

2020 ENVIRONMENTAL METRICS

UDR®



ENVIRONMENTAL METRICS

ABSOLUTE CONSUMPTION ⁽¹⁾						
Energy Performance	2018 (kWh)	2019 (kWh)	Data Coverage (SF) ⁽²⁾	Max Coverage (SF)	Total Coverage (%)	
Natural Gas / Steam	85,029,377	88,108,860	9,571,880	45,648,674	21.0%	
Electric	106,478,303	109,242,057	12,674,800	60,561,519	20.9%	
Total Energy Consumption	191,507,680	197,350,917				

LIKE-FOR-LIKE CONSUMPTION ⁽³⁾							
Energy Performance	2018 (kWh)	2019 (kWh)	Data Coverage (SF) ⁽²⁾	Max Coverage (SF)	Total Coverage (%)	Year-Over-Year (YOY) Change	Intensity Equals 2019 (kWh) / Data Coverage SF
Natural Gas / Steam	56,158,465	53,306,656	5,895,535	28,883,690	20.4%	-5.1%	9.0
Electric	63,021,830	60,477,905	8,580,952	42,308,230	20.3%	-4.0%	7.0
Total Energy Consumption	119,180,295	113,784,561				-4.5%	

ABSOLUTE EMISSIONS ⁽⁴⁾			FIXED BASE YEAR LIKE-FOR-LIKE EMISSIONS ⁽⁵⁾			
GHG Performance	2018 Emissions (Metric Tons of CO2e)	2019 Emissions (Metric Tons of CO2e)	2018 Emissions (Metric Tons of CO2e)	2019 Emissions (Metric Tons of CO2e)	YOY Change	Intensity Equals 2019 Emissions / 2019 Revenue \$'s
Scope 1	15,100	15,656	15,100	15,656	3.7%	0.001%
Scope 2 Location Based	36,690	34,937	36,690	34,937	-4.8%	0.003%
Scope 2 Market Based	36,690	34,350	36,690	34,350	-6.4%	0.003%
Total Emissions (Scope 1 + Scope 2 Market Based)	51,790	50,006	51,790	50,006	-3.4%	0.004%

ABSOLUTE RENEWABLE PRODUCTION			LIKE-FOR-LIKE RENEWABLE PRODUCTION		
Renewable Energy Production ⁽⁶⁾	2018 (kWh)	2019 (kWh)	2018 (kWh)	2019 (kWh)	YOY Change
	896,219	1,022,000	9,950	135,731	1264.1%

ABSOLUTE CONSUMPTION ⁽¹⁾						
Water Performance	2018 (kgal)	2019 (kgal)	Data Coverage (SF) ⁽²⁾	Max Coverage (SF)	Total Coverage (%)	
Total Water Consumption	2,140,930	2,205,181	60,232,919	60,561,519	99.5%	
Total Recycled Water Consumption	24,987	25,693				
Total Water Consumption in Water Stressed Areas ⁽⁷⁾	650,798	643,233	16,503,941	60,561,519	27.3%	

LIKE-FOR-LIKE CONSUMPTION ⁽³⁾							
Water Performance	2018 (kgal)	2019 (kgal)	Data Coverage (SF) ⁽²⁾	Max Coverage (SF)	Total Coverage (%)	YOY Change	Intensity Equals (Consumption / Homes)
Total Water Consumption	1,743,818	1,715,148	41,979,630	42,308,230	99.2%	-1.6%	46.3
Total Water Consumption in Water Stressed Areas ⁽⁷⁾	528,959	512,134	11,423,200	11,423,200	100.0%	-3.2%	48.2

ABSOLUTE WASTE METRIC TONS		LIKE-FOR-LIKE WASTE METRIC TONS ⁽⁸⁾			RECYCLING	DIVERSION
Waste	2018	2019	2018	2019	YOY Change	2019
	32,828	33,488	27,568	27,231	-1.2%	3,768
						14%

(1) Absolute consumption includes all gas, electric, steam, district chilled water, and water consumption for all properties owned during the year, including Joint Venture properties, where UDR had operational control.

(2) Data Coverage square footage (SF) for gas, electric, GHG Emissions, and water is SF where UDR has operational control.

(3) Operational controlled like-for-like gas, electric, and water consumption includes properties that are stabilized for two calendar years.

(4) Absolute Scope 1 emissions includes operational controlled natural gas consumption. Absolute Scope 2 emissions includes operational controlled electric, district chilled water, and steam consumption. We do not include emissions from diesel fuel use in emergency generators or mobile emissions from vehicle on the basis of their de minimis contribution to the total GHG Inventory. We also do not include Scope 1 fugitive GHG emissions from refrigerants consistent with GRESB requirements regarding data estimates.

(5) Fixed base year like-for-like Scope 1 and Scope 2 emissions was calculated using the World Resource Institute Green House Gas Protocol guidelines.

(6) 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 2019 renewable energy production is less than 1% of total operational controlled energy consumption.

(7) The World Resource Institute's defines the state of Colorado and California as the only states we currently own properties in that are high risk or extremely high risk water stressed areas.

(8) Like-for-like waste includes properties that are stabilized for two calendar years.

LRQA INDEPENDENT ASSURANCE STATEMENT

RELATING TO UDR INC'S GREENHOUSE GAS INVENTORY FOR THE 2019 CALENDAR YEAR

(GRI 102-56, 302-1, 303-1, 303-3, 305-1, 305-2, 305-3, 305-5)

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

TERMS OF ENGAGEMENT

Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by UDR, Inc. (UDR) to provide independent assurance of its Greenhouse Gas (GHG) Inventory for the 2019 calendar year (CY 2019) against the assurance criteria below to a limited level of assurance using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas data.

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

- Verifying conformance with:
 - UDR's reporting methodologies for the selected datasets: UDR's GHG Inventory Management Plan (UDR Environmental Management System (EMS), Revised June 2020, Version 3.0)
 - 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 GHG Protocol) for the GHG data¹
 - GRESB 2019 Real Estate Reference Guide
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Direct (Scope 1), Energy Indirect (Scope 2) GHG Emissions
 - Energy Consumption
 - Water Consumption

Our assurance engagement excluded Scope 1 fugitive GHG emissions from refrigerants, consistent with GRESB requirements regarding data estimates.

Our assurance engagement excludes Scope 1 GHG emissions from diesel fuel use in emergency generators, and mobile emissions from vehicles on the basis of their minimis contribution to the total GHG Inventory.

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.

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 the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

TABLE 1. SUMMARY OF UDR'S GHG EMISSIONS AND ENVIRONMENTAL DATA FOR CY 2019:

SCOPE OF GHG EMISSIONS	QUANTITY	UNITS
Scope 1 GHG emissions ¹	15,656	Metric Tons CO ₂ e
Scope 2 GHG emissions (Location-based) ²	34,937	Metric Tons CO ₂ e
Scope 2 GHG emissions (Market-based) ²	34,350	Metric Tons CO ₂ e
Energy ³	197,350,917	kWh
Water Consumption	2,205,181	kgal

1. Scope 1 Emissions does not include fugitive emissions from refrigerants, consistent with GRESB requirements for data estimates

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 electricity, steam, chilled water and natural gas.

¹ <http://www.ghgprotocol.org/>

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 data and records;
- interviewing relevant employees of the organization responsible for managing GHG emissions 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 data and records at an aggregated level for the calendar year 2019.

LRQA'S STANDARDS, COMPETENCE AND INDEPENDENCE

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.

LRQA verification assessment is the only work undertaken by LRQA for UDR and as such does not compromise our independence or impartiality.

Signed:

Dated: 16 July 2020



Brooke Farrell

LRQA Lead Verifier

On behalf of Lloyds' Register Quality Assurance, Inc.

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² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.