.

Sharing Best Practices As frequent speakers and participants at multifamily industry events (such as those sponsored by NMHC, NAA, EPA, and Fannie Mae), we share many of our best practices and help inform policy development.



Integrating Sustainability into our Business Each of our senior executives incorporates sustainability into the annual goals by which they are evaluated and compensated.



Areas of Impact

Early on, we established a blueprint to focus where sustainability was mostly likely to create impact in our business.

Finding ways to drive energy efficiency, water conservation and waste reductions in our apartments, common areas and offices has made them more customer and employee friendly, environmentally conscious and economically efficient for everyone. Here are three examples of specific projects that have created a positive impact:

Energy Efficiency In 2011, Equity executed solid state lighting projects at 25 properties in our portfolio. In addition to reducing our carbon footprint and saving money, we've received unsolicited positive feedback from our residents on the improvement in light quality.

Water and Energy Efficiency Over the last three years, by working with our local utilities across the country, Equity has added more energy and water-efficient features to over 25,000 of our apartment homes across the country. These measures are saving our residents millions of dollars a year, and came at effectively no cost to Equity.

Water Conservation Over the past three years, Equity has implemented smart irrigation systems at 38 properties on the West Coast. In addition to exceeding our return thresholds, these systems have saved over 168 million gallons of water.

Creating Value for Shareholders

Across our business there are increasing opportunities to apply sustainable thinking to how we do what we do.

Development The development team has expanded its use of energy modeling in an effort to always deliver the most energy-efficient and sustainable property we can. In 2011, Equity's development team received three different green certifications for new multifamily products brought to market: USGBC LEED, NAHB NGBS, Washington State BuiltGreen.

Acquisitions During our underwriting process we are always looking for opportunities to operate a property more efficiently, and energy efficiency is no exception. In the past year, many of our new acquisitions completed energy efficiency projects, immediately improving their long-term returns. As we continue to focus in core markets, understanding how to operate older assets as efficiently as possible will continue to be a source of value.

Operating Portfolio Our operating portfolio is fertile ground for new technologies to improve asset performance. In the past year we began construction on a variety of new energy-related projects, including solar thermal and PV installations in California and cogeneration systems in the Northeast.



Making Operations More Sustainable

Sustainability has operational, customer and environmental benefits at the same time.

	OPERATIONAL	CUSTOMER	ENVIRONMENTAL
Online leasing	Less data for leasing teams	Faster, more flexible self-service	Less paper used
Energy-efficient lighting in apartments	Lights need to be replaced less often	Lower utility bills	Fewer energy-related emissions
LED lighting in lobbies	Less expense, fewer replacements	Better light quality	Fewer energy-related emissions
Utility-sponsored energy and water-efficient upgrades	Product paid for by utility leads to future avoided cost	Lower utility bills	Reductions in water use and energy emissions
Recycling	Can reduce waste expenses for property	Customers appreciate opportunity to recycle	Diversion of waste from landfills

Helping Residents Live Their Values

We have standardized the specifications for the products that go into our apartments that most impact sustainability.

Property Operations

1. Standard carpet used in our portfolio is Green Label Plus certified and 100% recyclable.
2. Standard paint in our apartments is low VOC.
3. HVAC systems receive regularly scheduled maintenance to ensure efficiency.

Development and Rehab

4. Energy Star appliances
5. Energy-efficient lighting
6. Programmable thermostats
7. Energy-efficient showerheads and faucets
8. Dual flush or WaterSense certified toilets

In the past year we have also rolled out partnerships to increase the availability of electric car-charging stations and ZipCars to residents at our properties.

Playing Our Part

There are many win-win ways to help contribute to our communities, the environment and our bottom line. We've got a long way to go, but we're happy to be making progress in an area as important as sustainability. We will continue to focus on continuous improvement in our operations, innovative applications of technology, applying best practices across the company and creating superior resident and employee experiences.