

2022

ELEVATED EXCELLENCE

ENVIRONMENTAL
METRICS REPORT

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 PERFORMANCE	ABSOLUTE CONSUMPTION (kWh) ⁽¹⁾			LIKE-FOR-LIKE CONSUMPTION (kWh) ⁽³⁾				
	2020	2021	DATA COVERAGE ⁽²⁾ (%)	2020	2021	DATA COVERAGE ⁽²⁾ (%)	YOY CHANGE	INTENSITY (kWh / SF)
Natural Gas / Steam	82,297,759	92,683,436	22%	55,406,263	62,241,426	21%	12%	8.6
Electric	101,681,128	106,410,856	21%	68,671,222	67,968,313	21%	-1%	6.8
Total Energy Consumption	183,978,887	199,094,292	-	124,077,485	130,209,739	-	5%	-

GHG PERFORMANCE	ABSOLUTE EMISSIONS (MT CO2E) ⁽⁴⁾			FIXED BASE YEAR EMISSIONS (MT CO2E) ⁽⁵⁾			INTENSITY (kg CO2E / REVENUE \$'s)
	2020	2021	2015	2021	6-YEAR CHANGE		
Scope 1	14,564	16,416	13,125	16,416	25%	0.001%	
Scope 2 Location Based	31,198	32,508	40,279	32,508	-19%	0.002%	
Scope 2 Market Based	27,889	20,769	40,279	20,769	-48%	0.001%	
Total (Scope 1 + Scope 2 Market Based)	42,453	37,185	53,404	37,185	-30%	0.003%	

RENEWABLE ENERGY PRODUCTION ⁽⁶⁾	ABSOLUTE RENEWABLE PRODUCTION (kWh)		LIKE-FOR-LIKE RENEWABLE PRODUCTION (kWh)		
	2020	2021	2020	2021	YOY CHANGE
	1,685,393	1,970,584	1,063,388	1,401,070	32%

WATER PERFORMANCE	ABSOLUTE CONSUMPTION (kGAL) ⁽¹⁾			LIKE-FOR-LIKE CONSUMPTION (kGAL) ⁽³⁾				
	2020	2021	DATA COVERAGE ⁽²⁾ (%)	2020	2021	DATA COVERAGE ⁽²⁾ (%)	YOY CHANGE	INTENSITY (kGAL / HOMES)
Total Water Consumption	2,261,840	2,416,754	97%	1,882,641	1,894,458	99%	1%	46.2
Total Water Consumption in Water Stressed Areas ⁽⁸⁾	664,882	641,949	100%	541,765	539,879	100%	0%	50.2
Total Recycled Water Consumption ⁽⁷⁾	19,476	24,066	-	-	-	-	-	-

WASTE	ABSOLUTE WASTE (MT)			LIKE-FOR-LIKE WASTE (MT)			
	2020	2021	2020	2021	YOY CHANGE	2021 DIVERTED WASTE (MT)	2021 DIVERSION (%)
	35,276	41,864	30,413	33,079	9%	6,167	19%

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

(2) Data Coverage for gas, electric, GHG Emissions, and water represents the percentage of square footage where UDR has operational control out of the total whole building square footage for the portfolio.

(3) Operational controlled like-for-like gas, electric, and water consumption includes communities 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 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 2021 renewable energy production is less than 1% of total operational controlled energy consumption.

(7) Recycled Water Consumption represents purchased reclaimed water.

(8) The World Resource Institute's 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.

LRQA'S INDEPENDENT ASSURANCE STATEMENT (2021 REPORTING YEAR)



LRQA Independent Assurance Statement

Relating to UDR Inc's Greenhouse Gas Inventory and Environmental Data for the 2021 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 data¹; 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;
 - Comparison to base year for GHG Emissions;
 - Waste Diversion rate for 2021; and
 - Percentage of energy procured from renewable sources for total common area electricity in 2021.

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; and
 - Water data for two sites acquired in late 2021.
- Waste data is currently available for 96% 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

¹ <http://www.ghgprotocol.org/>

² GHG quantification is subject to inherent uncertainty.



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, except for the effect of the matters described in the Basis for Qualified Opinion, 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 assurance³ and at the materiality of the professional judgement of the verifier.

Basis for Qualified Opinion

Greenhouse Gas Emissions from electricity use were underreported at 3 sites where solar generation was sold back to the grid and subtracted from the consumption value used to calculate emissions. This is not material.

Table 1. Summary of UDR's GHG Emissions and Environmental Data for CY 2021

Parameter	Quantity	Units
Scope 1 GHG emissions ¹	16,416	Metric Tons CO ₂ e
Scope 2 GHG emissions (Location-based) ²	32,508	Metric Tons CO ₂ e
Scope 2 GHG emissions (Market-based) ²	20,769	Metric Tons CO ₂ e
Energy ³	199,094,292	kWh
Water Consumption ⁴	2,416,754	kgal
Waste Generation ^{5,6}	41,864	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 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, 96% for CY2021.

³The 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 substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA'S INDEPENDENT ASSURANCE STATEMENT (2021 REPORTING YEAR) (CONT.)



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

Parameter	2020	2021	% Change
Energy			
Like-for-Like Natural Gas and Steam Change (kWh) ¹	55,406,263	62,241,426	12%
Like-for-Like Electric and District CHW Change (kWh) ¹	68,671,222	67,968,313	-1%
Like-for-Like Energy Change (kWh) ¹	124,077,485	130,209,739	5%
Water			
Like-for-Like Water Change (kGal) ¹	1,882,641	1,894,458	1%
Like-for-Like Water Intensity Change (kGal) ^{1,2}	46	46	1%
Waste			
Like-for-Like Waste Change (Metric Tons) ^{1,3}	30,413	33,079	9%
Other			
Percentage of electricity consumption procured from renewable sources ⁴		30%	
GHG Emissions Change from 2015 Base Year (percent) ⁵		-30%	
Like for like waste diversion rate (percent) ¹		19%	

1. UDR defines "like-for-like" as operationally controlled gas, electric, water, and waste 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 waste and recycling data combined from properties included in the CY2021 verification.

4. Electricity consumption procurement percentage applies to operationally controlled electricity consumption verified for CY2021.

5. Base year (CY 2015) was not verified by LRQA. Scope 1 and Scope 2 market-based GHG emissions used for comparison.

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 2021.

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: 28 June 2022

Brooke Farrell
LRQA Lead Verifier
On behalf of LRQA, Inc.
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LRQA reference: UQA00001495/5042388

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