

# GREEN BOND REPORT

NOVEMBER 2022



The Residences at Pacific City | Huntington Beach, CA



Vision on Wilshire | Los Angeles, CA



Station on Silver | Herndon, VA

**At UDR, Inc. (NYSE: UDR)** we are doing our part to reduce the impact we have on climate change by implementing energy-efficient measures throughout our business operations and creating sustainable communities. Recent accomplishments include:

- Completed sustainability certification of five wholly owned apartment communities in 2021.
- Certified the Company's Environmental Management System ("EMS") to ISO 14001 to demonstrate our commitment to robust environmental guidance.



**Chief Financial Officer:**  
Joe Fisher | 720-283-6139

**Treasurer:**  
Abe Claude | 720-283-6131



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## Report of Independent Accountants

To the Management of UDR, Inc.:

We have examined management's assertion, included in Appendix A, that the amount equal to \$346,248,000 of net proceeds from the issuance of 1.9% notes due 2033 issued by UDR, Inc. (the "Company") was invested or allocated retroactively to the expenditures incurred during the period from December 1, 2017 through August 31, 2022 (the "Reporting Period"), for qualifying Eligible Green Projects (as defined in the "Use of Proceeds" section contained in the Pricing Supplement, dated November 30, 2020, related to the issuance of \$350.0 million of 2033 notes by the Company) based on the Eligible Green Projects criteria set forth in Appendix A (the "Criteria"). The Company's management is responsible for the assertion, having a reasonable basis for its assertion, selection of the Criteria and the investment or retroactive allocation, during the Reporting Period, of amounts to projects that meet the Criteria. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA"). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Company and to meet our other ethical responsibilities, as applicable for examination engagements set forth in the Preface: Applicable to All Members and Part 1 – Members in Public Practice of the Code of Professional Conduct established by the AICPA.

Our examination was not conducted for the purpose of evaluating (i) whether funds in excess of the net proceeds were invested or allocated retroactively to Eligible Green Projects during the Reporting Period, (ii) the amount invested or allocated retroactively to each category of the Eligible Green Projects during the Reporting Period, (iii) the environmental benefits of the Eligible Green Projects, (iv) conformance of any Eligible Green Projects with any third-party published principles, standards or frameworks, such as the Green Bond Principles, dated June 2021, published by the International Capital Market Association or (v) any information included in the Company's report or on the Company's website, other than management's assertion. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in Appendix A.

In our opinion, management's assertion, included in Appendix A, that the amount equal to \$346,248,000 of net proceeds from the issuance of 1.9% notes due 2033 was invested or allocated retroactively to the expenditures incurred during the Reporting Period to qualifying Eligible Green Projects, is fairly stated, in all material respects.

*Ernst & Young LLP*

November 30, 2022



Opening doors to the future®

In relation to the investment or retroactive allocation of proceeds from the 1.9% notes due 2033 issued by UDR, Inc., (the “Company”) to Eligible Green Projects (as defined in the “Use of Proceeds” contained in the Pricing Supplement dated November 30, 2020 and filed with the Securities and Exchange Commission on December 1, 2020 pursuant to Rule 424(b)(2) under the Securities Act of 1934), we assert that an amount equal to \$346,248,000 (the “Allocated Amount”) was invested or allocated retroactively to the expenditures incurred during the period December 1, 2017 to August 31, 2022 (the “Reporting Period”), to Eligible Green Projects as set forth in Appendix B that met the eligibility criteria set forth below (the “Criteria”). The Company’s management is responsible for the assertion, selection of the Criteria and the investment or allocation during the Reporting Period of the amounts to projects that meet the Criteria.

#### Eligible Green Projects<sup>(1)</sup>

1. Any of the following projects, funded by us, which have received, or are expected to receive, certification according to the standards of one or more of the following “green building” third-party verified certification standards at one of the specified certification levels: (i) LEED<sup>(2)</sup>: Silver, Gold or Platinum; and (ii) Green Globes<sup>(3)</sup>: 3 Globes or 4 Globes:
  1. New or ongoing building developments and redevelopments;
  2. New or ongoing renovations in existing buildings;
  3. New or ongoing tenant improvements; or
  4. New acquisitions.
2. New and ongoing capital projects, funded by us, at buildings which improve the operational, energy, or water efficiency of a building or building subsystem by at least 15 percent as determined based on a third-party engineering study and/or utility-reviewed audit or energy or water savings analysis.
3. The purchase of renewable energy from wind and solar power facilities, pursuant to long-term power purchase agreements entered into prior to the commencement, or in the case of rehabilitated projects, the re-commencement, of commercial operation of the facility.

(1) The expenditures associated with these projects were incurred during the period from December 1, 2017 to August 31, 2022. The Allocated Amount was invested or allocated to the first category.






(2) Leadership in Energy and Environmental Design (“LEED”) is a voluntary, third-party building certification process developed by the U.S. Green Building Council (“USGBC”), a non-profit organization. The USGBC developed the LEED certification process to (i) evaluate the environmental performance from a whole-building perspective over a building’s life cycle, (ii) provide a definitive standard for what constitutes a “green building,” (iii) enhance environmental awareness among architects and building contractors, and (iv) encourage the design and construction of energy-efficient, water-conserving buildings that use sustainable or green resources and materials.

(3) Green Globes is a voluntary green building rating and certification tool developed in 2000 by ECD Energy and Environment Canada and administered in the U.S. by the Green Building Initiative (“GBI”), a non-profit organization. The GBI, a standards developer through the American National Standards Institute (ANSI), developed the Green Globes certification process to assess environmental impacts related to (i) project management, (ii) site, (iii) energy, (iv) water, (v) materials and resources, (vi) emissions, and (vii) indoor environment.

# APPENDIX B: INVESTMENT AND ALLOCATION OF PROCEEDS STATEMENT

December 1, 2017 Through August 31, 2022<sup>(2)</sup>

Net Proceeds from Sale of Notes	
UDR 1.90% notes due 2033	\$346,248,000 <sup>(1)</sup>

Expected Certification Rating	Project	Location	Allocation of Proceeds <sup>(2)</sup>
LEED Silver 	Vitruvian West Phase 2 <sup>(3)</sup>	Addison, TX	\$51,841,179
LEED Silver 	Cirrus	Denver, CO	\$80,564,487
LEED Silver 	The George Apartments	King of Prussia, PA	\$64,953,004
LEED Silver 	Vitruvian West Phase 3	Addison, TX	\$61,010,579
LEED Silver 	The MO	Washington, DC	\$87,878,751
<b>Total Use of Proceeds</b>			<b>\$346,248,000</b>

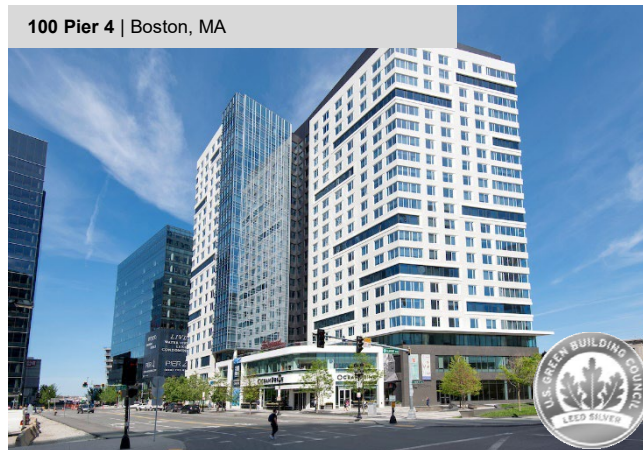
- (1) Net proceeds from issuance of \$350,000,000 notes due 2033. Pending allocation we initially used a portion of the proceeds from the offering to fund the redemption of the remaining \$183.1 million aggregate principal amount (plus the make-whole amount and accrued and unpaid interest) of our 3.750% senior unsecured notes due 2024 and the balance of the net proceeds to repay other outstanding indebtedness under our commercial paper program and working capital credit facility, or to fund potential acquisitions.
- (2) Investment and allocation of development cost for the period December 1, 2017, through August 31, 2022. The amount invested or allocated does not represent total development cost of the project. Allocation of proceeds was applied retroactively to the expenditures incurred during the period from December 1, 2017 through August 31, 2022.
- (3) Vitruvian West Phase 2 has received its LEED certification.

# APPENDIX C: GREEN CERTIFICATIONS AND RECOGNITION ACROSS OUR PORTFOLIO

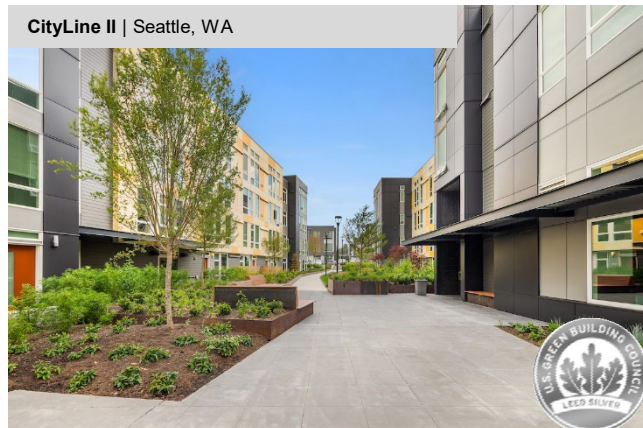
- At UDR, we understand the impact our business can have on the environment and upon our stakeholders, and we choose to go beyond basic requirements where possible. We embrace LEED (or equivalent) certification on many new developments, and our existing communities are all evaluated for improvements that minimize our environmental impact.
- Since 2010, UDR has acquired, developed or redeveloped 26 communities representing ~\$3.9B in total project cost<sup>(1)</sup>, that have obtained sustainability certifications.

COMMUNITY NAME	CERTIFICATION
10 Hanover	Fitwel 1 Star
13 <sup>TH</sup> and Market	LEED Silver
21 Chelsea	Fitwel 1 Star
95 Wall	Fitwel 1 Star
3033 Wilshire	Green Globes
345 Harrison	LEED Silver
399 Fremont	LEED Silver
Beach and Ocean	NGBS – Silver
Capitol View on 14th	LEED Platinum
Channel Mission Bay	LEED Gold
CityLine	LEED Silver
CityLine II	LEED Silver
Currents on the Charles	LEED Gold
Fiori on Vitruvian Park	LEED Silver
Leonard Pointe	LEED Gold
Los Alisos at Mission Viejo	LEED Silver
100 Pier 4	LEED Silver
Savoye	LEED Silver
Savoye2	LEED Gold
Station on Silver	NGBS - Silver
The Residences at Pacific City	LEED Silver
The Residences on Jamboree	NGBS - Silver
Verve Mountain View	LEED Silver
Vision on Wilshire	LEED Silver
Vitruvian West Phase 1	LEED Silver
Vitruvian West Phase 2	LEED Silver

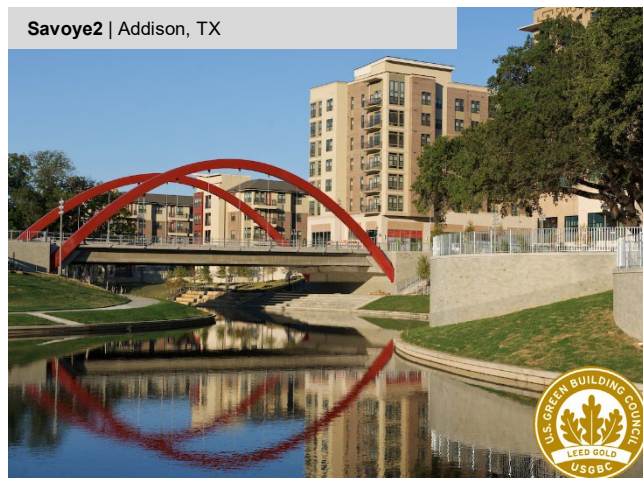
100 Pier 4 | Boston, MA



CityLine II | Seattle, WA



Savoye2 | Addison, TX



(1) Total project cost includes JVs at 100% ownership.