



# 2022 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



# CONTENTS

---

---

LETTER FROM THE CEO	3
---------------------	---

---

ABOUT THIS REPORT	
Our Company . . . . .	5
ESG Strategy . . . . .	6
Stakeholder Engagement . . . . .	8
Partnerships . . . . .	9

---

ENVIRONMENTAL	
Environmental Overview . . . . .	11
Energy & Carbon . . . . .	12
Water. . . . .	14
Waste & Materials . . . . .	15
New Developments . . . . .	16
Case Study: 1515 Surf Avenue. . . . .	18
Climate Resiliency. . . . .	19

---

SOCIAL	
Social Overview . . . . .	21
Supporting Employee Wellness . . . . .	22
Creating Healthy Communities . . . . .	24
Case Study: Park 151 . . . . .	25
Diversity, Equity, & Inclusion (DEI) . . . . .	26
Supporting our Local Communities . . . . .	27

---

GOVERNANCE	
Governance Overview . . . . .	29
Ethics & Integrity . . . . .	30
Risk Management. . . . .	30
ESG Strategy Oversight . . . . .	31
ESG Performance Data . . . . .	32
GRI Reporting Index. . . . .	33
TCFD Disclosures . . . . .	35

# LETTER FROM THE CEO



I am pleased to present our inaugural environmental, social, and governance (ESG) report which highlights our organizational-wide commitment to integrate ESG objectives into all aspects of our business.

Our ESG journey began over a decade ago with the integration of innovative sustainable construction techniques and technologies into our properties, supporting our philosophy of building best in class properties that deliver lasting value. In 2017, we established subcommittees that were tasked with setting and executing our ESG objectives and advancing coworker engagement. To establish an accurate benchmark of our ESG performance, we partnered with industry experts to create an ESG platform aligned with industry standards and best practices.

Building on this momentum, we formalized a holistic ESG Strategy in 2022 and set long-term goals that outline a path of continuous growth and improvement. ESG initiatives championed in 2022 include:

- Benchmarked 100% of property energy and water performance in the ENERGY STAR Portfolio Manager platform.
- Leveraged an industry leading ESG performance platform (Measurabl) to house and manage all ESG-related performance data.
- Partnered with an ESG advisory firm (breea) to formalize and champion our ESG strategy and policies in alignment with leading ESG frameworks.
- Submitted our inaugural Global Real Estate Sustainability Benchmark (GRESB) survey response and achieved a Green Star.
- Established 10-year, portfolio-wide energy, GHG emissions, water reduction, and waste management goals.
- Designed and constructed all new developments to minimum LEED standards.
- Three recent developments also achieved Fitwel certification.
- Furthered our commitment to RET Ventures for deploying industry-leading technological solutions across our portfolio.
- Began designing community-scale geothermal heating and cooling systems for two projects in Coney Island and New Rochelle to reduce carbon emissions associated with future operations.
- Utilized building information modeling (BIM) and performed life cycles analyses to reduce the embodied carbon of our new developments.
- Expanded our Employee Wellness Program to support the overall physical, emotional, social, and financial well-being of our coworkers.
- Advanced our climate resiliency planning to incorporate appropriate risk profiles and align with the latest climate science.
- Established a DEI Subcommittee to champion DEI efforts across our organization.
- Supported a variety of community organizations in our markets focused on key social issues like food inequality, senior care, childhood poverty, cancer research, homelessness, and affordable housing.

This inaugural report is a testament to the hard work, ingenuity, and dedication of our talented team. As we look ahead, we will continue to raise the bar and advance our ESG program as we face new opportunities and challenges in the transition to a lower carbon future. We are proud of our progress and look forward to building on our achievements in 2023 and the years ahead. On behalf of our organization, thank you for the continued support and trust you place in LCOR as we continually strive to achieve our collective goals and become a more resilient organization.

Anthony J. Barsanti

A handwritten signature in dark ink, appearing to read 'Anthony J. Barsanti'.

Chief Executive Officer



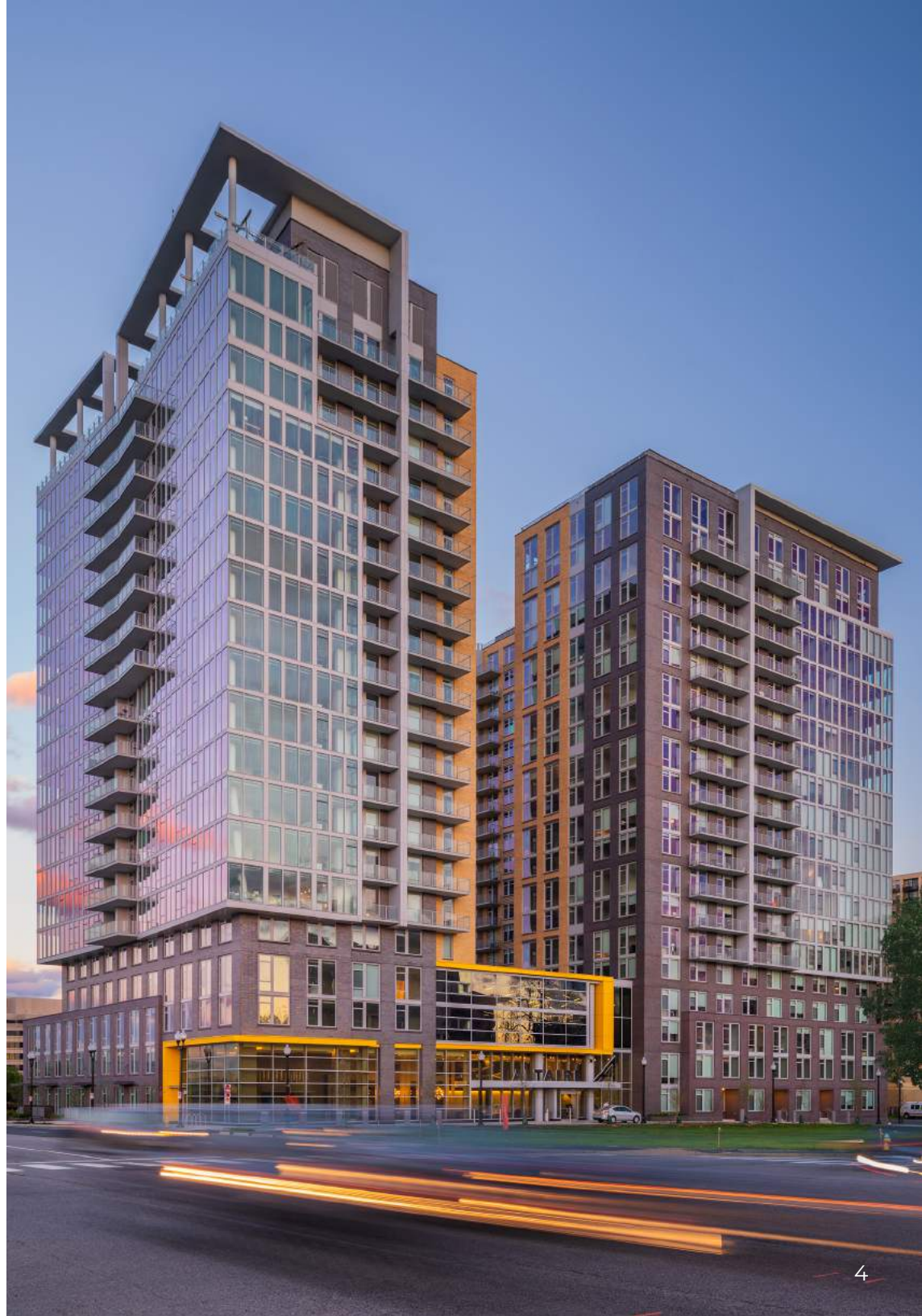
# ABOUT THIS REPORT

---

LCOR is pleased to present this inaugural 2022 ESG Report that includes ESG initiatives, policies, and goals implemented by LCOR that are considered material to our stakeholders. This report is organized by the respective ESG categories: Environmental, Social, and Governance.

This report was developed to align with key disclosures of the Global Reporting Initiative (GRI) Sustainability Reporting Standards and was created in partnership with our ESG consultant, breea. The reporting scope includes our owned and managed assets in 2022.

For further information on LCOR's ESG initiatives or this report, please contact Michael Hogentogler, Chief Operating Officer ([mhogentogler@lcor.com](mailto:mhogentogler@lcor.com), 610.408.4479).



# OUR COMPANY

LCOR is a fully integrated real estate investment, development, and management company specializing in ground-up core urban development and property management. Over our 40-year history, we have applied our fully integrated approach from initial planning and development strategy through property management, making us uniquely invested in our communities. We are an early adopter of sustainable construction techniques and provide future-focused technologies in our buildings, resulting in an enhanced experience for our residents and long term value for our partners.

We currently have 38 properties and approximately 14,000 residential units in operation, lease-up, construction, and pre-development. Each of our developments is project-financed, using a conservative capital structure to ensure “long-term” stability. We leverage our broad expertise to provide management oversight throughout the full lifecycle of our assets, from development and construction to managing the day-to-day operations of our properties.

## LCOR PROFILE<sup>1</sup>

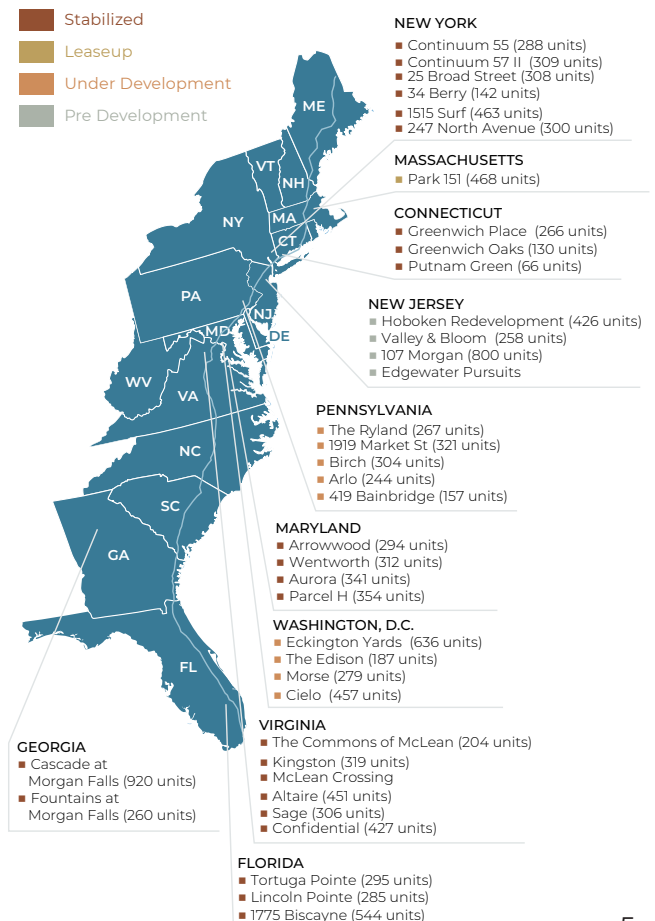


- LCOR has evolved over the last 10 years into a transit-oriented build-to-core developer and operating company with approx. 9,200 units of multifamily in operation, lease-up, and construction plus a pipeline of 4,600 units in pre-development
- Over 90% of portfolio properties are located proximate to transit
- Combination of CBD (Central Business District) locations with first ring suburbs provides diversity of product type and price-point

<sup>1</sup> A fully-integrated real estate investment manager, developer, and property management company



## PORTFOLIO FOCUSED ON TRANSIT-ORIENTED EAST COAST MSAS



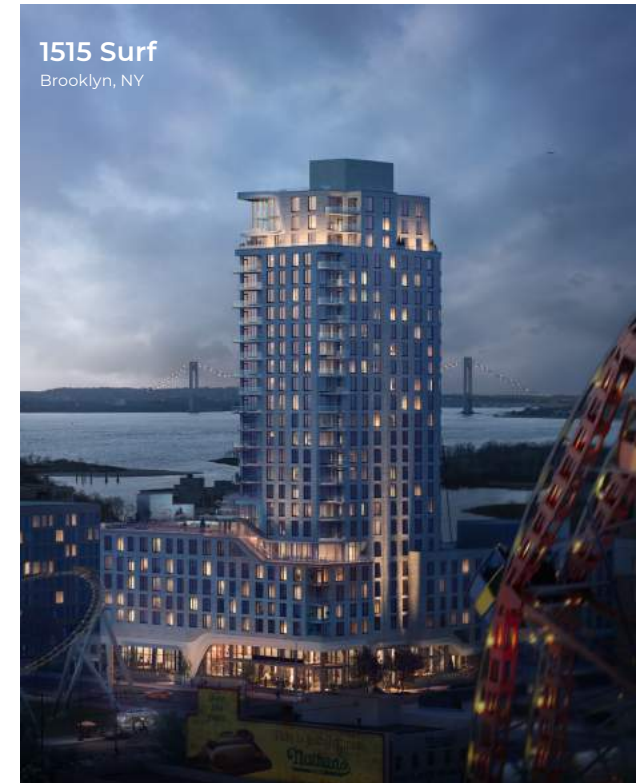


# ESG STRATEGY

LCOR is firmly committed to its intrinsic and societal responsibility of minimizing the environmental impacts resulting from the development and operation of our communities. We believe that being good stewards of the environment and our communities lays the groundwork for our continued responsible growth and financial success. Aligned with our philosophy of building “best-in-class” properties that deliver lasting value, we have integrated environmental, social, and governance (ESG) principles and objectives into all aspects of our core business strategy by formalizing our enterprise-wide ESG strategy in 2022.

Our formal ESG journey began in 2017, with the creation of subcommittees focused on developing and executing our ESG objectives, including our ESG Subcommittee that is tasked with overseeing and implementing corporate ESG initiatives. In 2018, we partnered with Conserve, the largest utility management provider in the nation, to enhance our utility performance monitoring and reporting capabilities.

In 2021, we benchmarked the energy and water performance of our portfolio in ENERGY STAR Portfolio Manager and leveraged Measurabl’s ESG platform to house and manage all ESG-related performance data. Measurabl provides a seamless front-end dashboard that is integrated with the Conserve and ENERGY STAR Portfolio Manager platforms. Centrally managing our ESG data through Measurabl enables our organization to track, report, and monitor ESG initiatives and progress towards achieving corporate goals.



*1515 Surf Ave, Brooklyn, NY -  
Delivering late Spring 2024*

*Eckington Yards, Washington DC -  
Delivered 2022*

# ESG

## STRATEGY (cont.)

Additionally, we have invested in RET Ventures, a strategic real estate venture capital fund that identifies start up technology companies operating in the real estate sector. Through our partnership with RET, we have become an industry leader in the deployment of new technology resulting in operational efficiencies, reduced expenses, and an enhanced resident experience. Today, LCOR buildings feature “building-wide” managed WiFi, smart home technology, a mobile first experience for residents, EV charging options, and many more.

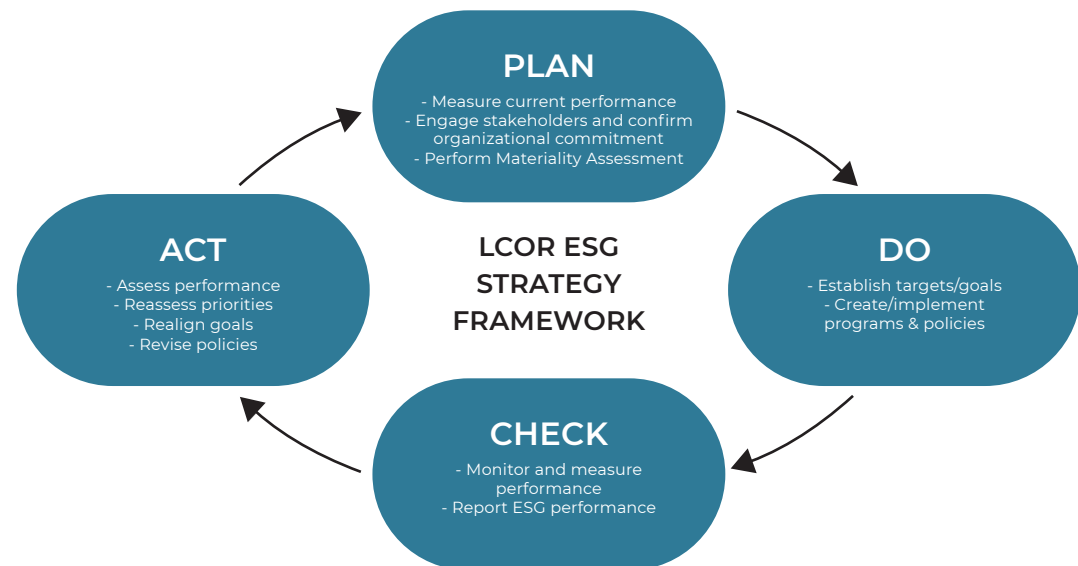
In 2022, we partnered with breea, an ESG advisory firm, to formalize our ESG Strategy, ESG policies, set near- and long-term goals, and to submit our inaugural Global Real Estate Sustainability Benchmark (GRESB) survey response. GRESB awarded our organization the Green Star designation. As the leading ESG reporting framework for real estate, participation in GRESB demonstrates LCOR's commitment to ESG performance, continuous improvement, and transparency.



Our ESG Strategy follows the “Plan – Do – Check – Act” process to ensure continual improvement and is aligned with leading global standards including the ISO 14001 framework for environmental management systems (EMS), GRI Sustainability Standards, and GRESB.

These efforts along with close collaboration across our organization have contributed to the development of this inaugural ESG report.

**In general, this process involves the following phases:**





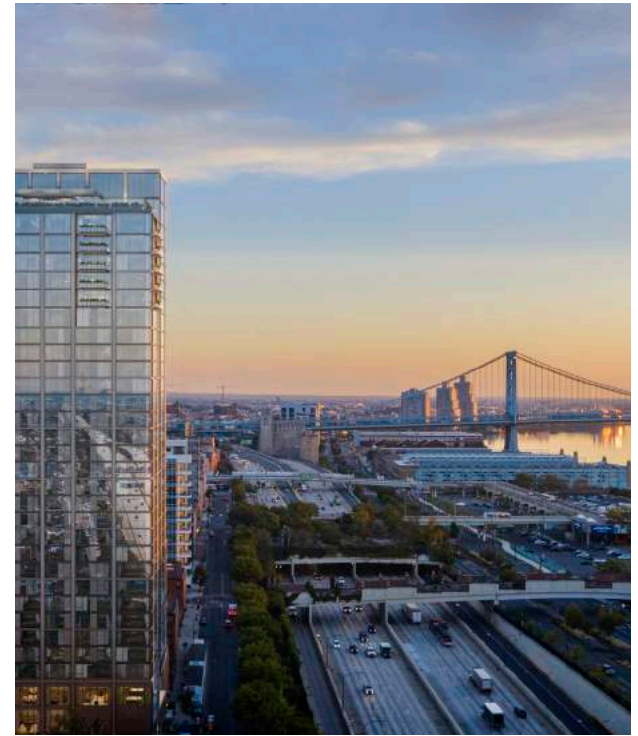
# STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a fundamental component of our ESG Strategy and the success of our business. Frequent communication with our stakeholders builds trust in our organization, enables us to stay abreast of stakeholder needs, and ensures we are incorporating diverse perspectives. We engage with our stakeholders by formally soliciting feedback and reporting performance, which serves to strengthen relationships and increase transparency. This ensures that we are targeting key performance indicators that are meaningful to our stakeholders and well aligned with our business objectives. Our key stakeholder groups include investors, residents, coworkers, industry counterparts, and the vendors and contractors we partner with. Further, this inaugural annual ESG report will serve as a powerful tool for communicating LCOR's accomplishments and progress to stakeholders on an annual basis.

In 2023, we plan to perform a Materiality Assessment to reassess and confirm which ESG topics areas are most material to LCOR's core business and stakeholders. This process will include surveying a variety of internal and external stakeholders to provide clear insight into our stakeholders' ESG priorities. Additionally, the results of the assessment will help inform the continuous refinement of LCOR's ESG Strategy and aid in identifying and closing gaps between ESG-focused initiatives and material topics.

---

*The Ryland Society Hill, Philadelphia,  
PA - Delivering Late Summer 2023*



---

*1515 Surf Ave, Brooklyn, NY -  
Delivering late Spring 2024*



# PARTNERSHIPS

Our ESG Strategy is strengthened through strategic partnerships with investors, industry organizations, and vendors and contractors. Through these partnerships, we are able to execute our business objectives, stay in touch with emerging trends, and advance thought leadership in our industry. We have partnered with the following organizations:

## INVESTOR PARTNERSHIPS:

---

- CalSTRS
- Brandywine Realty Trust
- Madison International
- PGIM
- Ares Management
- USAA
- LaSalle
- The Hartford
- PCCP
- Wilton Group
- Ivy Properties
- Webster Bank
- Blackrock
- Carroll
- Wells Fargo
- M&T Bank
- Santander
- JBG Smith
- Bank of America

## INDUSTRY PARTNERSHIPS:

---

- GRESB
- USGBC
- Fitwel
- Urban Land Institute
- National Apartment Association
- National Multifamily Housing Council
- ENERGY STAR







ENVIRONMENTAL

---

**LCOR**

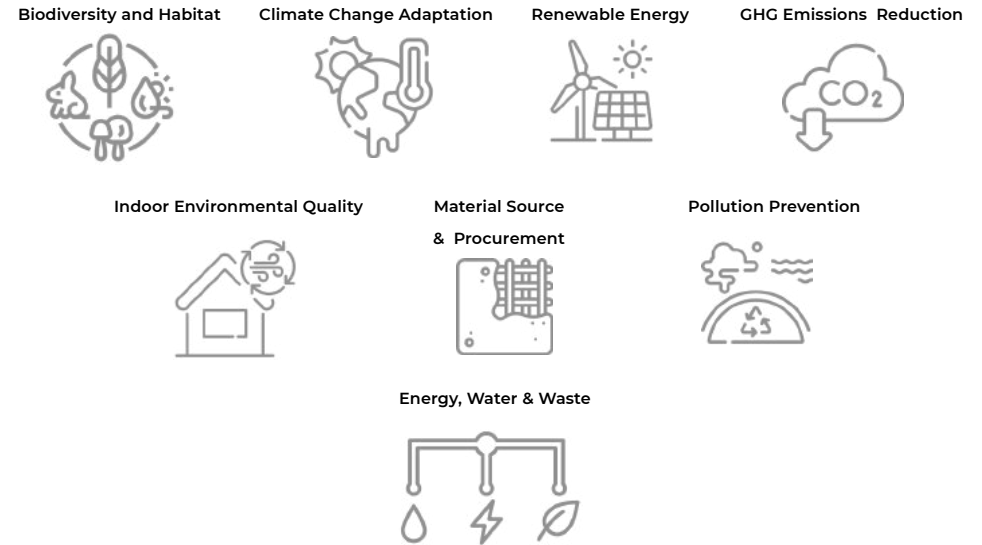


# ENVIRONMENTAL

LCOR is committed to minimizing its contribution to climate change and transitioning to a lower carbon future by reducing the environmental impacts of its new developments and standing investments. To achieve these objectives, we have adopted an environmental management system (EMS) aligned with ISO 14001 to manage and reduce the overall environmental impacts from our new development projects and operational assets.

Accurately measuring environmental data is a critical component of LCOR's ESG strategy and enables our organization to closely monitor performance and track progress towards goals. We utilize Measurabl's ESG data management platform as a front-end dashboard to track, report, and monitor all environmental performance data. Closely monitoring our environmental performance promotes data accuracy and transparency, internal accountability, performance improvements, and enhances our ESG reporting efforts.

## LCOR's current environmental policies:





# ENERGY & CARBON

LCOR actively manages its energy usage and carbon emissions through a robust ESG data management platform and strategic investments in energy efficient technologies, controls, and monitoring capabilities. We benchmark and monitor the energy usage and carbon emissions of all properties in ENERGY STAR Portfolio Manager and through the Conserve utility billing management platform. Measurabl provides a seamless integration between Conserve and Portfolio Manager and enables our organization to track, report, and monitor energy performance, GHG emissions, and efficiency upgrades implemented across our portfolio. In 2022, LCOR established goals of reducing energy use intensity (kBtu/sq. ft.) and GHG emissions intensity (MTCO<sub>2</sub>e/sq.ft.) 20% by 2031 from a 2021 baseline.

In our operational assets, GHG emissions are mitigated by continuously monitoring energy consumption, completing annual on-site property assessments, and periodically upgrading equipment with energy efficiency alternatives. LCOR measures and reports its Scope 1 and 2 emissions, which include the on-site combustion of natural gas and fuel oil for heating and backup power generation (Scope 1) and the generation of electricity and district heating/cooling off-site by local utilities (Scope 2).

Moving forward, we will continue to assess the evolving landscape of GHG emissions reporting frameworks and expand our monitoring capabilities to include emissions associated with resident energy usage, construction projects, and across our supply chain (Scope 3).



## ENVIRONMENTAL KPIs AND GOALS

### Average Site Energy Use Intensity (EUI)

2021 Baseline	46.4 kBtu/GSF
2031 Goal	37.1 kBtu/GSF

20% reduction in energy use intensity (kBtu/GSF) by 2031 from a 2021 baseline.

### Average GHG Emissions Intensity

Avg. GHG Emissions	3.3 kgCO <sub>2</sub> e/GSF
2031 Goal	2.6 kgCO <sub>2</sub> e/GSF

20% reduction in greenhouse gas (GHG) emissions intensity (kgCO<sub>2</sub>e/GSF.) by 2031 from a 2021 baseline.

## ENERGY BENCHMARKING

Benchmark energy performance for 100% of portfolio in ENERGY STAR Portfolio Manager

# ENERGY & CARBON (cont.)

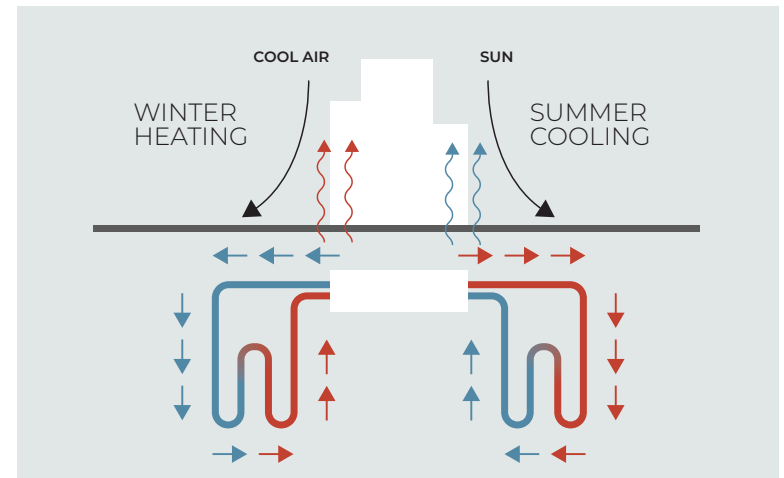
In partnership with RET Ventures, a real estate technology company, LCOR utilizes the SmartRent and SightPlan software platforms to optimize community operational practices. SmartRent enables the cloud-based control of apartment unit devices (e.g., lighting, thermostats, door locks) to improve energy efficiency, resident security, and the overall resident experience. SightPlan is a cloud-based platform that integrates community operational practices and maintenance requests while improving compliance and preserving asset quality. Select properties have implemented Verdigris metering and artificial intelligence (AI) solutions to identify building system control opportunities to reduce energy waste. Additionally, annual on-site audits are performed at all properties to identify cost-effective opportunities to improve energy and GHG emissions performance.



All new development projects are designed and constructed to LEED BD+C standards, which requires optimizing energy performance through efficient building design and the implementation of energy efficiency strategies. Renewable energy systems and green power supply products are evaluated for all new development projects to reduce our GHG emissions, including on-site solar, geothermal, the

procurement of grid-tied renewable energy where available, and the purchase of renewable energy certificates (RECs). Geothermal heating and cooling systems are currently in the design process for two new development projects in the New York City metro area (Coney Island and New Rochelle), which will soon become the region's largest geothermal systems.

*Overview diagram of geothermal system.*





# WATER

Climate change is disrupting weather patterns, leading to extreme weather events and water scarcity in many regions of our country. LCOR is committed to minimizing water usage at its properties to reduce environmental impacts and ongoing operating costs. We benchmark and monitor the water usage of all properties and track progress towards portfolio goals in our ESG data management platform, which is integrated with ENERGY STAR Portfolio Manager. In 2022, LCOR established a goal of reducing water use intensity (gallons/sq. ft.) 20% by 2031 from a 2021 baseline.



Sage | National Landing - LEED certified Gold.

## Average Water Intensity Use

2021 Baseline	28.8 gal/GSF
2031 Goal	23.0 gal/GSF

*20% reduction in water use intensity (gal/GSF.) by 2031*

We design and build all new developments to LEED BD+C standards, which require the installation of high efficiency water-consuming equipment. For operational assets, water efficiency strategies are incorporated during renovations, upgrades, and ongoing maintenance activities. Additionally, annual on-site audits are performed at all properties to identify cost-effective opportunities to improve water performance. Our water conservation strategy includes strategic investments in monitoring capabilities like leak detection and the installation of water conservation equipment and strategies, including high efficiency plumbing fixtures, smart irrigation system controls, cooling tower water management control systems, and green and blue roofs.



# WASTE & MATERIALS

LCOR is committed to reducing the waste generated from its new developments and standing investments and strategically sourcing materials with low environmental impacts. Waste performance for all assets is tracked to identify opportunities for continuous improvement and to measure progress towards portfolio goals. In 2022, LCOR established waste management goals that include a 75% waste diversion rate for all new development projects moving forward and a 50% waste diversion rate for all operational assets by 2031.



*The Birch @ 51 Washington, Conshohocken, PA*

For new development projects, detailed waste management plans are implemented to ensure contractors are aware of project goals and protocols, and recycling rates are closely monitored throughout the construction process. Through LCOR's commitment to designing and building all new developments to LEED BD+C standards, preference is given to procuring sustainable materials with low environmental impacts, including those containing recycled content, no- or low-VOC content, and those sourced regionally.

## ENVIRONMENTAL KPIs AND GOALS

**50%** annual waste diversion from landfill for all standing investments by 2031

**75%** waste diversion from landfill for all new development projects

Through collaboration with tenants and vendors, single-stream recycling and separate recycling and trash chutes are provided at most of our communities. Property teams provide residents with guidance on recycling best practices and organize periodic electronic waste recycling events to raise awareness and encourage participation in support of LCOR's waste management goals.

# NEW DEVELOPMENTS

ESG principles are integrated into the design and development of all new LCOR projects. We strive to develop high quality and resilient properties that enhance local communities and ensure long-term environmental and financial sustainability. In 2022, we implemented a formal ESG Standard for New Developments to ensure all projects are designed to promote sustainability, resiliency, and resource efficiency. This standard provides guidance on sustainable strategies for site selection, pursuing green building and health and well-being certifications, resource efficiency, indoor air quality, stakeholder engagement, and enhancing health and safety for residents and tenants. In 2023, we plan to expand this standard to include detailed, step-by-step protocols and guidance for our development teams and partners to ensure we are consistently meeting our corporate ESG objectives.

During the design process, we evaluate a variety of energy and water efficiency strategies using energy modeling analyses and technical studies to identify solutions that maximize near- and long-term value. We are currently incorporating geothermal heating and cooling systems into two development projects (Coney Island and in New Rochelle), which will become the largest geothermal installations in the region. Through our partnership with RET Ventures, we incorporate Smart Rent and EcoSave capabilities into all new developments, which enable the real-time monitoring of energy usage and the remote control of vacant unit HVAC and lighting systems. Additionally, we have partnered with Plugzio for the deployment of Level 1 and 2 electric vehicle (EV) charging stations with monitoring capabilities at all new developments.



(above) 247 North Ave, New Rochelle, NY.



1515 Surf Ave, Coney Island, NY  
- New York State's largest multi-family geothermal development.

# NEW DEVELOPMENTS (cont.)

In 2022, we established a 75% waste diversion goal for all new development projects to minimize our burden on local landfills. To further reduce the environmental impact of construction materials, we are currently evaluating opportunities to quantify and track the embodied carbon of construction materials (Scope 3), typically representing approximately half of total property life cycle GHG emissions. Moving forward, we will look to establish embodied carbon reduction goals for new development projects.

## NEW DEVELOPMENTS

11

LEED Certified  
projects to date



3

Fitwell certified  
projects to date,  
2 in progress



189

EV charging  
stations installed



**PARK 151**  
Cambridge / MA

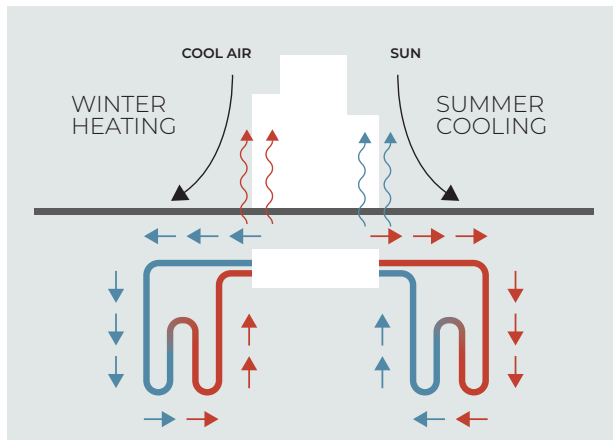
LCOR incorporates a variety of amenities in each property and gives preference to development sites in dense, urban, previously developed, transit-oriented locations to encourage active and low impact living. To validate LCOR's commitment to health and well-being, we achieved Fitwel certification for three new development projects in 2022 and anticipate achieving two additional certifications in 2023. Additionally, all new communities are designed and constructed to LEED Building Design & Construction (BD+C) or equivalent standards to ensure all projects are meeting minimum environmental standards. Since 2012, LCOR has achieved LEED certification for 11 development projects and is currently pursuing certification for five additional projects.



# CASE STUDY: 1515 SURF AVENUE

LCOR's commitment to environmental sustainability will be on full display at 1515 Surf Avenue, a 463-unit residential development in Coney Island currently under construction. Through a partnership with EcoSave USA, the project was awarded a grant for the installation of a geothermal heating and cooling system through a New York State Energy Research and Development Authority's (NYSERDA) pilot program. Geothermal systems utilize heat pumps and the relatively constant temperature of the earth for heat exchange to heat and cool buildings and heat domestic hot water. The geothermal system will be the largest in the state of New York and will reduce GHG emissions by 60% when compared to traditional systems, future proofing the community against tightening emissions standards in New York City.

## GEOTHERMAL SYSTEM

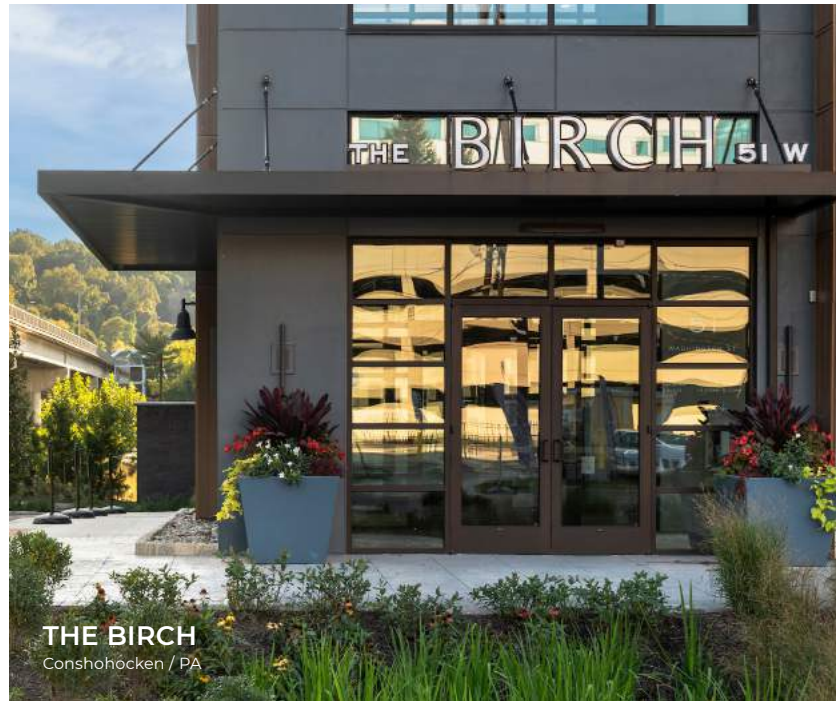


Expanding on LCOR's commitment to affordable housing, the community will include 139 affordable units that will make healthy active living along the waterfront available to all income levels. Located within walking distance of the beach and the Coney Island-Stillwell Avenue transit station, the community will be ideal for residents seeking active, healthy, and low impact lifestyles. Community amenities include low utility costs, an ocean-facing outdoor pool, fitness center, resident lounges, co-working spaces, and indoor basketball and handball courts. A "Vertical Boardwalk" overlooking the iconic beach will feature a stacked sequence of overlapping social spaces and dune gardens, strengthening the connection between community and place. Project construction is scheduled to be completed in 2024.



# CLIMATE RESILIENCY

Extreme weather events and other climate-related risks are a material concern for LCOR. Developing and operating climate resilient properties is fundamental to LCOR's ESG strategy and creates long-term value for our stakeholders. As climate risks change, we reexamine our internal processes to ensure our climate resiliency planning incorporates appropriate risk profiles and is well aligned with our business objectives and the latest climate science.



*Completed in 2022, The Birch in Conshohocken, PA incorporated resiliency design practices to mitigate potential flooding risks from the nearby Schuylkill River. Following extensive flood risk analyses, LCOR installed flood barriers and elevated all critical electrical infrastructure above ground level.*

We assess the potential impacts of extreme weather throughout the life cycle of our assets, including physical risks such as flooding, fire, loss of water, power outages, and wind damage. Flooding is a material risk to our organization, as our portfolio is concentrated on the east coast in metro areas near waterways. These risks are mitigated through resilient design strategies, such as floodable first floors, and by performing business impact analyses and stress tests to assess our readiness for climate-related events. To prepare for emergency scenarios, including extreme weather events, we have implemented Emergency Response and Crisis Communication Plans at all assets and facilitate regular readiness training for our coworkers and customers to ensure business continuity.

The transition to a carbon neutral economy also presents a variety of transition risks associated with regulation, policy, global commitments, and changing stakeholder preferences. In response to global climate commitments and the latest climate science, local municipalities are increasingly enacting aggressive climate legislation to accelerate the transition to a low carbon future. We are closely monitoring these risks in our core markets, including those in New York City and Washington, DC, and are strategically investing in energy efficient technologies and performance monitoring capabilities to help future proof our portfolio.





SOCIAL

**LCOR**



# SOCIAL

*LCOR Chesterbrook, Back to School  
Give Back, backpack donation.*

At LCOR, we strive to foster a diverse culture of inclusiveness, creating environments where all are welcome and can succeed and thrive. We take pride in being good stewards of the communities where we live, work, and serve by designing sustainable communities that promote health and well-being and by supporting the communities where we operate.

LCOR has implemented the following social policies aligned with corporate goals and objectives to establish minimum requirements and ensure compliance across our organization:

- Child Labor
- Community Development
- Customer Satisfaction
- Employee Engagement
- Employee Health & Well-being
- Employee Remuneration
- Forced or Compulsory Labor
- Health & Safety: Employees
- Health & Safety: Tenants/Customers
- Diversity, Equity, and Inclusion (DEI)
- Labor Standards and Working Conditions

*LCOR Bethesda, Pickleball  
challenge to end Alzheimer's.*





# SUPPORTING EMPLOYEE WELLNESS

Our coworkers are the foundation of our ongoing success. We strive to create safe and healthy workplaces where all can succeed, thrive, and are empowered to achieve their personal and professional goals. We understand that retaining top talent and a healthy and productive workforce requires resources that support the total well-being of our team.



LCOR's Employee Wellness Program supports the overall physical, emotional, social, and financial well-being of our coworkers. This program includes a competitive benefits package that supports the health and well-being of our teams and their families and a variety of programs that champion personal wellness, financial literacy, and professional and career development.

We provide comprehensive medical, dental, and vision insurance, preventative screenings, life and disability insurance, and paid vacations, holidays, and leave. For assistance navigating the healthcare system, we encourage our coworkers to utilize the free MyAdvocate health resource so they can focus on their health and recovery. We have partnered with Carebridge to offer an Employee Assistance Program that focuses on supporting our coworkers' total well-being and managing work-life balance through a variety of assistance programs.

To support long-term financial security, we offer both a Traditional and a Roth

401(k) with an employer match where all coworkers are 100% vested on day one. We partner with Fidelity to provide free financial planning assistance and literacy education to all coworkers. Further, our merit-based compensation program rewards coworkers based on qualifications, experience, performance, contributions, and business needs.

LCOR's Employee Development Program is robust and supports our coworkers in all aspects of their career development through training, educational assistance, industry engagement, employee recognition, mentoring, executive coaching, and annual industry conferences. We provide a variety of internal professional and career development opportunities including annual property management and leadership conferences and retreats, executive coaching, and mentorship programs. Additionally, LCOR's Ambassador program provides mentorship, educational, and professional development opportunities to our young professionals beginning their careers in the real estate industry.



# SUPPORTING EMPLOYEE WELLNESS (cont.)



**PARK 151**  
Cambridge / MA

## HEALTH & WELLBEING

- Medical, dental, and vision coverage
- Health reimbursement accounts
- Short- and long-term disability insurance
- Paid vacations and holidays
- Paid leave options
- Workers' compensation
- Carebridge Employee Assistance Program
- My Advocate

## FINANCIAL

- Traditional and Roth 401(k) with employee match (vested day one)
- Fidelity financial planning assistance
- Salary continuation
- Performance and merit-based employee compensation
- Financial assistance during COVID-19 (extra pay period)

## PROFESSIONAL

- LCOR Employee Development Program
- Annual LCOR Property Management Conference
- Biannual LCOR Leadership Retreat
- Professional development training and education assistance
- Support of industry designations and accreditations
- Employee recognition
- LCOR Ambassador Program
- Third-party executive coaching

# CREATING HEALTHY COMMUNITIES

LCOR is committed to designing, constructing, and operating communities that support the health and well-being of its residents and coworkers. By developing transit-oriented communities in dense urban environments, we have the opportunity to strengthen connections between people and place while enriching the communities. From selecting sites with deep connections to the surrounding community to pursuing Fitwel health and well-being certifications, our communities are designed to promote healthy lifestyles.

We select development sites that are located near parks, bicycle networks, and local resources in walkable communities to encourage physical activity and the use of public transit. During the design process, we incorporate amenities and design elements that create connections with the outdoors and encourage social connections, physical activity, healthy eating, and work-life balance. We support our residents' physical health by incorporating on-site fitness centers, weight rooms, yoga studios, swimming pools, and dog parks in most communities. To optimize indoor air quality, we utilize low-VOC materials, high quality air filtration, and ensure indoor spaces are well-ventilated.

To demonstrate our commitment to health and well-being, many of our communities have achieved or are pursuing Fitwel certification, an international building standard that promotes healthier workplace and living environments to improve occupant health and productivity. Originally developed by the CDC and GSA, Fitwel provides a science-based framework for designing and operating healthy buildings. As the Fitwel standard evolves, we will continue to leverage the framework to develop communities that improve health outcomes and overall quality of life for our residents.



**PARK 151**  
Cambridge / MA



# CASE STUDY: PARK 151

Delivered in 2022, Park 151 is an 468-unit, 18-story community in Cambridge, MA that is focused on healthy living in an urban, transit-oriented environment. The community is located along the MBTA light rail and a short walk to extensive outdoor running and biking trails. A lushly planted rooftop terrace with a pool, firepits, and grills provides stunning views of downtown Boston and a place for residents to relax and socialize. The Clubhouse includes a high-tech gym with indoor and outdoor yoga studios where residents can participate in regular yoga and TRX classes. Secure bicycle storage and equipment rentals are available for residents to ride the local bike trails. To support residents with flexible work arrangements, the community includes a coworking space with private offices and conference rooms. And when residents want to explore the City, the Lechmere light rail station is just a quick 5-minute walk from the community entrance.



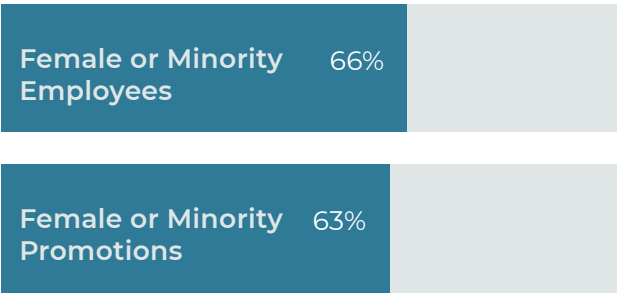
# DIVERSITY, EQUITY, & INCLUSION (DEI)

At LCOR, the diversity of our team is fundamental to our company culture. We are an Equal Opportunity Employer that is committed to maintaining a diverse and inclusive workplace where our coworkers feel a sense of belonging and can thrive and grow regardless of race, color, religion, sex, sexual orientation, gender identify, national origin, disability, or protected veteran status. We believe that diversity builds organizational resiliency as new perspectives are revealed and blind spots are uncovered. Simply put, diverse teams are more dynamic and outperform.

LCOR's focus on employee diversity begins with the recruiting process. We partner with Circa, a diversity recruitment firm, to ensure job postings are promoted to a diverse candidate pool. Circa tracks and reports all outreach efforts throughout the recruiting process, providing valuable metrics to continuously refine LCOR's DEI recruiting strategy. In 2022, 63% of promotions were given to team members that are either female or minority, and 66% of LCOR's staff today is either a female or a minority.

Creating places that meet the needs of all community members is essential for the long-term sustainability and growth of a community. LCOR supports underserved communities by incorporating affordable housing into our new development projects. To date, we have incorporated 752 affordable housing units into existing and new communities under development. We will continue to champion affordable housing in future developments to increase community diversity, reduce intergenerational poverty, and promote economic mobility.

## DIVERSITY, EQUITY, & INCLUSION KPIs



*Over the last 12 months, 63% of promotions were to either female or minority team members.*



The design, construction, and operation of our communities would not be possible without a large network of contractors and vendors. These partners are required to comply with LCOR's Responsible Contractor Policy, which is intended to support fair wages and protections for workers employed by our partners. We believe that all should be treated with respect, dignity, and should have the opportunity to earn a living wage to support their families.

In 2022, LCOR formalized a DEI Policy to establish a framework for expanding our DEI programs and a path for continuous improvement. A key component of this initiative was creating a charter for LCOR's DEI Subcommittee, comprised of a diverse group of LCOR employees committed to championing DEI efforts across the organization. The DEI subcommittee is tasked with the development of our DEI strategy and researching, recommending, and implementing DEI initiatives across our organization. Looking forward, we will continue to advance our DEI program, provide meaningful career development opportunities for all, and continue to promote DEI across our organization and in the communities where we live, work, and serve.



# SUPPORTING OUR LOCAL COMMUNITIES

We take great pride in our commitment to being good stewards of the communities where we live, work, and serve. From partnerships with local charities and volunteer organizations to expanding affordable housing opportunities, LCOR strives to support diverse and vibrant communities where all can thrive. We encourage our coworkers to support our communities and to seek opportunities to make a difference in the lives of others. In 2022, our team supported a variety of community organizations focused on key social issues like food inequality, senior care, childhood poverty, cancer prevention and cures, homelessness, and affordable housing. These organizations include:

- **All regions:**  
Urban Alliance, Children's Crisis Treatment Center's "Adopt-A-Child" program
- **Bethesda:**  
Brentwood Hamilton Park revitalization
- **New York City:**  
God's Love We Deliver
- **Washington, DC:**  
Armed Forces Challenge Ride, Bike Ride for Charity
- **Philadelphia:**  
Sparrows Back to School Program, Chester County Food Bank



## URBAN ALLIANCE

Since 2019, LCOR has partnered with Urban Alliance on their Property Management Pathway Program. Focused on workforce development, the program introduces local youth from communities of color to upwardly-mobile, living wage careers within the real estate industry. From dressing professionally to filing a maintenance report, the program provides real-world experience for students transitioning into part- or full-time work after graduation.





# GOVERNANCE

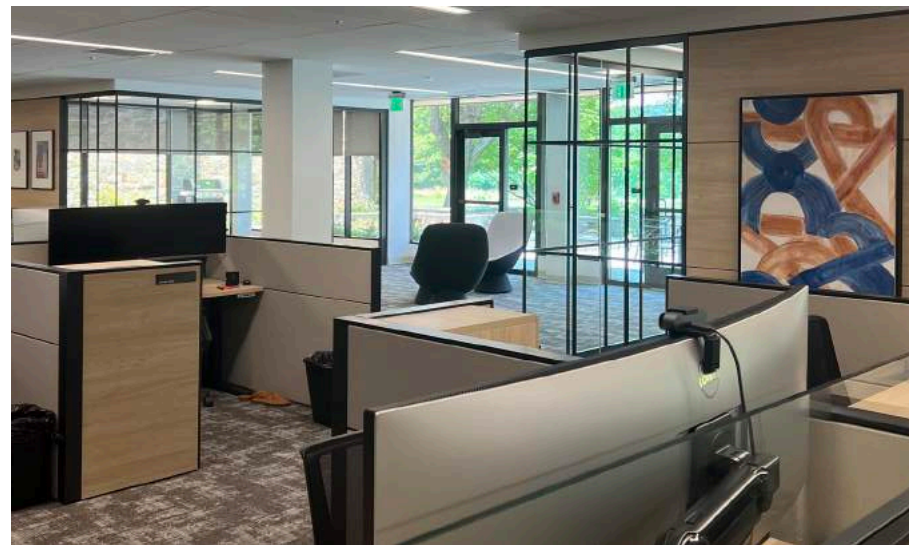
---

**LCOR**



# GOVERNANCE

Strong corporate governance is critical for long-term value creation, transparency, and accountability to our stakeholders. We are committed to governing our organization with the highest level of integrity and ethical standards. LCOR is governed by a Management Committee comprised of internal, external, and independent directors. Our Board oversees our overall strategic planning process, including the implementation and effectiveness of LCOR's ESG Strategy.



To establish minimum requirements and ensure compliance across our organization, we have implemented the following governance policies aligned with our corporate goals and objectives:

- Business Ethics and Code of Conduct
- Cybersecurity
- Vendor Code of Conduct
- Data Protection and Privacy
- Executive Compensation
- Political Contributions
- Pay Transparency

To ensure effective oversight and risk management, our Board has established a variety of committees focused on corporate governance best practices and compliance, including the following:

- Investment Committee
- Compensation Subcommittee
- Executive Subcommittee
- Audit Subcommittee
- ESG Subcommittee

# ETHICS & INTEGRITY

As an organization, we hold ourselves to the highest ethical standards and are committed to corporate governance practices that promote transparency, integrity, and accountability. We are guided by LCOR's Code of Business Conduct & Ethics that applies to all members of our organization. To help enforce this code, we maintain an Open Door Policy where coworkers are encouraged to raise concerns to management for reporting ethical and workplace concerns. Further, we maintain a no retaliation policy to protect employees who, in good faith, report a legal violation or any other violation of the Code of Conduct. LCOR strives to maintain a workplace where all individuals are treated with respect, dignity, and are provided equal opportunity. Similarly, all our contractor and vendor partners are required to comply with LCOR's Responsible Contractor Policy, which is intended to support fair wages and protections for workers employed by our partners.



## RISK MANAGEMENT

Assessing and managing material risks to our organization is a continuous process that is vital for meeting our operational and financial objectives over the near- and long-terms. Our Board is primarily responsible for overseeing the execution of our Risk Management Strategy and mitigating our exposure to market, credit, operational, regulatory, environmental, and physical and transitional climate-related risks.

We have partnered with Fisher Harris Shapiro Risk Management for the implementation of our investment and risk management strategy. FHS procures insurance for LCOR properties and performs annual audits of the properties to identify potential risks to LCOR staff, residents, and our investments. Following the audits, FHS coordinates with our property teams to implement the risk mitigation strategies outlined in the audits.

Championed by LCOR's Safety Committee, our enterprise-wide Safety Program was developed to provide minimum standards, guidance, and accountability to ensure compliance with safety standards. Our Safety Committee has defined a process for safety and accident reporting and hold quarterly meetings to review claims, mitigation strategies, and market trends. Additionally, we provide regular training to our coworkers on safety best practices and reporting mechanisms.





## ESG STRATEGY OVERSIGHT

Our Executive Team brings decades of experience and a wealth of knowledge to the LCOR brand and is tasked with executing our Strategic Plan and ESG initiatives. Our Board oversees LCOR's ESG Subcommittee, which is comprised of our Executive team and a representative group of coworkers from across our organization. They are tasked with the execution and continuous refinement of our ESG Strategy and researching, recommending, and implementing ESG initiatives. The ESG Subcommittee meets monthly to assess progress towards ESG goals, challenges, and future opportunities to expand our ESG Strategy.

# ESG PERFORMANCE DATA

		LIKE-FOR-LIKE		
		YEAR ENDING DEC 2021	YEAR ENDING DEC 2022	1-YEAR CHANGE (%)
DIRECTLY MANAGED PROPERTIES	Number of Properties	14	14	—
	Total Property GSF (sq. ft.)	4,024,342	4,024,342	—
	Average Occupancy (%)	93.2	95.3	2.3%
ENERGY	Site Energy Use (kBtu)	186,645,378	192,794,087	3.3%
	Average Site EUI (kBtu/GSF)	46.4	47.9	
GHG EMISSIONS	Scope 1 Direct (metric tons CO <sub>2</sub> e)	4,334.2	4,361.7	0.6%
	Scope 2 Indirect (metric tons CO <sub>2</sub> e)	8,875.0	9,367.2	5.5%
TOTAL		13,209.2	13,728.9	3.9%
	Avg. GHG Emissions Intensity (kgCO <sub>2</sub> e/ft <sup>2</sup> )	3.3	3.4	
WATER	Water Consumption (kgal)	116,041	115,994	—
	Average WUI (gal/GSF)	28.8	28.8	

\* Scope 1 emissions: All direct GHG emissions from owned and controlled sources that physically occur on-site (e.g., natural gas consumption of a boiler).

\* Scope 2 emissions: Indirect GHG emissions from purchased electricity, heat, steam or cooling that occur off-site (e.g., electric utility).

\* Portfolio performance reported for like-for-like properties includes 100% of properties owned and managed by LCOR in operation during both the baseline and current periods.

\* The year-over-year increase in occupancy is due to a portion of the properties being in the lease-up phase, which is the primary cause of the year-over-year increase in energy usage.



# GRI REPORTING INDEX

## STATEMENT OF USE

LCOR has reported the information cited in this GRI content index for the period from January 1st to December 31st, 2022 with reference to the GRI Standards.

Disc. #	Disclosure Title	Page #
<b>GRI 102: General Disclosures</b>		
<b>102: ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	1
102-2	Activities, brands, products, and services	5
102-4	Location of operations	5
102-5	Ownership and legal form	5
102-6	Markets served	5
102-7	Scale of the organization	5
102-8	Info on employees and other workers	22-23, 26
102-12	External initiatives	27
102-13	Membership of associations	9
<b>102: STRATEGY</b>		
102-14	Statement from senior decision-maker	3
<b>102: ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	6-7, 26, 29-31
<b>102: GOVERNANCE</b>		
102-18	Governance structure	29, 31
102-19	Delegating authority	29, 31
102-20	Executive-level responsibility for economic, environmental, and social topics	29, 31

Disc. #	Disclosure Title	Page #
<b>GRI 102: General Disclosures</b>		
102-21	Consulting stakeholders on economic, environmental, and social topics	8
102-32	Highest governance body's role in sustainability reporting	29, 31
<b>102: STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	8
102-43	Approach to stakeholder engagement	8
<b>102: REPORTING PRACTICE</b>		
102-46	Defining report content and topic boundaries	4, 32
102-50	Reporting period	4, 32
102-51	Date of most recent report	1
102-52	Reporting cycle	4, 32
102-53	Contact point for questions regarding the report	4
102-54	Claims of reporting in accordance with GRI Standards	33
102-55	GRI Content index	33-34

# GRI REPORTING INDEX

Disc. #	Disclosure Title	Page #
<b>GRI 200: Economic</b>		
<b>201: ECONOMIC PERFORMANCE</b>		
201-2	Financial implications and other risks and opportunities due to climate change	19
<b>GRI 300: General Disclosures</b>		
<b>302: ENERGY</b>		
302-1	Energy consumption within the organization	32
302-3	Energy intensity	32
302-4	Reduction of energy consumption	32
<b>303: WATER</b>		
303-5	Water consumption	32
<b>305: EMISSIONS</b>		
305-1	Direct (Scope 1) GHG emissions	32
305-2	Indirect (Scope 2) GHG emissions	32
305-5	Reduction of GHG emissions	32

Disc. #	Disclosure Title	Page #
<b>GRI 400: Social</b>		
<b>401: EMPLOYMENT</b>		
401-2	Benefits provided to full-time employees not provided to temporary or part-time employees	22-23
<b>403: OCCUPATIONAL HEALTH &amp; SAFETY</b>		
403-6	Promotion of worker health	22-24
<b>404: TRAINING &amp; EDUCATION</b>		
404-2	Programs for upgrading employee skills and transition assistance programs	22-23, 26
<b>413: LOCAL COMMUNITIES</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	27



# TCFD DISCLOSURES

---

Disclosure	Page #
<b>GOVERNANCE</b>	
Board's oversight of climate-related risks and opportunities	31
Management's role in assessing and managing climate-related risks and opportunities	19, 31
<b>STRATEGY</b>	
Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	19
<b>RISK MANAGEMENT</b>	
Organization's processes for identifying and assessing climate-related risks	19
Organization's processes for managing climate-related risks	19
Processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	19

Disclosure	Page #
<b>METRICS &amp; TARGETS</b>	
Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	12-13, 19, 32
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	12, 32
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	12-13, 19, 32

