



THE WOLFF COMPANY

— SINCE 1949 —

# 2018 ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT





**FRITZ H. WOLFF**  
EXECUTIVE CHAIRMAN



**JAY PETKUNAS**  
CHIEF EXECUTIVE OFFICER

## LETTER FROM OUR CHIEF EXECUTIVE OFFICE

The Wolff Company is pleased to present our 2018 Environmental, Social and Governance (ESG) Report. Wolff is committed to ESG principles as we endeavor to improve our communities and the way our residents live.

Our ESG program is an organization-wide initiative designed to formalize, document, and develop the environmental and social responsibility activities within the company. While this program continues to evolve, the principles it promotes—sustainability, reducing risk and social responsibility—are values Wolff has maintained since its inception. As part of the program, we documented our current ESG policies and procedures across the organization and identified potential opportunities for growth, providing us with a valuable tool to reaffirm our dedication to these principles and further integrate them throughout our firm.

This updated ESG Report shares the current state of our program, as well as the goals and future initiatives we intend to implement as we strive to continue providing value to our residents, communities and stakeholders.

A handwritten signature in black ink, appearing to read 'F. Wolff', written over a light grey background.

**FRITZ H. WOLFF**

A handwritten signature in black ink, appearing to read 'JPetkunas', written over a light grey background.

**JAY PETKUNAS**



## WHO WE ARE

The Wolff Company is a fully-integrated real estate private equity firm that is focused on the multifamily sector. Since launching its investment management platform, Wolff has raised seven funds, comprised of more than \$4.0 billion in discretionary capital. Now, under the ownership and leadership of its third generation, The Wolff Company is headquartered in Arizona, with five regional offices throughout the United States and more than 160 employees.

Founded in 1949 by Alvin J. Wolff, Sr., the company has built a legacy of integrity and focus on fiduciary responsibility. It is with this legacy that Wolff understands the value of projects that express leadership in connectivity and appropriate place making. We strive to be thoughtful stewards who operate with respect for one another, for our investment partners, and for the communities in which we build.

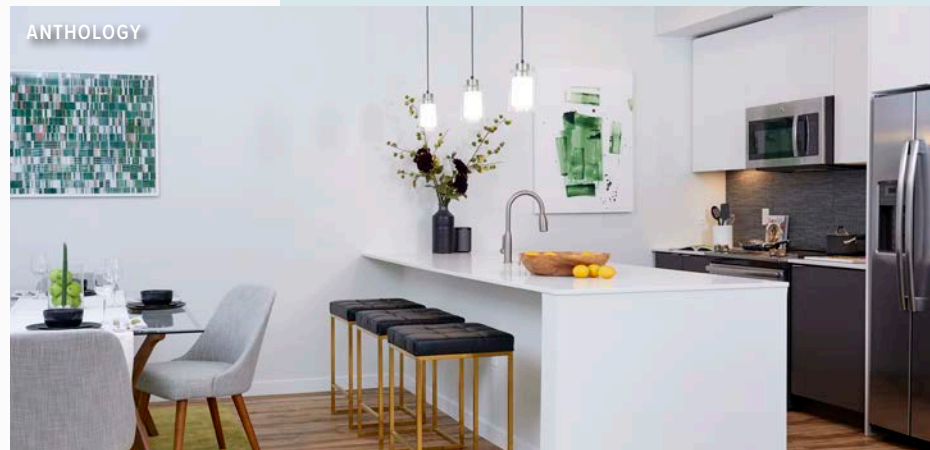
8TH + REPUBLICAN



ELEVATE

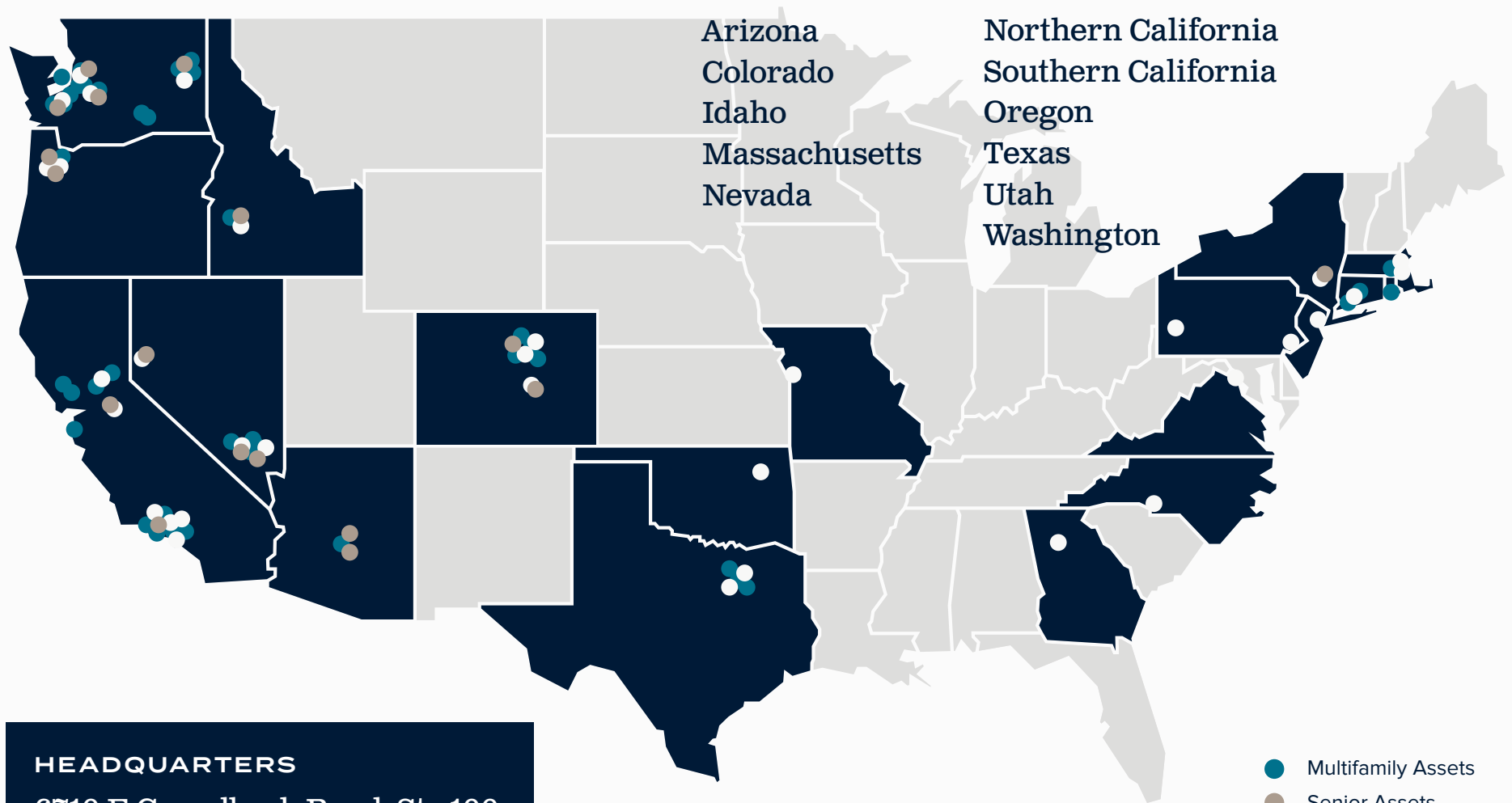


ANTHOLOGY



## OUR INVESTMENTS

Wolff's team maintains local development relationships and focuses on the following markets:





# VISION, MISSION, VALUES

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Since 1949, The Wolff Company has been committed to improving the communities which we build and manage. In 2018, Wolff engaged in a company-wide effort to articulate this commitment by formally defining our Vision, Mission and Values through a series of working sessions in which over 100 team members contributed their input and feedback. Wolff's newly defined commitments and goals show how, through technology-driven innovation, increased economic value and thoughtful social responsibility, we are building a legacy of sustainable developments that honor our commitment to our residents, to our team and to our environment.



## VISION

We will improve millions of lives by fundamentally redefining the residential rental experience.

## MISSION

To be the pioneering, consumer-driven brand that develops, owns and operates the largest profitable portfolio of the most coveted rental communities in North America; and to be the company of choice for the best leaders, team members and partners who are aligned to provide our residents with vastly better life experiences... at far better value.



## VALUES

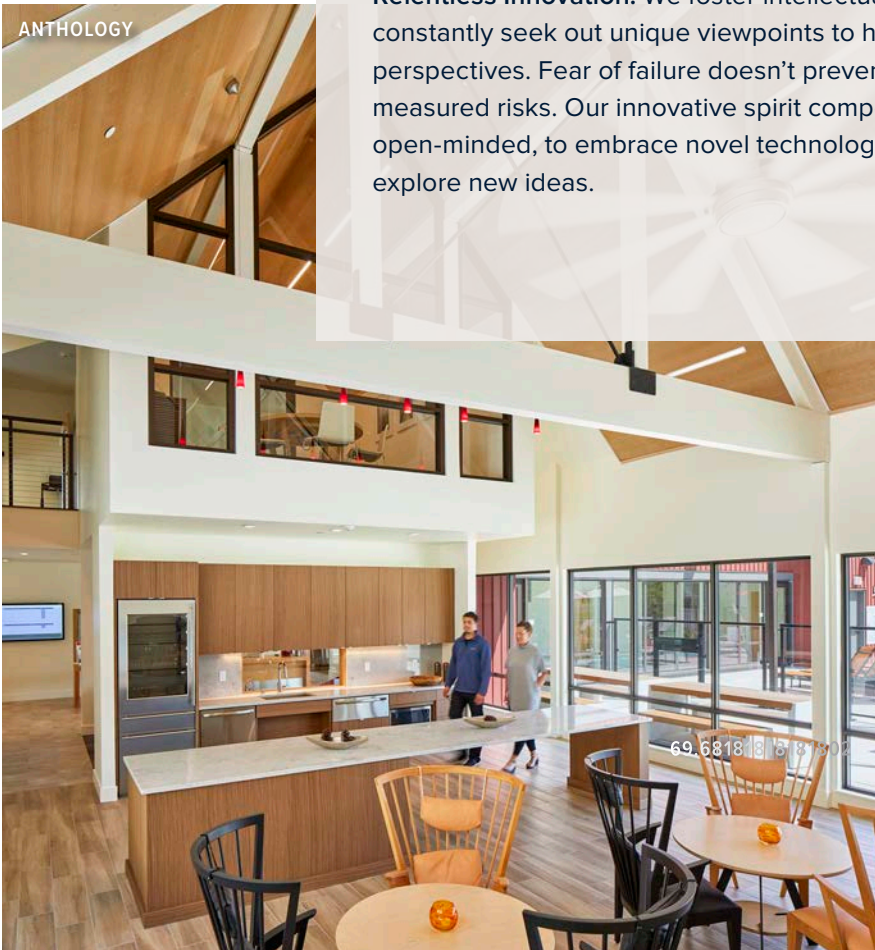
**People First:** We empower people by listening to their ideas and by actively creating opportunities for their growth. We value our team members by embracing their diversity and recognizing their achievements. By treating people on our team like family, we create an environment of loyalty, trust and respect.

**Relentless Innovation:** We foster intellectual curiosity and constantly seek out unique viewpoints to help expand our perspectives. Fear of failure doesn't prevent us from taking measured risks. Our innovative spirit compels us to be open-minded, to embrace novel technologies and to boldly explore new ideas.

**Faithful Stewardship:** We strive to honor our commitments to our residents, our investors, our partners and our team with transparency, authenticity and humility. We are unwavering in our pursuit of the truth and our focus on managing risk. With every new decision, we strive to live up to our generations-long legacy of stewardship.

**Steadfast Execution:** We have uncompromisingly high standards and we hold ourselves personally accountable to execute against them. We are nimble and act decisively to get things done, while we focus on driving efficiency, reducing bureaucracy and removing silos. Execution is our link between aspiration and results.

**Continuous Learning:** We encourage self-driven and apprentice-based learning, while always challenging ourselves to be better. Our team understands that it is ok to make mistakes, but only if we commit to learning from them. We continuously improve by applying what we learn to build and enhance processes critical to our success.





## OUR COMMITMENT TO CORPORATE RESPONSIBILITY

The Wolff Company has specialized in multifamily housing for nearly seven decades and has developed and invested in more than 30,000 apartment units. The collective learning from this experience is reflected in the quality of projects we develop, as well as their environmental and social impact. As a national leader in the institutional multifamily investment industry, we recognize the positive measures we take towards corporate responsibility and establishing and achieving objectives have a significant impact on the natural environment and our relationships with our residents, team members and stakeholders. The decisions we make today will long outlast us; therefore, we build with a social, ecological and economic conscience.



## ESG AT WOLFF



In 2017, we implemented the Wolff ESG Program. With the assistance of an independent consultant, we performed an audit of our ESG activities across three core business areas: development, design and construction, and operations. Through this process, we obtained a comprehensive view of the ESG activities currently instituted across our organization and were able to identify areas of strength within the program, as well as opportunities for growth. We developed a series of short- and long-term goals for our ESG program, which guided our efforts in 2018.

For 2018, the major focus of our ESG Program was to further integrate ESG principles into our organization and how we do business in order to become a more responsible and sustainable firm. To meet this goal,

we implemented several initiatives in 2018 that reaffirm our commitment to corporate responsibility including:

- Defining our Vision, Mission and Values to formalize our organizational commitments and ideals.
- Implementing the Employee Survey and Action Plan to better engage team members and receive their feedback and suggestions for future company initiatives.
- Developing and rolling out key policies and procedures including our Asset Management Playbook, the Wolff Preferred Supplier and Sustainable Product Specifications, and the Operations Sustainability Checklist; all of which establish and reinforce Wolff's sustainability standards and practices.
- Executing the first Operations Sustainability Audit across our entire portfolio to benchmark sustainable performance and hold communities accountable.

Wolff implemented numerous cost-effective initiatives across our core business areas to expand our ESG Program. We also put significant effort into growing team member engagement within the company. We will explore all of these accomplishments in greater detail, as they highlight our commitment to developing and growing a sustainable and resilient portfolio that will benefit our residents, the communities in which we operate, and our stakeholders.

Technology-driven innovation  
Increased economic value  
Thoughtful social responsibility





# ENVIRONMENTAL



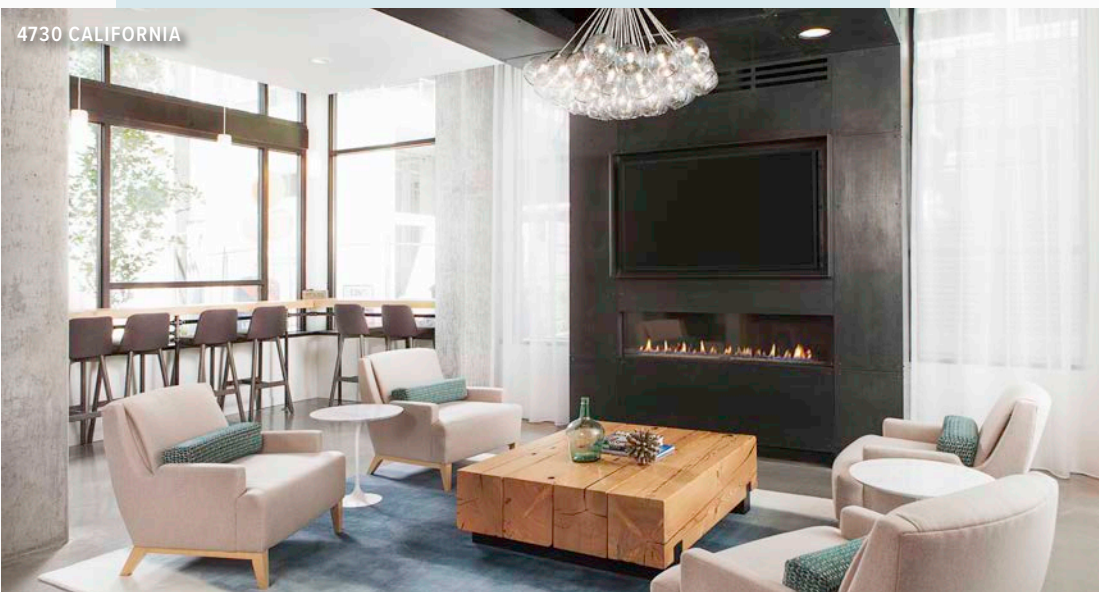
## SUSTAINABLE DEVELOPMENTS

The Wolff Company is not only an owner and operator of multifamily housing assets, we are an active developer of these properties as well. Throughout the development cycle, we integrate practices and features designed to limit environmental impact, reduce automobile dependence and create a sustainable portfolio.

Wolff specializes in garden-style and mid-rise developments in both suburban and high-density markets. Across 12 of our urban mid-rise properties, we have performed extensive environmental remediation, and implemented green spaces and green roofs where the local climate allows. While we do not currently operate properties with renewable energy production, we design our developments to accommodate solar panels and other renewable energy sources when they become economically viable.







4730 CALIFORNIA



SUNSET ELECTRIC

## LEED-CERTIFIED COMMUNITIES

The Wolff Company's sustainable development efforts are exemplified through our six LEED-certified communities, one of which earned the prestigious LEED Platinum certification. The U.S. Green Building Council's LEED green building program is the preeminent program for the design, construction maintenance and operations of high-performance green buildings. Wolff's LEED properties illustrate our commitment to creating sustainable developments and limiting their negative impacts on the environment, residents and communities.

We analyze all developments to understand the additional cost and effort required to achieve LEED certification. By utilizing regional factors and detailed analyses, we maximize our ability to implement sustainable development and pursue LEED certifications on developments where it is economically feasible.

### LEED-CERTIFIED PROPERTIES

SUNSET ELECTRIC	LEED Platinum
4730 CALIFORNIA	LEED Gold
8TH & REPUBLICAN	LEED Gold
PIKE MOTORWORKS	LEED Silver
CITYLINE	LEED Silver
VENN AT MAIN	LEED Silver



Completed in 2016, Pike Motorworks is a high-density development that includes 243 units in two 7-story buildings separated by a unique central courtyard, plus 20,500 square feet of street level retail space. Located in the heart of the Pike-Pine corridor on Capitol Hill, one of Seattle's most sought-after and walkable neighborhoods, Pike Motorworks received a near-perfect Walk Score of 99 due to its close proximity to neighborhood amenities such as Cal Anderson Park, and its easy access to mass transit.

A LEED Silver development, Pike Motorworks contains numerous sustainable features including an efficient irrigation system, Green Label Plus flooring and high-efficiency toilets, faucets, and washers, and energy efficiency measures, which contribute to a projected 19% cost savings over average on energy bills.







## CITYLINE

Cityline is a high-density multifamily community located in the Columbia City submarket of Seattle, Washington. Phase two of the development was completed in 2018 with a LEED Silver certification. This transit-oriented development is located 500 feet from the Columbia City Link Light Rail Station and just three blocks west of Rainier Avenue, Columbia City's central business and historic district, providing residents quick access to many amenities including restaurants, bars, cafés and shops.

Located along 32nd Avenue South with a Walk Score of 87, the development's design provides a pedestrian friendly scale that improves the streetscape and complements the existing neighborhood, creating a welcoming and engaged frontage. CityLine also provides bicycle storage for up to 90 bicycles and a bicycle maintenance room, and easy access to Rainier Vista Playfields and Columbia Park open spaces. Common areas and resident units utilize high-efficiency water fixtures and fittings, appliances and LED lighting, contributing to a projected 26% cost savings over average energy costs.



# VENN

AT MAIN

Venn at Main is a 350-unit mixed-use development located in the heart of the Old Bellevue neighborhood and the Central Business District of Bellevue, Washington. Completed in 2016, the development includes a pet washing station, a 24-hour fitness center and yoga/spin studio, as well as a rooftop lounge and expansive rooftop deck. Venn at Main has a Walk Score of 93 and is located near Downtown Park and other amenities including grocery stores and the shops at Bellevue Square Mall.

Venn at Main is a certified LEED Silver development and includes extensive public transportation access and bicycle storage. The development was built on a repurposed brownfield, where regional materials and recycled content was used in the construction materials and at least 75% of the construction waste was diverted from landfills. The property features water-efficient landscaping, energy-efficient design and contributes to a projected 18% cost savings over average energy costs.







DEVELOPMENT	WALK SCORE
Pike Motorworks	99
800J Lofts	97
4370 California	95
The BLVD	95
G12	94
Olive DTLA	94
Venn at Main	94
Six1Five	92
CityLine	91
Fremont9	89
8th and Republican	89
Clear Creek Commons	79
One Observatory Park	79
Sequoia Redwood City	79
Tempo	79
Capitol Yards	74
Mosaic	74
Spinnaker Portfolio	72
Union South Bay	70

## TRANSIT-ORIENTED DEVELOPMENTS

We adhere to transit-oriented design principles with the goal of reducing our residents' dependence on personal automobiles. To achieve this, we implemented several programs that promote environmentally friendly modes of transportation. We track the WalkScores of each property, with a majority of our portfolio scoring as "walkable."

In addition to forward-thinking parking planning, we also strive to promote the use of mass transit with the goal of helping reduce traffic and emissions. At a property in West Sacramento, we instituted a program that provides bus passes to residents to encourage alternate forms of transportation. At numerous other developments, we have partnered with car-sharing and ridesharing firms to ensure that residents always have car-sharing options close by, which lessens the need for their own vehicle. We are currently working with ZipCar, Uber and Lyft to expand this partnership to more properties across our portfolio. Another way that we provide sustainable transportation options throughout our portfolio is by encouraging bicycle use with abundant storage spaces and an innovative bike sharing program that lets residents use community cruisers. We also work with local metros to sponsor their city-wide bike sharing programs.

Finally, our design policy requires that roughly 15% of the parking spaces on a property provide access to outlets, and as well as preferred parking spaces for electric vehicles.

## WOLFF & KATERRA— COLLABORATION FOR SUSTAINABILITY



The Wolff Company strives to maximize sustainability throughout all aspects of our business. We see an immense opportunity to do this within the design and construction of our communities. Through integrating sustainable design principles and environmentally friendly construction processes, we are able to increase efficiencies, limit waste and reduce risk, ensuring that our portfolio will be more sustainable and resilient for years to come. To accomplish this, we have partnered with Katterra, an innovative, technology-driven design and construction firm optimizing how buildings are developed, designed and constructed.

### THE WOLFF & KATERRA RELATIONSHIP

Founded in 2015, Katterra now employs over 5,000 employees globally and already ranks as one of the top 25 multifamily general contractors in the United States. Katterra, as a company and a concept, was developed by current and former Wolff shareholders in conjunction with initial investors. This relationship is unique in that the board members and advisors to Katterra are not only our stakeholders, but we are Katterra's largest client. This level of integration between Wolff, a developer, and Katterra, a design and

construction firm, is unmatched in the industry. Katterra is our inclusive, turnkey partner for all future projects, which allows us to integrate sustainability extensively throughout our design and construction processes. As a vertically integrated, end-to-end construction and design firm, Katterra's innovative approach leverages technology to improve the design, sourcing, manufacturing, supply chain management and logistics across planned developments, which will drastically increase efficiency, reduce waste and lower operating costs.



## KATERRA - SUSTAINABILITY AS A BUSINESS MODEL

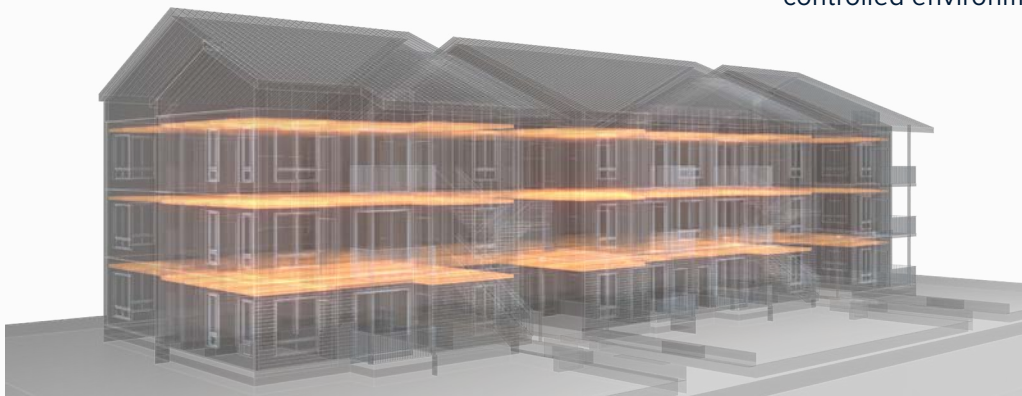
Sustainability is inherent to Katterra's business. One of Katterra's core company missions is "Design First," as the firm strongly believes building more efficiently starts with design. This is done through modularizing building components and creating building designs that integrate smart-home capabilities and optimize material efficiency, assembly and service wherever appropriate. This approach allows Katterra to drastically increase efficiencies involved with the shipping, storage and use of project materials.

Katterra directly sources and manufactures many of its materials in its own factories, including cross laminated timber (CLT) and LED lights. The factories are strategically placed to enable direct, multi-modal lines of transportation from source to manufacturing facility to project. Producing materials in controlled environments with minimal waste

and precision assembly allows Katterra to ensure these goods are manufactured with the most sustainable and cost-effective methods possible - all while still providing the highest level of design and quality.

Katterra promotes a smaller, optimized supply chain that contains fewer products and materials, which increases efficiencies and reduces waste and cost. The firm validates numerous social and environmental factors for all vendors to confirm there are no human rights issues and understand the overall environmental impact associated with a vendor and material.

With Katterra as Wolff's primary design and construction partner, we utilize their innovative, sustainable approach to building construction and design to drastically reduce the environmental impact of our developments. Through these policies, processes and the utilization of innovative technologies, Katterra is filling the gap between sourcing and construction, while providing residents with a sustainable and resilient living experience. See below for a closer look at Katterra innovation at work. Our partnership with Katterra is a vital aspect of the Wolff ESG Program, and we look forward to growing both in the future. Three examples of Katterra Innovations at work follow.



## KATERRA INNOVATIONS

### CROSS-LAMINATED TIMBER

Cross-laminated timber (CLT) is a flat-panel engineered wood product that can serve as a system-based approach for floors, walls, and roofs to form a high-performance, sustainable and beautiful mass timber building of virtually any type. CLT represents the next generation of high-performance wood building technology and offers previously unavailable efficient and cost effective designs above the five stories historically reserved for steel and concrete. Katterra is completing construction of a new 250K-square foot mass timber manufacturing facility in Spokane, WA, the largest of its kind in North America. The new CLT factory will directly support large-scale production of mass timber in the U.S. The success and dramatic sustained growth of mass timber throughout Europe and Scandinavia over the last 20 years reinforces and amplifies Katterra's significant commitment to mass timber in North America.

### KATERRA ENERGY SYSTEM

The Katterra Energy System (KES) is the “future ready” energy distribution system that reduces building ownership costs while improving the energy management experience for residents and building managers. Through combining leading-edge hardware with AI, ML, and data analytics, KES provides an energy solution that is future-proof and occupies less than the footprint of a typical electrical closet. Through a simplified equipment and installation process, KES reduces the time and skilled labor necessary for installation, upgrades, and ongoing maintenance, resulting in lower material and labor costs, and offering CapEx and OpEx savings. KES is fully controlled through a software interface and is designed to accommodate a range of configurations, so owners can customize energy capabilities to their unique building requirements. With unprecedented energy optimization options and simplified system maintenance, KES enables multiple energy sources and storage options to be configured, allowing the system to dynamically source power based on supply and demand for even greater energy savings.

### KATERRA WINDOWS

With world-class manufacturing capabilities and an optimized end-to-end process, Katterra Windows have superior ratings from leading industry agencies across structural, thermal, and acoustic performance. Along with exceptional design, product and process innovations offer the latest in advanced glass and window technologies, including next generation fenestration technology. Katterra's world-class manufacturing capabilities coupled with vertical integration allow for greater control of the price point and brings innovation closer to home, offering premium performance at an exceptional value for their clients.



# PROPERTY OPERATIONS

The Wolff Company has long identified the operations of our properties as an area where we can implement cost-effective programs to reduce our environmental impact. To accomplish this, we are committed to working with our service providers, residents and local communities to implement sustainable programs across our portfolio.

In 2018, Wolff worked with an independent consultant to audit properties across a subset of our long-term portfolio to identify possible opportunities for upgrading to more efficient fixtures, appliances and irrigation systems to reduce resource use and waste. The consultant then performed an in-depth analysis of rebate opportunities for the surveyed properties and presented the Asset and

Property Management teams with the rebate opportunities and improvement recommendations. While we did not identify any cost-effective opportunities to pursue for 2018, Wolff is looking into integrating this analysis into our annual budget planning processes going forward to ensure we are consistently analyzing opportunities to improve the sustainability of our long-term portfolio.

Wolff also implemented several major initiatives to reduce energy use, limit waste and increase sustainability for the majority of our portfolio, as the following initiatives were implemented across the entirety of our property operations.



## ESG POLICIES & PROCEDURES

A major accomplishment of 2018 was publishing the first version of our Asset Management Playbook, which establishes guidelines for managing Wolff-owned communities by describing the expected day-to-day operating standards and communicating those expectations to our management company partners. The Asset Management Playbook establishes sustainability standards and practices for every Wolff community, and sets baseline requirements for the following areas:

- Landscaping
- Consumption auditing & benchmarking
- Sustainable maintenance practices
- Preferred suppliers & supplier compliance
- Paperless office environments
- Property waste reduction & recycling
- Indoor air quality
- Energy reduction & efficiency
- Water conservation

To support the sustainability standards and practices defined in the Asset Management Playbook, Wolff also published our Operations Sustainability Checklist and Preferred Supplier and Sustainable Products Specifications. These support documents provide guidance for our management company partners by defining the specific sustainable operating procedures and policies to practice on Wolff communities, as well as what products, materials and services we expect to be used on our communities. Annual audits are performed against the Operations Sustainability Checklist across the entire Wolff portfolio to ensure compliance to these standards, with the first audit performed in Fall 2018. The audit found an average of 73% compliance across 30 communities, providing a benchmark against which to measure future performance and set long-term goals.



## LED LIGHTING RETROFIT

In 2017, we implemented a pilot of our LED Lighting Program across 8 communities, during which we upgraded the common area lighting to more efficient, longer-lasting LED lights. After seeing the benefits of the program, we executed a larger roll-out of the LED Light Program across 15 more communities. Installation completed in 2018 for all but two communities (which are expected to be complete in Q2 2019). The resulting total cost and energy savings to-date are as follows:

### ANNUAL SAVINGS

MONEY SAVED ANNUALLY	\$300,134
# OF ANNUAL KWH SAVED	2,374,906

### EQUIVALENT ANNUAL ENVIRONMENTAL BENEFITS

BARRELS OF OIL NOT BURNED	3,865
GALLONS OF GAS NOT CONSUMED	187,065
CO2 REDUCTION (IN TONS)	1,664
ACRES OF TREES PLANTED	1,366
COAL NOT BURNED (IN TONS)	892
WASTE REMOVED FROM LANDFILL (IN TONS)	598



## SERVICE PROVIDER PARTNERSHIPS

The Wolff Company works closely with our service providers to manage the resource consumption of our communities in a more sustainable manner and promote ESG values and principles across our whole portfolio.

### CONSERVICE

Wolff partners with its utility service provider, Conservice, to monitor and analyze the utility bills at a majority of our communities. Conservice tracks resource consumption, provides usage reports and audits utility bills for anomalies such as large spikes in usage. If any unusual activity is found, such as vacant units showing great usage than expected, Conservice works with both the utility and the property management team to identify the cause and address it. With this service, we are able to regularly identify leaks and other sources of wasteful consumption and resolve them quickly. As a result, resource consumption and waste across Wolff's portfolio has been drastically reduced. Wolff also utilizes Conservice's energy benchmarking and analytics dashboard services for properties located

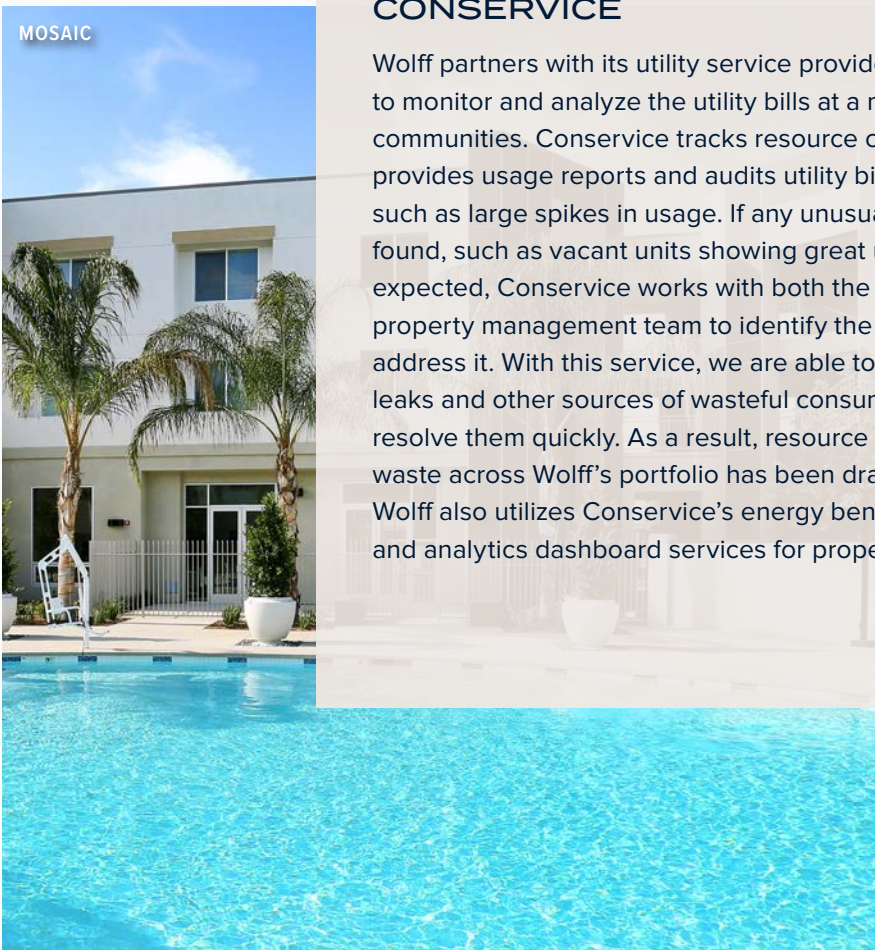
in municipalities with regulations mandating energy benchmarking. We have engaged in early discussions with Conservice regarding expanding the use of these services across our entire portfolio, and intend to explore this option further in 2019.

### PROPERTY MANAGEMENT PARTNERS

Wolff views our property management partners, including our strategic partnership with Avenue5, as key allies in our efforts to make our portfolio more sustainable. Through 2018, we leveraged these strong and collaborative relationships to implement several ESG initiatives that move our communities toward more efficient and paperless processes:

- Instituting a paperless office communication policy.
- A full rollout of an online leasing and paperless document management system.
- Implementing a utility eBilling option for residents.
- Establishing required online payments for residents beginning in January 2019, with a goal of 95% resident payments being received online by Q1 2020.

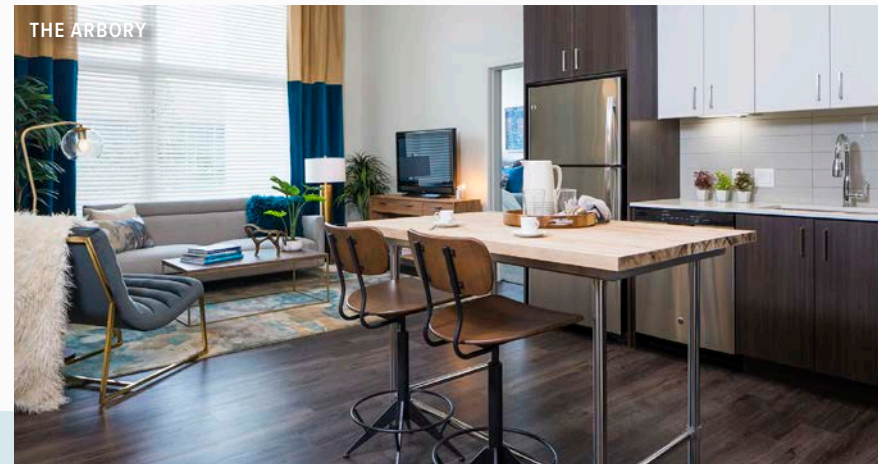
Our property management partners have also assisted with our goals of transitioning a majority of our communities to smoke-free and ensuring each community has an updated Emergency Management Plan that is communicated to the residents, both of which we intend to implement across our entire portfolio in 2019.





## ADVANTAGE WASTE CONSULTING

In 2018, Wolff enlisted the services of Advantage Waste Consulting and organized a pilot program to perform a systemic waste analysis for five communities. The analysis identified process inefficiencies, waste reduction opportunities and billing errors, which if addressed, would lead to a possible cost reduction of over \$60,000 annually across the five communities. Advantage Waste Consulting even uncovered a situation where the waste management provider was sending all collected recyclables to a landfill rather than recycling them. The solutions provided by Advantage Waste Consulting, which Wolff will implement across the pilot communities in 2019, will lead to more efficient trash compression and less hauling trips, resulting in greater waste divergence and less greenhouse gas emissions. We will then monitor the results for a year, after which we will analyze the outcomes and decide whether to expand Advantage Waste Consulting's services across our portfolio.



A photograph of three men on a stage, overlaid with a semi-transparent blue filter. The man on the left is smiling and holding a microphone. The man in the center is looking towards the right. The man on the right is speaking into a microphone. They are all wearing light-colored t-shirts. The word "SOCIAL" is centered in white text over the image.

**SOCIAL**



## SOCIAL RESPONSIBILITY

2018 was a productive year of growth within The Wolff Company. We implemented vital programs to empower and enable our team members while promoting greater engagement and collaboration as we all work together to achieve the goals stated in our main value of “People First” – to create an environment of loyalty, trust and respect. While we are proud of our progress in 2018, we are excited for what we can accomplish in 2019 and beyond.



## OUR PEOPLE

In order to deliver on the promises of The Wolff Company's ESG program, we place a great deal of importance on giving back to our team members, our residents and the communities in which we serve. We empower and encourage our team members to have a voice, to make key decisions, and to share experiences so that they can learn and grow. We do what we say we will, and we do what is right, especially when no one is watching. That's why we are proud to share the ways that we invest in our greatest resource: our people.

### HARASSMENT PREVENTION TRAINING

Wolff believes it is critical that we, as an organization, create an environment in which all individuals feel safe, valued and respected. To support this goal in 2018, we engaged an employment attorney to facilitate live Harassment Prevention Training. Managers completed two hours of interactive training, while team members completed one hour, during which they were provided with real-world examples and practical methods to help prevent harassment. Ongoing training will also be provided. Fostering a healthy work environment requires an ongoing

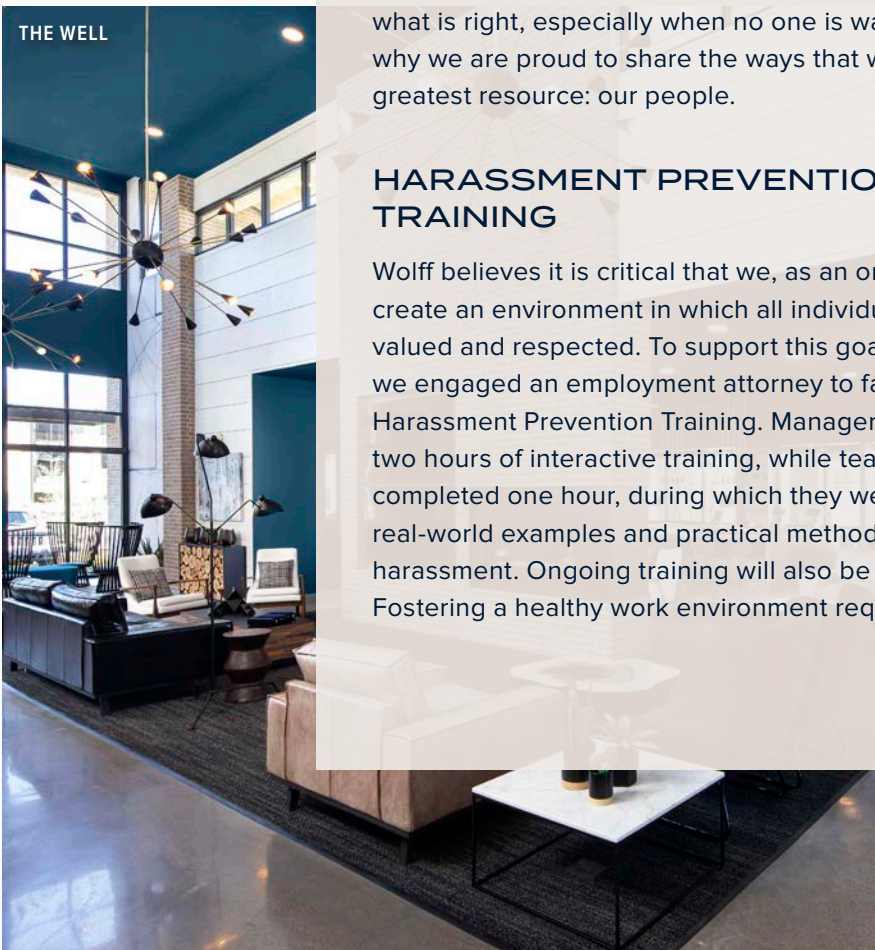
commitment from all of us, and Wolff is committed to educating our team to protect the positive environment that we have worked so hard to build and maintain.

### VISION, MISSION AND VALUES ENGAGEMENT

In 2018, a major goal at The Wolff Company was to work more directly with our team members to improve our company by driving engagement and receiving their input on company initiatives, activities and processes. This focus on employee engagement was exemplified when over 100 team members participated in working sessions to provide their input and assist with the development of the company's Vision, Mission and Values, thus ensuring that our guiding principles and ideals truly represent all of Wolff.

### WOLFF VALUES SURVEY

This year, we conducted a Wolff Values Survey, which is a company-wide questionnaire we plan to complete annually. Results of the survey are turned into an Action Plan that summarizes our team members' top priorities based on their responses and feedback, which is then used to help inform and guide future internal activities and initiatives. Several team member initiatives were implemented as a direct result of this year's survey including a New Hire Orientation Program for new Wolff team members. This onboarding program provides new team members with a comprehensive overview of Wolff as company and introduces them to the "Wolff Way" – ensuring we promote our values and continue to build and support our strong company culture with every new hire.







## WOLFF CULTURE LAB

Another output of the 2018 Action Plan was the introduction of the Wolff Culture Lab – a group of team members dedicated to fostering an environment that aligns with our values and supports team member engagement. The Culture Lab works to:

- Promote our Vision, Mission and Values.
- Enhance communication and interaction throughout the company.
- Create opportunities for collaboration, training and team building.
- Solicit team member feedback and evaluate opportunities to enhance our culture.
- Celebrate and recognize our successes.

The inaugural Culture Lab team consists of representatives nominated from various departments and locations within the company. They meet monthly to review team member suggestions, make recommendations on actions based on those suggestions, and collaborate on companywide culture-focused initiatives. To promote the diverse voices and viewpoints within Wolff and maintain a fresh influx of ideas and perspectives, Culture Lab members only serve for one year, except for this first year where half of the team may be selected to serve an additional year to onboard incoming members.

As a result of the Wolff Values Survey and the Wolff Culture Lab, we are exploring several team member engagement initiatives to implement in 2019, including quarterly Lunch & Learn sessions to support our Continuous Learning value and publishing a company newsletter to enhance internal communications.



## OUR RESIDENTS

Per our company Vision and Mission, we strive to improve the lives of our residents by fundamentally redefining the residential rental experience so that we can provide them with vastly better life experiences at a far better value. We endeavor to provide our residents with a unique and engaging living experience by working with our property management partners to develop and implement resident outreach and educational programs across our entire portfolio.

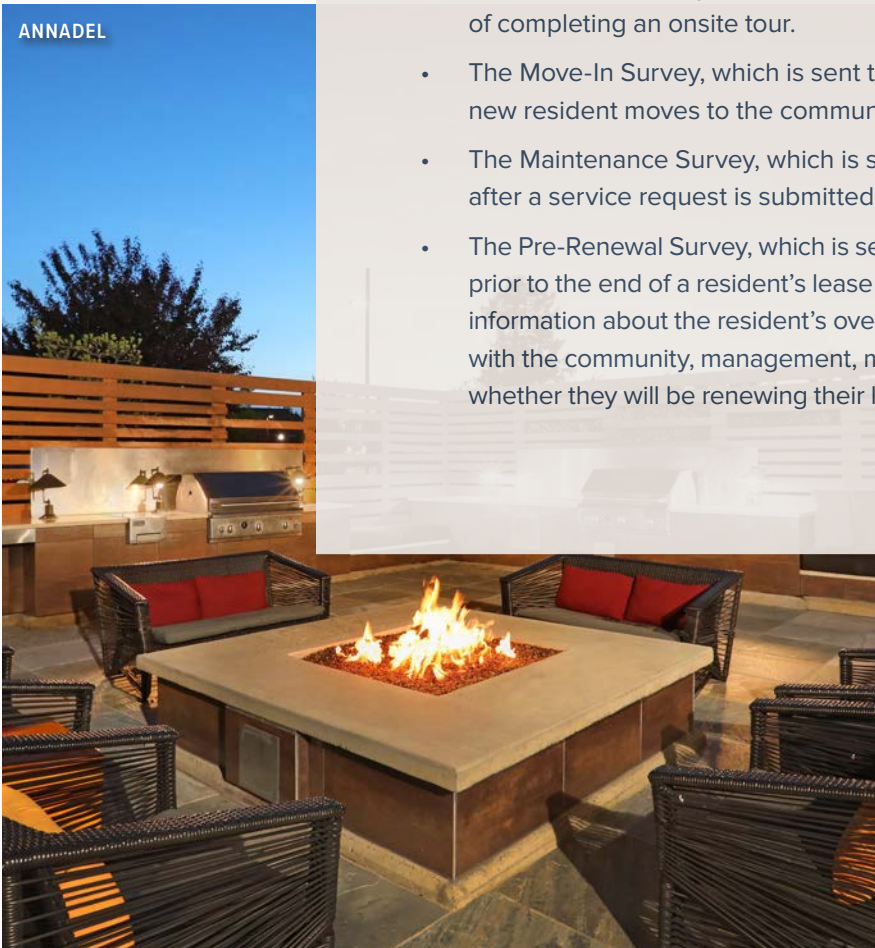




## RESIDENT SATISFACTION SURVEYS

In 2018, we worked with our property management partner, Avenue5, to execute and summarize over 26,000 Kingsley resident satisfaction surveys. The surveys gathered feedback to measure key performance indicators (KPIs) across multiple categories at four key points throughout a resident's experience:

- The Prospect Survey, which is sent within one week of completing an onsite tour.
- The Move-In Survey, which is sent two weeks after a new resident moves to the community.
- The Maintenance Survey, which is sent one week after a service request is submitted and closed.
- The Pre-Renewal Survey, which is sent four months prior to the end of a resident's lease to gather information about the resident's overall satisfaction with the community, management, maintenance and whether they will be renewing their lease.



Of the 23 communities that were surveyed, all but three exceeded the Kingsley Index for the “Overall Satisfaction” category for residents. A survey result summary identified the following strengths and opportunities for 2019:

### STRENGTHS

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- Majority of the communities consistently meet the national Kingsley Index KPIs across all categories.
- Communities are performing at a high level.
- The “Request for Response” KPI is consistently met, which indicates residents are receiving good customer services across the portfolio.

### OPPORTUNITIES

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- Increase survey response rate by engaging residents during interactions and revamping the survey for ease of completion to increase adoption.
- Improve leasing process by confirming we are always utilizing best practices.

Throughout 2018, we have focused on increasing resident engagement and promoting the satisfaction surveys by focusing on increasing social media interaction with residents, as well as offering rewards and prizes that encourage them to complete the surveys, leave reviews and provide feedback.

ANNADEL



## SUSTAINABLE LIVING

Wolff's commitment to the environment and a sustainable future begins with our core value of focusing on solutions that lead to an improved quality of life for our residents, team members and neighbors. To help our residents reduce their environmental footprint, we published our Sustainable Living Guide (SLG) to RentCafe, our portfolio-wide resident portal. The Wolff SLG provides residents with a list of free and low-cost ways they can have a positive impact on the environment, save money, and improve their overall well-being.

While every Wolff community promotes environmental stewardship for our residents by offering recycling services, some communities also sponsored enhanced recycling programs and unique events such as "Community Shred Day," where a local third-party provides paper shredding services for the entire community for a day, after which the paper waste is then taken off-site and recycled.

At Wolff, we understand it is our responsibility to provide a safe and healthy environment for our residents. To do this, we are implementing new non-smoking policies across our portfolio, while continuing to enforce our current non-smoking policies as well. We also work with our suppliers and property management partners to ensure only non-toxic products are used on our properties, along with materials with low- or no-VOCS (Volatile Organic Compounds).



## PHYSICAL HEALTH

Along with ensuring our residents have a healthy living environment, we promote their physical health as well. Our communities offer premium fitness centers and state-of-the-art equipment, with some including Peloton bikes and bike work stations. Some communities also provide residents with free memberships to local gyms and regularly hosts contests and offer prizes to promote wellness.

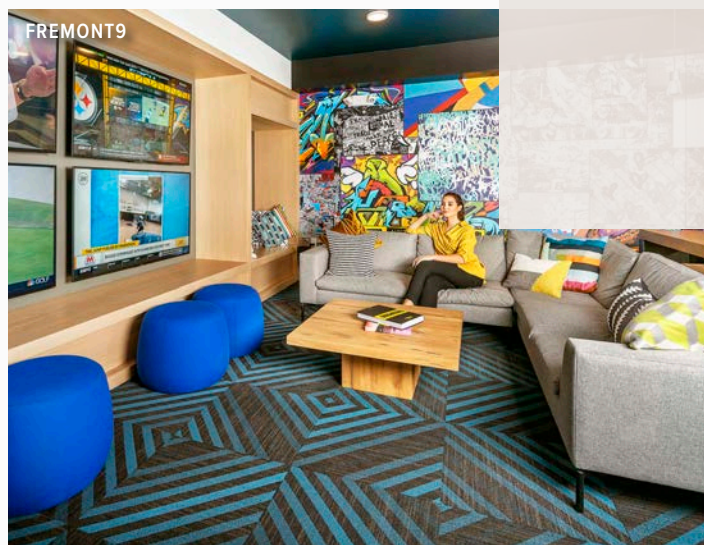
## CHARITABLE EFFORTS

Wolff communities also sponsored numerous charitable efforts and programs, including a “Coats for Kids” clothing drive to benefit a local hospice provider. Multiple communities hosted holiday food collection and food bank drives, as well as sponsoring Toys for Tots.



## SENSE OF COMMUNITY

More than anything, Wolff strives to provide our residents with an engaging, fun place to live where they can get to know their neighbors and enjoy a sense of community. Whether it's providing snacks and wine in the clubhouse every Friday night, weekly “Yappy Hour” events or monthly trivia nights, our communities host numerous events, programs and contests that encourage our residents to get to know each other and have some fun!



## OUR COMMUNITIES

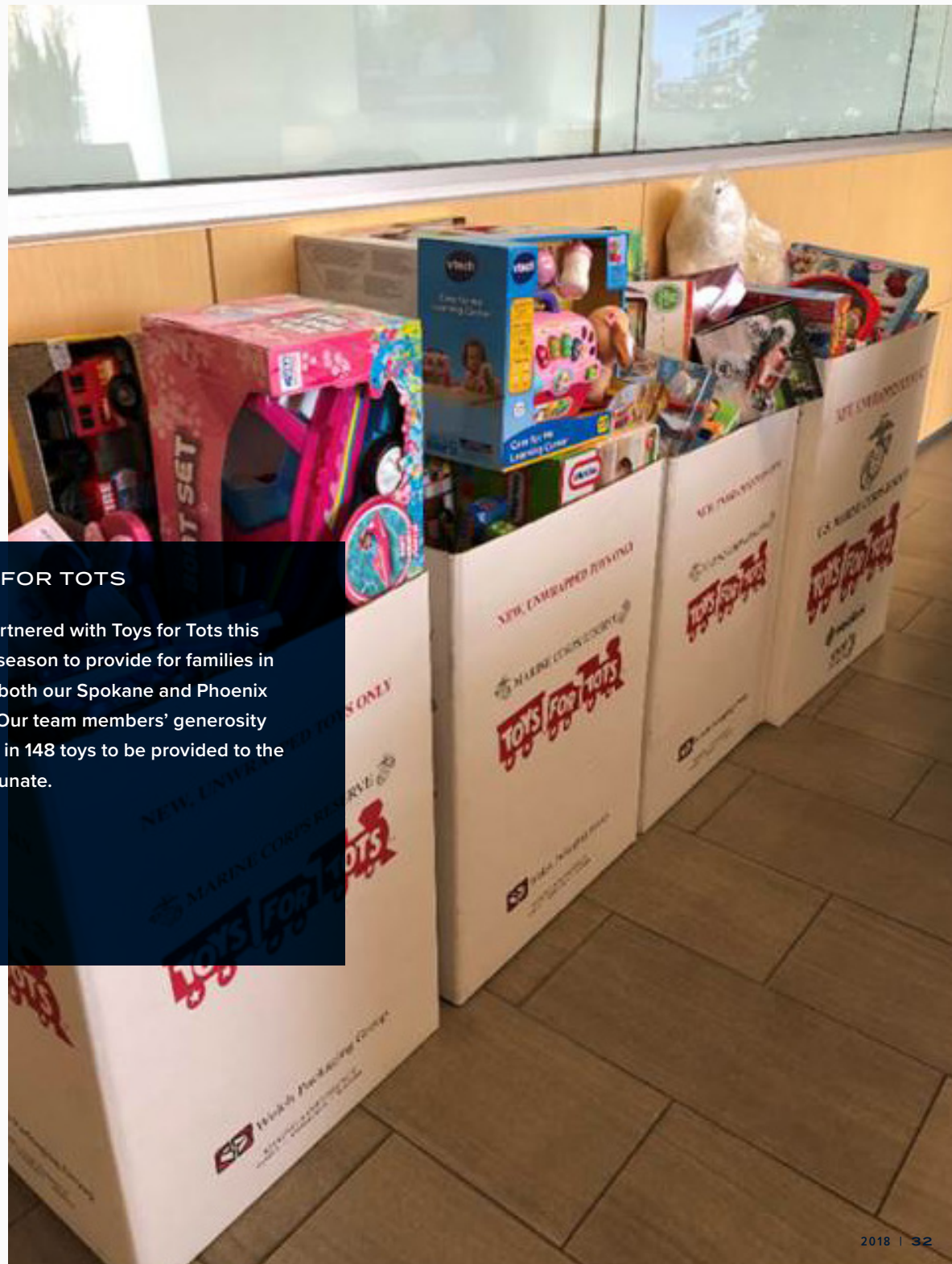
Team members at The Wolff Company are empowered to champion causes that are close to their heart. The company also sponsors many organizations within our industry that are dedicated to improving building practices and the way of life for our residents including numerous local chambers of commerce, the Urban Land Institute and the University of Washington. Here are some of the ways we give back:

### COMMUNITY CANCER FUND

The Wolff Company's Executive Chairman, Fritz H. Wolff is a co-founder and board member of Community Cancer Fund (CCF). Each year, the company and our team members donate to CCF to help the fight against cancer in the Pacific Northwest. In our first five years, Wolff has raised nearly \$13 million to assist in the fight against cancer. In 2018 alone, Wolff team members and executives raised \$465,750 for CCF.

### TOYS FOR TOTS

Wolff partnered with Toys for Tots this holiday season to provide for families in need in both our Spokane and Phoenix offices. Our team members' generosity resulted in 148 toys to be provided to the less fortunate.





A photograph of a modern living room interior, overlaid with a semi-transparent blue filter. The room features a light-colored sofa, a coffee table, and a large window or glass door in the background. Two people are walking through the glass door. The word "GOVERNANCE" is written in white, bold, uppercase letters across the center of the image.

# GOVERNANCE

# CORPORATE GOVERNANCE

Wolff manages and operates our business and investment activity in a way that reflects our commitment to our team members, partners, service providers, community residents and others who are critical to the success of our organization. We are acutely focused on maintaining the highest corporate governance policies and ethical standards in all aspects of our business. We strongly believe that successful corporate governance and ethical business practices create greater value for all of our stakeholders.

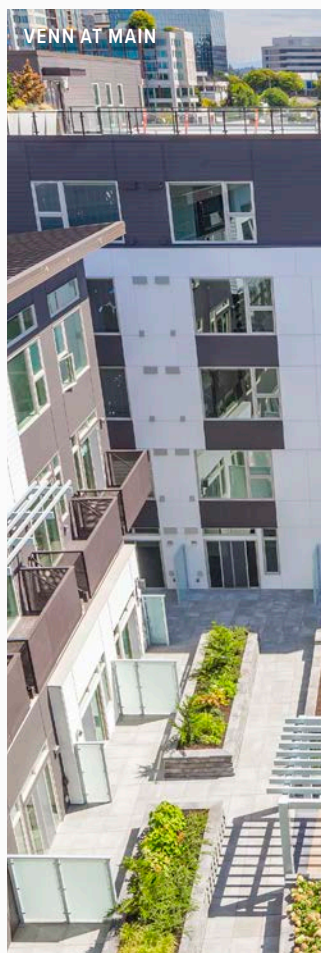
We believe that the following best practices and policies support our commitment to responsible governance and long-term sustainability.

- Policy on political contributions and charitable donations
- Formal insider trading policy and monitored list of “restricted” securities
- Code of Conduct contains anti-fraud policy that all team members must review and sign

- Information technology guidelines to prevent, detect and report data breaches
- Business continuity plan to protect against power outages and natural disasters
- Strong alignment between management compensation and investment performance
- Frequent and transparent reporting to Advisory Boards of each Wolff-sponsored investment fund

Wolff is committed to acting on these best practices and policies. In 2018, Wolff continued to improve upon its foundational principals, policies and procedures by publishing an updated Code of Conduct that was delivered to team members in the Investment Management group, who were then required to acknowledge their receipt and review of the updated document. The Code of Conduct will be reviewed and updated as necessary on an annual basis. Further, following the release of the updated version, team members will be required to acknowledge their receipt and review of the document. In addition, Wolff started a monthly “New Hire Training” for all new team members.

In 2018, all Wolff team members completed an extensive training program with material related to respectful workplace behavior, anti-harassment and gender equality. This training will be included in the on-going training programs for Wolff’s new hires.





## CURRENT & FUTURE

While we are still in the early stages of The Wolff Company ESG Program, 2018 was a year of substantial progress towards establishing our firm's commitment to ESG and its principles, both within our company and across our portfolio. The following matrices have been updated to reflect the new initiatives implemented in 2018 and overall progress made across Wolff as whole. These matrices are meant to provide a comprehensive view of the current ESG-related processes, policies, and initiatives in place throughout Wolff. For each business area, we have developed a series of near- and long-term goals. These initiatives represent cost-effective opportunities we have identified as sensible, realistic first steps as we continue to grow our program and further integrate sustainability into our business. As mentioned earlier in the report, Wolff also started New Hire Orientation for all new team members.



REVEL NEVADA

# EXHIBIT A

## CURRENT ESG ACTIVITIES OPERATIONS

### ENERGY

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- Lighting improvements
- Utility bill data monitoring
- Monitor energy use in vacant units
- Light timers for models
- Annual inspections and audits
- Benchmark reporting
- Usage reporting
- Energy rate evaluation
- Energy conservation policies
- Energy management system
- EnergyStar office equipment

### WATER

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- Efficient fixtures, toilets & appliances
- Annual inspections and audits
- Benchmark reporting
- Usage reporting

### WASTE

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- Recycling programs including e-waste
- Trash compactors
- Plastic bag recycling programs & reusable shopping bags provided to residents
- Water bottle filling stations in common areas
- Promote recycling
- Partnership with GreenSpace Recycling to gather recyclable material from dumpsters
- Electronic payments and ebilling
- Electronic document storage
- Electronic signature for leases
- Waste management consulting
- Onsite paper shredding

### SUPPLIES AND MATERIALS

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- Recyclable materials and conservation policies
- Preferred supplier and sustainable product specifications
- Integrated pest management
- Low-VOC and eco-certified materials
- Sustainable cleaning plans

## FUTURE GOALS OPERATIONS

### NEAR-TERM

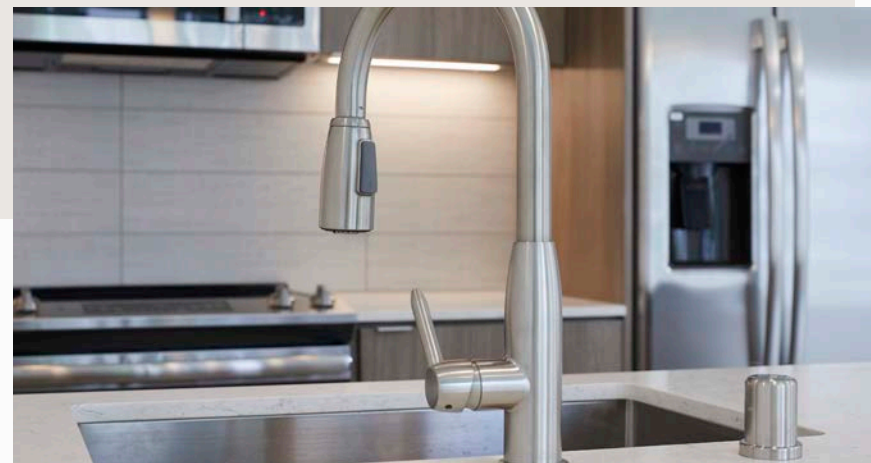
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- Work with Conserve to record portfolio resource usage benchmarks for measuring and tracking progress
- Complete rollout of electronic leasing and paperless billing across 95% of portfolio
- Continue Operations Sustainability Audits across entire portfolio & tracking progress
- Drive participation in supplier online/e-invoicing
- Implement e-waste, composting, & other resident programs to limit waste
- Monitor Advantage Waste Consulting results and explore expanding services across portfolio

### LONG-TERM

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- Update supplier contracts to include provision for waste management standards
- Identify reporting frameworks to assist in formalizing ESG reporting process





## CURRENT ESG ACTIVITIES CONSTRUCTION (KATERRA)

### SHIPPING/DELIVERY

- Analyze site logistics to minimize transport of materials
- Methodical transport of “kits” to increase site efficiency
- Direct lines of transport from source → manufacturing facility → project site
- Regional stock locations
- “Same day delivery” distance from regional stock locations → project site
- “Just in time” delivery of site materials
- RFID-tracking of materials
- Manages logistics & transportation to prioritize aggregation
- Storage facilities are multi-modal

### SUPPLY CHAIN

- Suppliers complete Social Environmental Responsibility (SER) affidavit
- Suppliers complete Supplier On-Site Audit (SOSA)
- Compliance survey and supplier vetting
- Screening suppliers against ESG issues
- Vendor tiering and KPIs for suppliers
- Vendor Code of Conduct
- Prioritize vendor diversity
- Company goal of 40% WICB

### MATERIALS

- Manufacture LED lighting
- Low-VOC paint
- Net-zero factories
- Energy producing factories
- Cross-Laminated Timber
- Environmental Product Declarations (EPDs)
- Life Cycle Analysis (LCA) and Management
- Validates ESG information for materials
- Manufactures its own materials & vertical integration
- High-efficiency windows

## FUTURE GOALS CONSTRUCTION (KATERRA)

### NEAR-TERM

- Continue to align Wolff ESG Program with Kattera sustainability initiatives
- Continue to expand Kattera partnership as “turnkey” design/ construction firm
- Establish ESG-specific KPIs across construction operations

### LONG-TERM

- Further integrate ESG factors in vendor scoring system
- Establish LCA and EPDs for all manufactured materials



## CURRENT ESG ACTIVITIES

### DEVELOPMENT & DESIGN

#### DESIGN

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- Building Information Modeling
- Modularized building design
- Updated lighting standards
- Smoke-free communities
- Environmental remediation
- Green spaces
- Green roofs
- Energy Star appliances
- LEED properties

#### TRANSPORTATION

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- Transit-Oriented Design
- EV car chargers
- Transport management plan
- WalkScores
- Access to public transportation
- Onsite access to car-sharing programs
- Bike storage
- Preferred parking for EVs
- Bus passes for residents

#### RENOVATION

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- Recycle old appliances and materials
- Efficient water features
- Energy efficiency appliances and lighting
- Programmable thermostats
- Low-VOC paint\* (partial)
- Recyclable carpet\* (partial)

## FUTURE GOALS

### DEVELOPMENT & DESIGN

#### NEAR-TERM

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- Implement policy to evaluate all projects for LEED certification

#### LONG-TERM

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- Gather performance and cost data on LEED buildings
- Perform Life Cycle Assessment on developments





## CURRENT ESG ACTIVITIES

### SOCIAL

#### EMPLOYEES

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- Employee surveys and action plan
- New hire orientation program
- Wolff Culture Lab culture committee
- Paid parental leave program
- Harassment prevention training
- Defined Vision, Mission and Values

#### COMMUNITY

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- Toys for Tots toy drive
- Community Cancer Fund
- Property-sponsored charitable events

#### RENOVATION

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- Resident satisfaction surveys
- Fitness centers and programs
- Customer service training programs
- Social media engagement
- Resident communication
- Sustainable Living Guide
- Resident portal
- Emergency Management Plan
- Frequent community events

## FUTURE GOALS

### SOCIAL

#### NEAR-TERM

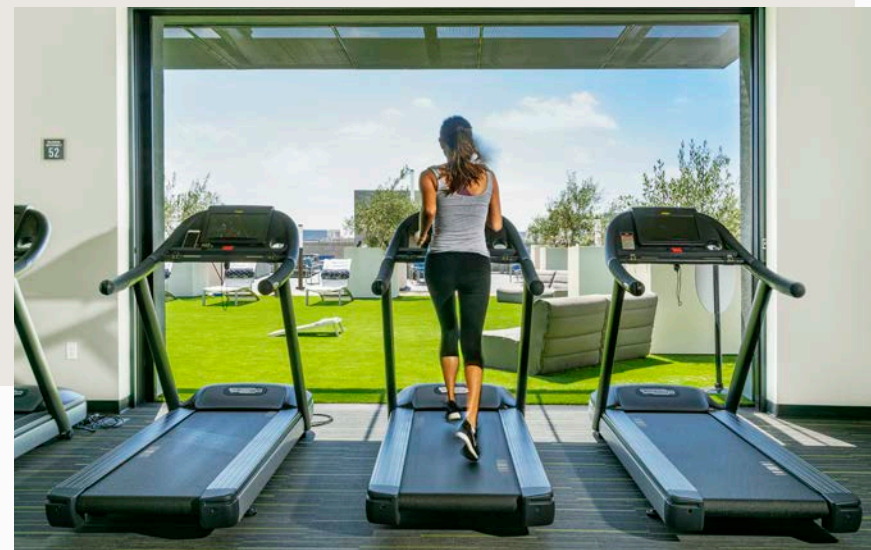
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- Complete rollout of Employee Benefits Guide
- Implement quarterly Lunch and Learn sessions
- Begin publishing a company newsletter
- Implement workplace efficiency initiatives

#### LONG-TERM

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- Continue to grow employee engagement through initiatives such as Culture Lab
- Develop customer service goals based on Kingsley Multifamily Customer Satisfaction Index Scores
- Identify additional community engagement opportunities that align with Wolff values





## THE WOLFF COMPANY

— SINCE 1949 —

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