ESG
2023

ELEVATED EXCELLENCE

ENVIRONMENTAL METRICS REPORT

IMAGE: THE MO | WASHINGTON DC

UDR®
Opening doors to the future®

GRESB
REAL ESTATE
sector leader 2023

ENVIRONMENTAL METRICS TABLE

(GRI 302-1, 302-3, 302-4, 303-1, 303-3, 305-1, 305-2, 305-4, 305-5, 306-2, SASB IF_RE_130a.1, IF-RE-130a.2, IF-RE-130a.3, IF-RE-140a.1, IF-RE140a.2, IF-RE-140a.3, TCFD 9, 10)

	ENERGY CONSUMPTION (KWH) [1]		ENERGY INTENSITY[3] (KWH / SF)		
ENERGY PERFORMANCE	**BASE YEAR (2020)**	**2022**	**BASE YEAR (2020)**	**2022**	**CHANGE FROM BASE YEAR**
Natural Gas / Steam	82,297,759	90,382,971	6.3	6.4	1%
Electric	101,681,128	107,844,123	7.8	7.6	-2%
Total Energy Consumption	183,978,887	198,227,094	14.0	14.0	0%
Data Coverage[2] (%)	**22%**	**20%**			

	RENEWABLE ENERGY (KWH)		RENEWABLE ENERGY - PERCENT OF TOTAL ELECTRICITY[1] (%)		
RENEWABLE ENERGY PERFORMANCE	**BASE YEAR (2020)**	**2022**	**BASE YEAR (2020)**	**2022**	**CHANGE FROM BASE YEAR**
Renewable Energy - Generated Onsite [4]	1,685,393	2,128,645	2%	2%	0%
Renewable Energy - Procured Offsite [5]	12,110,000	31,931,000	12%	30%	18%

	WATER CONSUMPTION (KGAL) [1]		WATER INTENSITY[3] (KGAL / SF)		
WATER PERFORMANCE	**BASE YEAR (2020)**	**2022**	**BASE YEAR (2020)**	**2022**	**CHANGE FROM BASE YEAR**
Total Water Consumption	2,261,840	2,590,884	0.037	0.037	0%
Data Coverage[2] (%)	90%	96%			
Total Water Consumption in Water Stressed Areas[6]	664,882	628,094	0.041	0.042	1%
Water Stressed Areas[6] as a percentage of the Portfolio (% SF)	27%	22%			
Total Recycled Water Consumption[7]	19,476	22,851	0.00032	0.00033	2%

	WASTE (MT)		
WASTE PERFORMANCE	**BASE YEAR (2020)**	**2022**	**CHANGE FROM BASE YEAR**
Waste (All disposal methods)	35,276	46,919	
Diverted Waste (recycled and/or composted)	5,497	10,472	
Diversion Rate[8]	16%	22%	7%

[1] Operationally controlled energy consumption, which includes all purchased gas, electric, steam, district chilled water, and water consumption represents all communities owned during the year, including Joint Venture communities, where UDR had operational control.

[2] Data Coverage for gas, electric, and water represents the percentage of square footage ("SF") where UDR has operational control out of the total whole building square footage for the portfolio (does not include communities under development). These SF values are pro-rated based on % of the year owned for communities that were not owned or operated for the complete reporting year.

[3] Energy and water data are presented as an intensity (consumption per SF) as a way to show like-for-like changes in consumption that account for transactional changes in our portfolio.

[4] SASB defines renewable energy from geothermal, wind, solar, hydro, and biomass that produce more energy than used during the energy production process. The Company's total 2022 renewable energy production is just over 1% of total operational controlled energy consumption.

[5] Renewable energy procured offsite is purchased through Green-e certified Renewable Energy Certificates.

[6] The World Resource Institute defines the state of Colorado and California as the only states we currently own communities in that are high risk or extremely high risk water stressed areas.

[7] Recycled Water Consumption represents purchased reclaimed water.

[8] The diversion rate, calculated as the percentage of recycled and/or composted waste compared to the total waste (all disposal methods), represents all communities owned during the year, including Joint Venture communities, where UDR had operational control.

ENVIRONMENTAL METRICS TABLE *(cont.)*

(GRI 302-1, 302-3, 302-4, 303-1, 303-3, 305-1, 305-2, 305-4, 305-5, 306-2, SASB IF_RE_130a.1, IF-RE-130a.2, IF-RE-130a.3, IF-RE-140a.1, IF-RE140a.2, IF-RE-140a.3, TCFD 9, 10)

		EMISSIONS (MT CO2E)		EMISSIONS INTENSITY (KG CO2E / SF)			ECONOMIC INTENSITY[3] (KG CO2E / REVENUE $'S)
GHG EMISSIONS CATEGORY	**DESCRIPTION**	**BASE YEAR (2020)**	**2022**	**BASE YEAR (2020)**	**2022**	**CHANGE FROM BASE YEAR**	**2022**
Scope 1[1]	Direct Emissions	14,565	15,997	1.11	1.13	1%	0.010
Scope 2[2] (Location-Based)	Indirect Emissions	31,198	34,458	2.38	2.43	2%	0.022
Scope 2[2] (Market-Based)	Indirect Emissions	27,889	22,027	2.13	1.55	-27%	0.014
Total (Scope 1 + Scope 2 Market-Based)		**42,454**	**38,024**	**3.24**	**2.68**	**-17%**	0.024

		EMISSIONS (MT CO2E)		EMISSIONS INTENSITY (KG CO2E / SF)		
GHG EMISSIONS CATEGORY	**DESCRIPTION**	**BASE YEAR (2020)**	**2022**	**BASE YEAR (2020)**	**2022**	**CHANGE FROM BASE YEAR**
Scope 3 [4]	Value Chain Emissions	201,933	246,484	3.34	3.55	6%

Calculation Methodology and Notes

Scope 1, 2, and 3 GHG Emissions are calculated using the World Resource Institute Green House Gas Protocol guidelines. Square footage ("SF") values used to calculate intensities have been pro-rated based on % of the year owned for communities that were not owned or operated for the complete reporting year.

[1] Scope 1 emissions include direct emissions associated with operationally controlled natural gas consumption. Direct emissions associated with mobile combustion (for UDR owned vehicles) are excluded as they are di minimus (make up ~5%). Please note that emissions associated with non-UDR owned vehicles are represented in Scope 3, categories 6 and 7, while refrigerant emissions (HFCs) are represented in Scope 3, category 13.

[2] Scope 2 emissions include indirect emissions associated with operationally controlled electric and district fuel consumption (steam and chilled water). Location-based indirect emissions are calculated using eGRID factors for electricity and EPA factors for district fuels. Market-based indirect emissions are calculated using a hierarchy of emissions factors based on location and energy supplier contracts and take into consideration the purchase of offsite renewable energy through Green-e certified Renewable Energy Certificates.

[3] The economic intensity was previously disclosed as a percentage, but now is represented as kg CO2e per revenue dollar.

[4] Relevant categories ("C") included in our Scope 3 Emissions include purchased goods and services (C1), fuel- and energy-related activities (C3), waste generated in operations (C5), business travel (C6), employee commuting (C7), downstream leased assets (C13), and investments (C15). Categories deemed not relevant through our Scope 3 screening process following the WRI GHG Protocol as well as the UK Green Building Council Guide to Scope 3 Reporting in Commercial Real Estate include capital goods (C2), upstream transportation and distribution (C4), upstream leased assets (C8), downstream transportation and distribution (C9), processing of sold products (C10), use of sold products (C11), end-of-life treatment of sold products (C11), and franchises (C14). These categories were deemed not relevant either because the associated emissions are already accounted for in other categories or because the category is not applicable to our industry.

LRQA INDEPENDENT ASSURANCE STATEMENT

(GRI 2-5, 302-1, 302-4, 303-1, 303-3, 305-1, 305-2, 305-5, TCFD 9, 10, 11; SDG 6, 7, 11, 12, 13)

For the 2022 reporting period, we engaged LRQA to verify the accuracy and completeness of our energy, water, waste, and emissions calculations, including year-over-year targets and our Scope 1 and 2 GHG emissions, as shown in our Environmental Metrics table on Pages 32 - 33. For purposes of our 2023 GRESB reporting, our LRQA's 2022 reported E verified data was reconciled to our GRESB reported results by UDR's Internal Audit and Accounting Departments as part of our verification process for key operating metrics.

LRQA Independent Assurance Statement

Relating to UDR Inc's Greenhouse Gas Inventor and Environmental Data for the 2022 Calendar Year

This Assurance Statement has been prepared for UDR, Inc. in accordance with our contract.

Terms of engagement

LRQA was commissioned by UDR Inc. (UDR) to provide independent assurance of its Greenhouse Gas (GHG) Inventory and Environmental Data ("the report") against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions. LRQA's verification procedure is based on current best practice and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered UDR's operations and activities in operationally controlled properties throughout the United States and specifically the following requirements:

- Verifying conformance with:
  - UDR's reporting methodologies for selected datasets;
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol) for the GHG data[1]; and
  - GRESB 2022 Real Estate Reference Guide.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below: [2]
  - Direct (Scope 1) and Energy Indirect (Scope 2) GHG emissions;
  - Energy consumption (Direct and Indirect);
  - Water consumption;
  - Waste generated;
  - Year over year changes for electricity, natural gas and water consumption;
  - Waste Diversion rate; and
  - Percentage of energy procured from renewable sources.

Our assurance engagement excluded the following:

- Excluded on the basis of their de minimis contribution to the total GHG Inventory:
  - Scope 1 GHG emissions from diesel fuel use in emergency generators; and
  - Scope 1 mobile emissions from vehicles.
- Consistent with GRESB requirements regarding data estimates:
  - Scope 1 fugitive GHG emissions from refrigerants.
- Waste data is currently available for 99% of the total portfolio leasable floor area, and LRQA was commissioned to verify only the portion of waste data currently being gathered.

LRQA's responsibility is only to UDR. LRQA disclaims any liability or responsibility to others as explained in the end footnote. UDR's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of UDR.

[1] *http://www.ghgprotocol.org/*

[2] *GHG quantification is subject to inherent uncertainty.*

LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that UDR has not, in all material respects:

- Met the requirements of criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Tables 1 and 2 below.

The opinion expressed is formed on the basis of a limited level of assurance[3] and at the materiality of the professional judgement of the verifier.

LRQA'a Recommendation

UDR may consider the following recommendations for improvements to the GHG Inventory and/or Inventory Management systems:

- To improve data control and do not round off the values of electricity consumption when extracting the information from supplier invoices; and
- To implement systems to track, collect and report information related to GHG emissions currently excluded for their low contribution, such as fugitive emissions from refrigerants, diesel fuel used in emergency generators and mobile emissions from vehicles.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- reviewing processes related to the control of GHG emissions and environmental data and records;
- interviewing relevant employees of the organization responsible for managing GHG emissions and environmental data and records;
- reviewing data management systems to confirm there were no significant errors, omissions or mis-statements in the inventory; and
- verifying historical GHG emissions and environmental data and records at an aggregated level for the calendar year 2022.

LRQA's standards and competence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Dated: 27 May 2023

Guillermo Zahler
LRQA Lead Verifier
On behalf of LRQA, Inc.
2101 CityWest Blvd, Houston, TX 77042
LRQA reference: UQA00001495

Table 1. Summary of UDR's GHG Emissions and Environmental Data for CY 2022

Parameter	Quantity	Units
Scope 1 GHG emissions[1]	15,997	Metric Tons CO_2e
Scope 2 GHG emissions (Location-based)[2]	34,458	Metric Tons CO_2e
Scope 2 GHG emissions (Market-based)[2]	20,027	Metric Tons CO_2e
Energy[3]	198,227,094	kWh
Water[4] Consumption	2,590,884	kGal
Waste Generation[5,6]	46,919	Metric Tons

1. Scope 1 emissions do not include fugitive emissions from refrigerants, consistent with GRESB requirements for data estimates. Additionally, emissions from diesel fuel use in emergency generators and mobile emissions from vehicles are not included on the basis of their de minimis contribution to the total GHG inventory.
2. Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015.
3. Energy use includes kWh equivalent energy from purchased electricity, steam, chilled water, and natural gas.
4. Water consumption includes recycled water.
5. Waste value includes municipal solid waste, compost and recycling combined per GRESB reporting requirements.
6. Waste data is currently available for a portion of the properties in UDR's portfolio. Consistent with GRESB requirements for data estimates, LRQA was commissioned to verify the portion of data currently being gathered, presented as a percentage of the total portfolio leasable floor area with reported data, 99% for CY2022.

Table 2. Summary of UDR's Changes over time related to Environmental Data parameters

Parameter	2021	2022	% Change
Energy			
Like-for-Like Natural Gas and Steam Change (kWh)[1]	70,821,783	70,947,240	0.2%
Like-for-Like Electric and District CHW Change (kWh)[1]	77,554,765	77,562,249	0.0%
Like-for-Like Energy Change (kWh)[1]	148,376,548	148,509,489	0.1%
Water			
Like-for-Like Water Change (kGal)[1]	2,037,088	2,061,686	1%
Like-for-Like Water Intensity Change (kGal/home)[1,2]	45	46	1%
Waste			
Like-for-Like Waste Change (Metric Tons)[1,3]	36,141	38,339	6%
Like-for-Like Waste Diversion Rate[1,4]	19%	23%	-
Other			
Percentage of electricity consumption procured from renewable sources[5]		30%	
GHG Emissions Change from 2015 Base Year[6,7]		-28%	
GHG Emissions Intensity Change from 2020 Base Year[6,8]		-17%	

1. UDR defines "like-for-like" as operationally controlled waste generation and gas, electric and water consumption, that includes properties stabilized for two calendar years.
2. Water Intensity is calculated as water consumption divided by number of homes, for properties stabilized for two calendar years.
3. Waste is municipal solid waste, compost and recycling data combined from properties included in the CY2022 verification.
4. Diversion rate divides the sum of Like-for-Like recycling and Like-for-Like Composting by the Like-for-Like total Waste.
5. Electricity consumption procurement percentage applies to operationally controlled electricity consumption verified for CY2022.
6. Scope 1 and Scope 2 market-based GHG emissions used for comparison.
7. Base year (CY 2015) was not verified by LRQA.
8. As UDR is switching to an intensity-based emissions target (calculated as kg CO2e per square footage), the 2020 base year does not incorporate any base year adjustments. SQFT data not verified by LRQA.

LRQA Group Limited, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract. The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages. This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.
Copyright © LRQA, 2023.