

AIR
COMMUNITIES

2022/2023
CORPORATE
RESPONSIBILITY REPORT



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A MESSAGE FROM THE CEO



“Our work is more than a business—it’s a high calling to serve others by providing rewarding work to teammates, good neighbors to customers, and engagement in the communities to which we live and work.”

I am pleased to introduce to you the AIR Communities 2022-2023 Corporate Responsibility Report. This report describes our commitment to good corporate citizenship, a responsibility we take seriously. The AIR Edge, our comparative advantage, is central to our business and is featured throughout this report.

AIR Values Our Business

We designed AIR Communities in 2020 to be the most efficient and effective way to invest in U.S. multifamily real estate due to our simplified business model, diversified portfolio of apartment communities, low overhead, and low leverage. We emphasize efficiency, innovation, and customer satisfaction and we call that focus the AIR Edge. I write as the second quarter 2023 results have just been published: AIR led all peers with the highest revenue growth, the lowest expense growth, highest margins, the highest growth in Net Operating Income, and the highest rate of conversion of top line revenue to bottom line Free Cash Flow. This success reflects a team effort. The AIR team is proud to have met its goal to be the most efficient and effective way to invest in multifamily properties with public market liquidity.

AIR Values Our Residents and Team

AIR has a longstanding commitment to corporate responsibility. We are relational rather than transactional. We prioritize selecting good and stable neighbors by emphasizing high credit and a written Good Neighbor contract signed by every

new resident. We use technological innovation to empower residents and to support our site teams. One result is a stable workforce with solid income growth and high job satisfaction. A second result is sector-leading customer satisfaction and customer retention. In 2023, AIR was named a Kingsley Excellence Elite Five multifamily company and a winner of the 2023 Kingsley Excellence Awards for customer service. Of the winners, AIR ranked second among all operators, and first among publicly traded REITs.

We are proud of a workplace that emphasizes respect, dignity, responsibility, and opportunity. AIR benefits from the leadership of my talented colleagues, the hard work of exceptional teammates, and a strong culture that binds us together. We have a talented and engaged Board of Directors with a broad range of experiences and perspectives. The Board has a special focus on the teammates we employ, the customers we house, and the shareholders we serve.

We celebrate teamwork, and our efforts have been confirmed by awards including AIR’s 2023 Top Workplaces USA Award (the second consecutive year), a 10-time winner of Top Workplace in Colorado (by the Denver Post), Top Workplace in South Florida and Philadelphia, as well as Built in Best Places to Work 2023 in Colorado, Los Angeles, Miami, and Washington, DC.

AIR Values Our Freedom

Honoring our country’s values and those who serve is a priority at AIR Communities. We support our teammates who are called to active duty, and we contribute regularly to nonprofits that care for military veterans and their families. We celebrate legal immigration and offer our teammates a variety of resources to help them learn English and become citizens. We believe that the rule of law is essential to a just and prosperous society. We support property rights and the sanctity of contracts.

Our work is more than a business—it’s a high calling to serve others by providing rewarding work to teammates, good neighbors to customers, and engagement in the communities to which we live and work.

Thank you for your interest in AIR Communities. I hope that you enjoy our corporate responsibility report. Please write to let me know what you think, including especially any and all suggestions to make it better.

Be well and best wishes.

A handwritten signature in orange ink that reads "Terry". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Terry Considine

Founder/CEO

COMPANY OVERVIEW

INTRODUCTION

Apartment Income REIT Corp., (AIR or AIR Communities) (NYSE: AIRC) owns and operates best-in-class apartment communities across the United States. AIR provides professional management to carefully selected communities in strategic markets. Our operations are exemplified by the mission, vision, and values that shape the AIR culture and sharpen the AIR Edge. Our corporate responsibility program, like much of AIR, is intentional, explicit, and focused on continuous improvement. We take pride in our residents choosing AIR for exceptional living

experiences, and have shown a commitment to being a responsible steward of our communities, a leader among peers, and a trusted partner to our investors. We go above and beyond to provide award-winning workplaces for our teammates. As a Real Estate Investment Trust (REIT), we owe no income tax if we comply with the relevant provisions of the Internal Revenue Code; indeed, AIR dividends are taxed more lightly than others because of the Board-led tax focus during the Separation.

OUR COMMUNITIES



Circle size on map represents the distribution of AIR Communities properties

★ AIR Communities headquarters



2022 AT A GLANCE

97%

Average Daily Occupancy

74.4%

Net Operating Income (NOI) Margin

<15 BPS

of Gross Asset Value Spent on General Administrative Expenses

25,301

Apartment Homes

74

Communities

784

Teammates

The data and information throughout this report comprises the period between January 1, 2022, and December 31, 2022 (unless otherwise noted).

OUR COMMITMENT

AIR Communities is committed to caring for our customers, neighbors, and teammates. We are proud of our long history of corporate responsibility and industry best practices. Our philosophy is exemplified by the AIR Edge that incorporates long-standing business practices, much of which is now called ESG.

Our Mission

To consistently provide quality apartment homes in a respectful environment delivered by a team of people who care.

Our Vision

To be the best owner and operator of apartment communities, inspired by a talented team committed to exceptional customer service, strong financial performance, and outstanding corporate citizenship.

Our Values

Integrity, Respect, Collaboration, Customer Focus, and Performance.

BUILDING COMMUNITY

Providing homes is a high calling. AIR embraces this responsibility by owning and operating communities that serve our residents, teams, and neighbors with mutual respect and consideration. Our resident experience, consistent teammate satisfaction, and the AIR Gives philanthropic program trigger positive impacts throughout the communities where we do business. We work with a sense of mission and a commitment to the personal respect and relationships that bind together teams, customers, and communities.

OUR RESIDENTS

At AIR, we build more than exceptional living environments—we build communities. Our team operates with the highest level of integrity, respect, and care for our more than 45,000 residents across the country. Providing world-class customer service is at the heart of our mission, and creating a safe, welcoming environment is the foundation of our success. Our Good Neighbor Agreement is a mutual commitment between us and our residents. Each resident commits to being a good neighbor and respectful of specific community standards. In return, we agree to be responsive and attentive, to maintain a clean, safe, and welcoming environment, and to work hard to select other Good Neighbors.

“In October, it will be 20 years that I have lived at Flamingo. The community is the best it’s ever been, and it keeps getting better. [I] love all of the continued improvements. The management has listened to the need to foster more community—I am seeing more activities—keep it up please!”

AURELIA AT FLAMINGO POINT



AIR has aligned with the United Nations Sustainable Development Goals (UNSDGs). See more on page 36.

OUR GOAL

Achieve
4.25 or better *(on a scale of 0-5)*
 Customer satisfaction score annually
 ✓ Achieved in 2022

OUR PROGRESS

36,000
 Resident Survey Responses

100%
 AIR Properties on 2023 Kingsley Excellence List

100%
 Smoke-Free Communities

97%
 Average Daily Occupancy in 2022

61.1%
 Resident Retention Rate in 2022

99%
 Residents with Access to On-Site Fitness Center

THE AIR EDGE

Kingsley Elite Five Award



In 2022, AIR received the Kingsley Elite Five award for the second year in a row, emphasizing our commitment to exceptional customer satisfaction. AIR ranked second among all operators and first among publicly traded REITs.

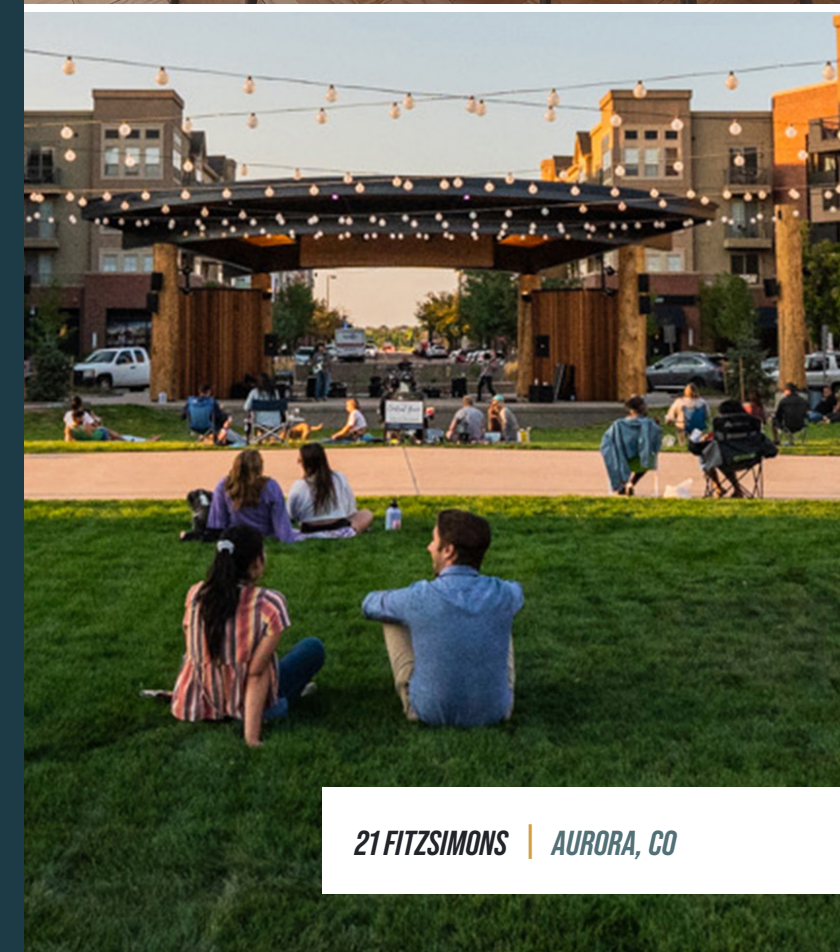
The award recognizes companies which continually exceed industry standards and consistently deliver outstanding customer experience. To qualify, our overall resident satisfaction score had to exceed the Kingsley Index™, the most comprehensive resident satisfaction performance benchmarking database in the real estate industry, based on tens of thousands of customer surveys.

“Our goal is world-class service, which leads to residents staying longer and creating stable and vibrant communities. Listening, learning from, and responding to our residents makes us better every day.”

MATTHEW HOLMES,
 SENIOR VICE PRESIDENT OF OPERATIONS



WILLARD TOWERS | CHEVY CHASE, MD



21 FITZSIMONS | AURORA, CO

The Reserve at Coconut Point

ESTERO, FL

Located in the rapidly growing city of Estero, Florida, The Reserve at Coconut Point is a new 180-apartment home community just minutes away from major employers, retail, beaches, recreation, and the Florida Everglades. As with every AIR community, resident satisfaction, safety, and comfort are a priority at Coconut Point, where residents have access to top-tier amenities including:

- Resort-style pool and sundeck
- Bike-sharing program
- Dog park
- Grilling area
- Refrigerated package room to accommodate grocery and perishable deliveries



4.6 out of 5

Customer Satisfaction Score
(Kingsley Associates' world class is > 4.25)

“This is the best apartment complex I have ever lived in! The Community Manager is incredible, went above and beyond to help me, and made me feel right at home from the second I set foot in the office. Thank you to the entire team for a seamless move-in experience and for a wonderful place to call home.”

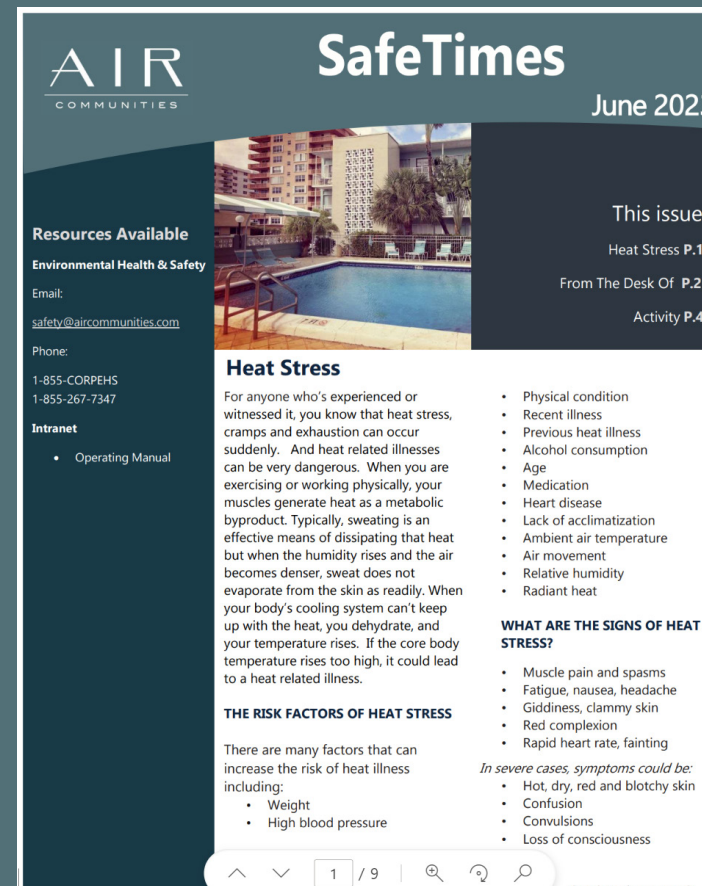
MARIEL AT COCONUT POINT

THE RESERVE AT COCONUT POINT | ESTERO, FL

Safe, Healthy, and Secure

At AIR, we're committed to exceptional customer service with priorities placed on resident and teammate health and safety. As such, we have:

- Health and wellness operational policies guided by the "9 Foundations of a Healthy Building," developed by the Harvard T.H. Chan School of Public Health
- A Resident Healthy Living Guide available at every AIR property
- SmartRent technology and controlled access throughout our portfolio provide added security and peace of mind for our residents
- A 24/7 crisis and emergency response team available to residents in the unlikely event of an emergency
- A monthly "SafeTimes" Newsletter provides seasonal tips for our property managers on how to keep our properties safe for residents and teammates alike
- Regular training including monthly live-hosted safety webinars and on-site safety meetings
- Partnerships with local law enforcement agencies to keep our neighborhoods safe

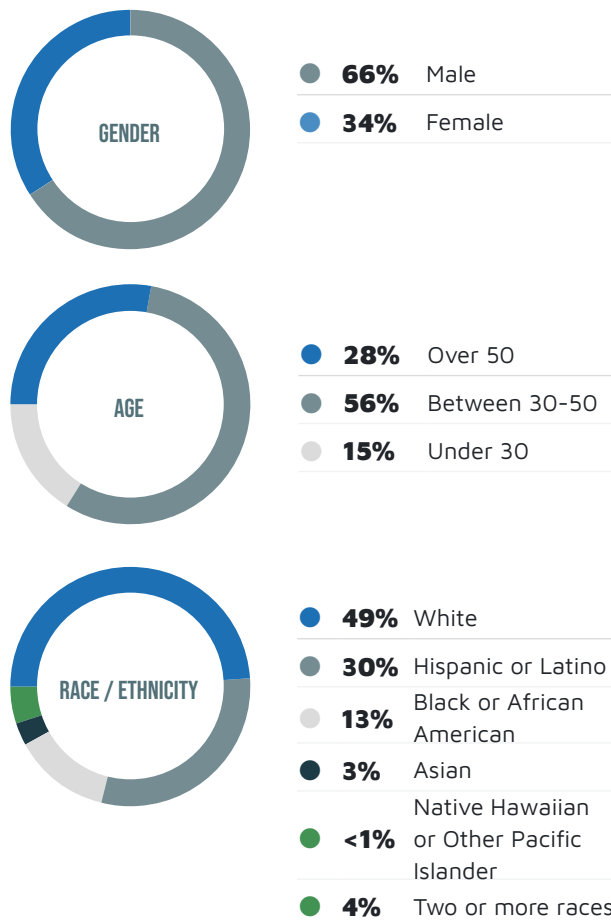


“We are deeply grateful for AIR’s contributions over the years and their commitment to supporting a safer and [more] vibrant Philadelphia. AIR’s support for the Philadelphia Police department (PPD) through our PPD Foundation has funded critical programs that emphasize community building and safety – values that make our city a better place to live.”
MAUREEN S RUSH, PRESIDENT OF PHILADELPHIA POLICE FOUNDATION

OUR TEAM

The heart of AIR's success, and what underpins the AIR Edge is our talented, high-performing team. We demonstrate our care for our teammates through AIR's comprehensive benefits, career advancement opportunities, and supportive work environment. We see the value each teammate brings to our organization, and we reward our team's dedication with pay-for-performance and recognition opportunities. In 2022, during a time of high inflation, we substantially increased compensation for teammates and implemented generous apartment discounts for those living onsite, particularly for our essential service team. One metric of success is record high team member engagement; a second is low voluntary turnover.

AIR TEAM DEMOGRAPHICS



BY THE NUMBERS

4.42/5

Team Engagement in 2023 and

79%

Survey Response rate

100%

Team Members Receive Professional Training

11.6

Training Hours per Team Member

100%

Teammates Trained on Specific ESG Topics

67%

Management Positions Filled Internally

17%

Voluntary Turnover

\$15+

Per Hour Minimum Wage

0.56

Lost Day Incident Rate



Team First

We emphasize the well-being and stability of our teammates and their families, and provide support through company-wide initiatives.

Caring for our team and their families

AIR sustains a team of passionate individuals by creating a workplace that is welcoming, engaging, and supportive, with benefits such as:

- Scholarships for AIR families through AIR Gives (see highlight on page 12)
- 15 hours of paid time off each year to volunteer in service activities of their choice
- 16-week paid Parental Leave Policy, in excess of legal requirements
- AIR Hugs which provides financial support to teammates facing hardship or challenging times
- Wellness benefits providing opportunities for teammates to recharge and refresh with special holiday and summer hours, along with flexible scheduling

OUR GOAL

100%

of teammates provided with access to health and wellness opportunities throughout the year

70%

or better annual employee engagement survey response rate

TEAMMATE SPOTLIGHT

Dedication

Raul Cabeza, a Service Technician at Laurel Crossing in San Mateo, California, embodies the AIR culture. While Raul was responding to a weather-related event at his community, he was caught in a storm and found himself on a flooded street with water up to his car's windows. Once rescued by emergency responders, instead of heading home, Raul walked back a quarter mile to Laurel Crossing where he spent six hours assisting residents at the community. Raul's selflessness and loyalty to AIR's residents and community is undeniable. His courageous efforts to keep others safe during these historic and unprecedented circumstances in California are emblematic of the AIR Edge.



AWARDS AND RECOGNITION



2023
KINGSLEY ELITE FIVE EXCELLENCE AWARD



2023
NATIONAL TOP WORKPLACE AWARD

REGIONAL TOP WORKPLACE AWARDS

PHILADELPHIA
 DENVER
 SOUTH FLORIDA



2023
BEST PLACES TO WORK AWARD

LOS ANGELES
 DENVER
 WASHINGTON, D.C.
 MIAMI



2023
HEALTHIEST EMPLOYER IN COLORADO AND SOUTH FLORIDA

AIR Gives

Since 2006, AIR Gives has awarded more than 660 undergraduate and vocational school scholarships to children of AIR teammates, including \$49,000 to 14 incredible young minds in 2022. Two of the most recent winners were Zachary and Iris Wang, children of Grace Wang (pictured below).

“ We are very grateful for AIR’s generosity. It not only provides us financial support, but also creates a community where we feel like we belong. Thank you! ”

GRACE WANG
 IT AND SENIOR BUSINESS ANALYST

“ It is empowering to know that there is a team and organization that believes in my potential to succeed in academic and future career fields. ”

ZACHARY WANG
 RISING SENIOR AT DARTMOUTH COLLEGE



Patriotism

AIR is driven by our mission to serve others. For more than two decades, we have provided teammates on active duty with full pay and benefits and contributed to nonprofits that support military families. Each year, AIR donates proceeds from the annual AIR Gives/Aimco Cares Golf Classic to the Tragedy Assistance Program for Survivors (TAPS), an organization that provides 24/7 support and care for military families grieving the loss of a loved one. We also give to Project Sanctuary, a nonprofit that helps families with housing, job placement, and veterans benefits once a soldier returns home from active-duty service.



AIR HAS CONTRIBUTED MORE THAN \$2.7M TO TAPS AND PROJECT SANCTUARY, HELPING COUNTLESS FAMILIES.

“ For more than a decade, AIR Communities has provided critical support for our organization. Thank you for helping us achieve our mission, and God bless you for remembering those who serve and for honoring those who have died by caring for those they left behind. ”

BONNIE CARROLL, PRESIDENT AND FOUNDER OF THE TRAGEDY ASSISTANCE PROGRAM FOR SURVIVORS (TAPS)

CITIZENSHIP

The AIR Gives Citizenship Benefit provides financial assistance to eligible teammates who wish to become American citizens. Jana Haberman, a Leasing Consultant at Beach Club in Minneapolis, took advantage of this unique benefit and earned her American citizenship in early 2023.

Life-changing events such as these signify the AIR Edge—going above and beyond for our teammates to help them achieve their personal and professional goals.



“ I’m so grateful to work for such a wonderful company that helped make it possible to achieve this huge life milestone. ”

JANA HABERMAN
 LEASING CONSULTANT

CARING FOR OUR COMMUNITY

AIR has a vested interest in our communities, and we go the extra mile to make an impact beyond our buildings.

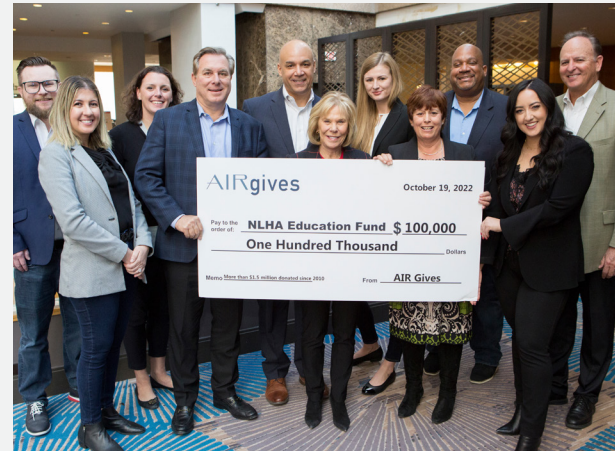
Community Partnerships

Our partnerships with elected officials, trade, business organizations, and non-profits from coast to coast extend our reach and increase our impact in building community.



AIR COMMUNITIES HOUSING IMPACT AWARD

For over 10 years, AIR has sponsored the AIR Housing Impact Award in partnership with the Los Angeles Business Council (LABC), celebrating individuals who have made a positive impact to improve housing in California. In 2023, Los Angeles City Council President Paul Krekorian was the recipient.



AIR GIVES OPPORTUNITY SCHOLARSHIP FOR STUDENTS IN AFFORDABLE HOUSING

In partnership with the National Leased Housing Association, AIR has donated \$1.4 million since 2006 to provide 644 students with scholarship funds.



PARK TOWNE PLACE ART PROGRAM

AIR Communities partnered with the City of Philadelphia and the Parkway Council to host an art event at The Oval, a summertime pop-up festival.

Industry Partners



(Left) AIR Communities Vice President of Operations Rich Derby and East Area Vice President Kevin Mosher attend the Montgomery County Chamber of Commerce Annual Dinner in Rockville, Maryland.

(Right) AIR's Chief Corporate Responsibility Officer, Patti Shwayder, spoke at the National Multifamily Housing Council conference in Las Vegas, presenting on rent control, smart housing policy and the need to preserve the sanctity of contracts and the rule of law.



AIR Gives

Through AIR Gives, teammates across the country supported dozens of nonprofits in 2022 through volunteerism and direct impact, including:



- 40** breakfasts served for Ronald McDonald House Charities
- 611 lbs.** food collected for Food for Others in Fairfax, Virginia
- \$3,153** donated to Carballo International a non-profit started by a valued teammate
- \$49,000** in scholarships granted to 14 children of AIR teammates
- 338** food donations for Pine Street Inn in Boston, Massachusetts
- 1,205 lbs.** food packed for Food Bank of the Rockies in Colorado
- \$10,000** donated to Marshall Fire Recovery in Boulder, Colorado
- \$415,000+** raised at the 20th Anniversary of the AIR Gives Charity Golf Classic
- 400 lbs.** garbage cleaned up from the Cherry Creek Greenway in partnership with The Greenway Foundation of Colorado
- 16K lbs.** food sorted for Second Harvest of Silicon Valley in California
- \$11,000** raised at the Colorado Jane-a-Thon ski event to benefit Invest in Kids

Giving Back

AIR's community impact is driven by our philanthropic program, AIR Gives. Since its inception in 2004, AIR Gives has helped our teammates volunteer and make a meaningful impact on the communities in which we live and work. We track and monitor community events attended, hours volunteered, and the total amount of money donated to local communities by our team members. Our annual charitable golf tournament raises funds to benefit military families and, in partnership with the National Leased Housing Association (NLHA), supports scholarships for students in affordable housing.

OUR GOAL	2022 BY THE NUMBERS	
Increase teammate volunteer participation in AIR Gives by:	15 hours annual paid volunteer time off for teammates	\$15/hr Paid to nonprofit of choice per hour volunteered
30% over our 2022 baseline by 2025	34 Nonprofits supported in 2022	\$16,319 donated via Give with Gusto Campaign
OUR PROGRESS	1,816 volunteer hours contributed	
13.5% increase in volunteer hours in 2022		

19,637 Hrs
Total Hours Spent Volunteering from 2017-2022

\$167,474
Donated via "Give with Gusto" Campaign from 2017-2022

ENVIRONMENTAL STEWARDSHIP

AIR's commitment to managing our environmental impact drives operational excellence and creates efficient, healthy, and modern communities for our residents to enjoy. In 2022, we have already exceeded our 2025 GHG emissions goal and maintained our energy intensity goal, and are making progress on water and building certifications. We assess physical and regulatory risk for our entire portfolio, including new acquisitions, consistent with the Task Force for Climate-Related Financial Disclosures (TCFD) recommendations. AIR's environmental management system is aligned with ISO 14001. As a whole, we weave environmental stewardship and resilience planning into all aspects of our business to secure long-term value for our communities and our shareholders.



VAUGHAN PLACE | WASHINGTON, DC

ENERGY EFFICIENCY

AIR has always operated our communities with a focus on cost optimization, efficiency, and the customer experience. As such, our efficiency efforts prioritize continuous improvement.



AIR has aligned with the United Nations Sustainable Development Goals (UNSDGs). See more on page 36.

KEY EFFICIENCY INITIATIVES

- AIR is committed to complying with local energy benchmarking and building performance standards, which are in effect for over 75% of our portfolio
- High-efficiency LED lighting across the portfolio
- Data tracking in ENERGY STAR® Portfolio Manager® for 100% of portfolio
- SmartRent technology to manage energy usage across the portfolio
- Building automation systems at all high- and mid-rise buildings to optimize efficiency and reduce energy consumption
- Weatherization projects across the portfolio to reduce heat/cooling loss and increase comfort
- Central plant heating upgrades
- Centrally monitored HVAC systems
- Cogeneration systems in operation at properties in Philadelphia, Redwood City, and Minneapolis
- 446+ electric vehicle (EV) charging ports installed across the portfolio, with another 940 underway
 - Approximately 58% of our properties have EV charging stations installed
- Valuation of renewable energy opportunities
 - As of Summer 2023, AIR has one solar project under construction and six in development
- Environmental Management System (EMS) aligned with ISO 14001

OUR GOALS

Reduce energy usage

15%

by 2025 over a 2019 baseline

Achieve

15%

Scope 1&2 GHG intensity reduction by 2025 over a 2019 baseline

OUR PROGRESS

▼ **10.3%**

reduction in energy intensity over a 2019 baseline

\$4.3M

Investment in energy conservation in 2022

▼ **16.5%**

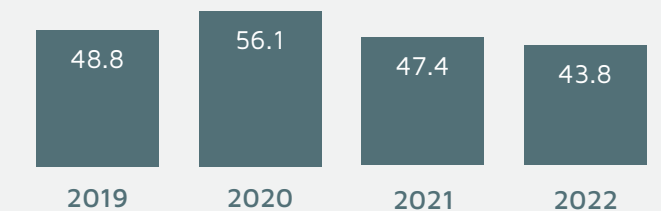
reduction in greenhouse gas emissions intensity over 2019 a baseline

\$8.1M

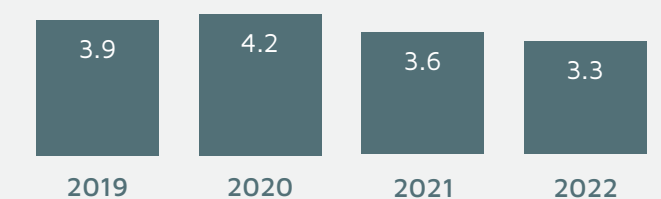
Cumulative investment in energy conservation (2020-2022)

*Properties without whole building data for the full year are excluded from 2022 annualized performance calculations.

ENERGY USE INTENSITY* (kBtu/sf)



SCOPE 1 & 2 GREENHOUSE GAS EMISSIONS* (metric tonnes per 1000 sf)



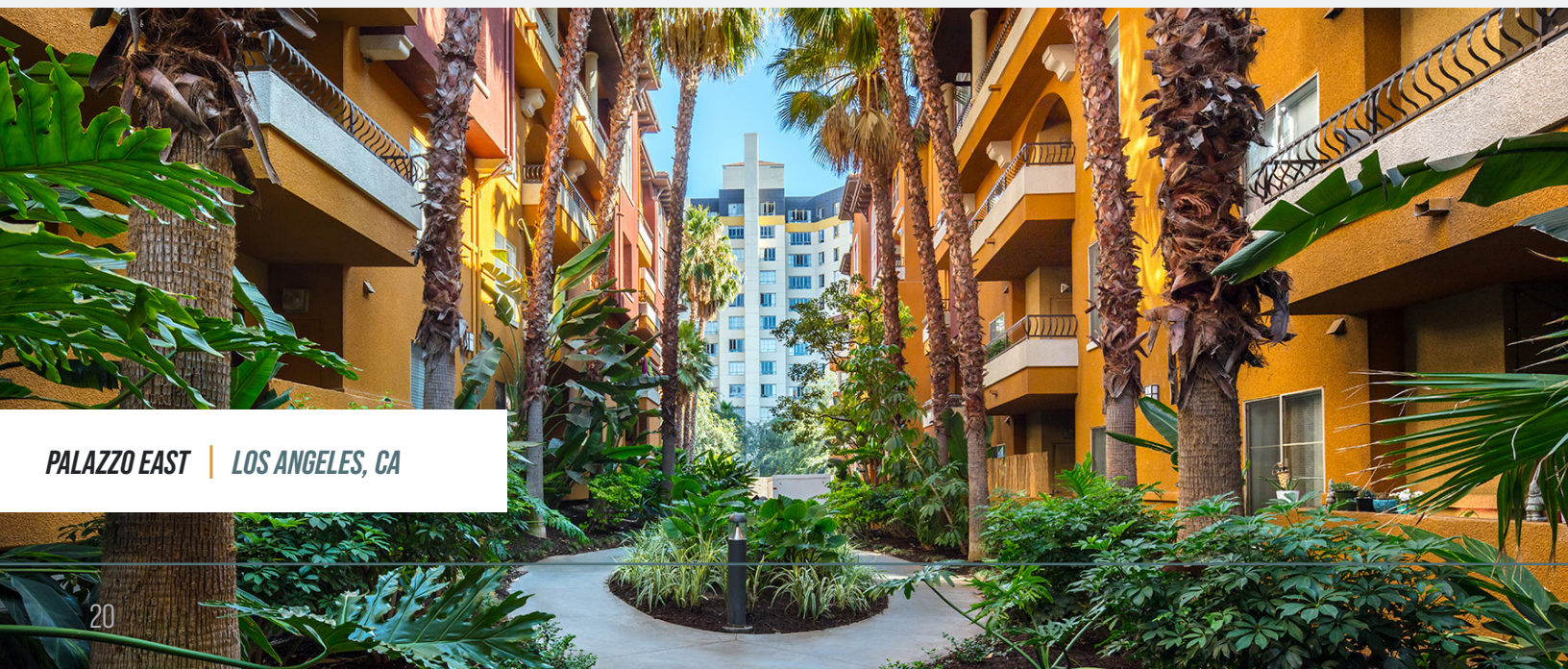
PALAZZO EAST AT PARK LA BREA

LOS ANGELES, CA

Palazzo East at Park La Brea is a 521-apartment home community located in the heart of Los Angeles' Mid-Wilshire neighborhood, within walking distance of the Grove, one of LA's most visited shopping centers. AIR's operational policies that promote health, wellness, and sustainability, as well as the many other amenities available at Palazzo East, make the community a haven for residents to refresh, reconnect, and recharge. Identified as a top performer and semifinalist by the Institute of Real Estate Management (IREM) Foundation Sustainability Awards, this community has:

- 40 EV charging stations to give residents access to EV infrastructure and reduce emissions and environmental impacts
- On-site recycling and composting for increased waste diversion
- LED lighting for energy efficiency resident comfort, and lower costs

- SmartRent technology for in-unit climate regulation and monitoring
- Water-efficient fixtures
- Bottle filling stations to support waste reduction
- Consistent indoor air quality that exceeds industry standards (ASHRAE 62), based on regular testing
- Use of safe building materials to control odors, chemicals, carbon dioxide, and pollution for resident health and comfort
- Wellness amenities and high walkability to encourage active lifestyles, with a Walk Score™ of 91
- Safety and security measures that include policies, procedures, and technology for resident protection



PALAZZO EAST | LOS ANGELES, CA

THE AIR EDGE

Investing in Energy Efficiency

When acquiring a new community, upgrading energy systems is an important part of delivering the AIR Edge. At North Park apartments in Chevy Chase, Maryland, acquired in 2021, AIR completed a major overhaul of the central plant system, including a new boiler, distribution, and control systems to optimize efficiency and enhance resident comfort.

"The original setup retained a 40-year-old steam boiler that was about the size of a school bus, failing, and extremely inefficient," said Ethan Lively, VP of National Construction and Service.

To provide more reliable services to residents at much lower costs for gas and electricity, AIR's overhaul included:

- High efficiency boilers
- Smart pump systems operated by optimized controls
- A projected 21.5% reduction in therms consumed
- \$50,000 in estimated savings each year

We continue to invest in our portfolio through the AIR Edge. Our goals are to save costs and improve the daily lives of our residents and teammates while reducing our impact on the environment. And we are not done implementing this edge; right next door at Willard Towers, we are ramping up to undertake a similar project that is expected to provide even better financial results with enhanced resident comfort and cost savings.



NORTH PARK | CHEVY CHASE, MD

WATER CONSERVATION

AIR incorporates water reduction best practices across our portfolio, such as monitoring consumption, installing drought-tolerant landscaping, and utilizing water-efficient equipment. In turn, we save water, lower costs, and conserve resources.

KEY EFFICIENCY INITIATIVES

- Low-flow plumbing fixtures, which has been an AIR standard for over a decade
- SmartRent water leak sensors installed to manage consumption and reduce risks across the portfolio
- Cooling towers in all high-rise buildings controlled to minimize evaporation
- Smart irrigation systems in all California and Colorado communities to minimize water use
- Drought tolerant and native landscaping in 100% of arid communities (CA and CO)



OUR GOAL

Achieve
10%
water intensity savings by
2025 over a 2019 baseline

WATER INTENSITY (M³ PER SQ. FT.)*



+2.7% increase in water intensity
over a 2019 baseline

*Properties without whole building data for the full year are excluded from 2022 annualized performance calculations

Rainwater Catchment at Indigo

REDWOOD CITY, CA

Runoff from stormwater can be a major cause of water pollution and increased flooding in urban areas. To address this issue, AIR's Indigo Apartments in Redwood City, California, were designed using Low Impact Development (LID) principles, including bio-retention planters on the podium deck above the parking garage. These planters treat roof water through evapotranspiration, whereby the soil slows down the water, allowing a small amount of the stormwater to evaporate. The rest of the water filters through the soil in the planter boxes. Together, the soil and natural bacteria in the plant's roots remove oils and sediment from the stormwater. Between these bio-retention planters and filter boxes, 100% of stormwater is treated onsite at AIR's property before being released into Redwood City's storm drain system. These efforts help protect the quality of water used for drinking and recreation in the surrounding area.

Property details:

- 12-story mixed-use high-rise development
- 723,000 gross sq. ft.
- 463 residential units
- 7,000+ sq. ft. of state-of-the-art amenities, including conference rooms, lounge and recreation areas, a business center, and a fully equipped fitness center
- 600-space parking garage embedded within the building, surrounded by units, and covered by an extensively landscaped courtyard
- Large saltwater pool and open-air cabana lounge with fireplace, pizza oven and barbecue area, outdoor cinema, and game zones
- 100% of stormwater treated on-site
- 2023 Kingsley Excellence Award winner for resident satisfaction





THE WATERMARC AT BISCAYNE BAY | MIAMI, FL

WASTE MANAGEMENT

AIR's waste management strategy helps optimize the health, cleanliness, and sustainability of our communities. We are pleased to offer recycling services at nearly every community and provide residents as well as property teams with tools to understand the importance of managing, reducing, and separating waste.

KEY EFFICIENCY INITIATIVES

- Recycled or zero waste materials purchased where applicable
- Recycling services offered for 100% of corporate offices and 97% of properties
- Composting services offered at 14% of our properties

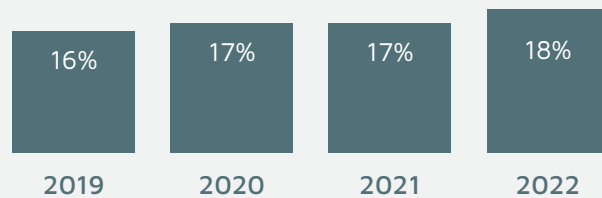
BUILDING MATERIALS

Building materials play a large role in ensuring a community is healthy and safe. AIR works to avoid using materials that are known to affect human and environmental health adversely. Best practices we follow include but are not limited to:

- Seeking to avoid any use of materials with known toxic amounts of ingredients such as asbestos, formaldehyde, volatile organic compounds, ash, cadmium, mercury, lead, arsenic, phthalates, etc.
- Using sustainability-certified materials during remodeling when feasible
- Purchasing local materials and importing local fill where practical

OUR PROGRESS

WASTE DIVERSION (metric tonnes)



+15.5%

increase in waste diverted over a 2019 baseline

THE AIR EDGE

BUILDING CERTIFICATIONS

AIR has committed to certify 95% of its portfolio as sustainable and to incorporate best practices in building management and technology upgrades. We are committed to providing a healthy workplace for our teammates and an exceptional living experience for our residents, all with a light touch on the environment. While AIR buildings have long met high standards, AIR has dramatically increased third-party building certifications, up nearly seven times as measured by square feet, which represents 65% of our portfolio.

OUR GOAL

Certify
95%
of portfolio
by 2025



OUR PROGRESS

12.9M
total sq. ft. certified

514%
increase from 2021

65%
of properties

10
Leadership in Energy
& Environmental Design
(LEED) Certifications

- 927,000 total sq. ft.
- Includes: Parc Mosaic, Vivo, 777 South Broad, Southstar Lofts, City Center on 7th, Prism

38
Properties earned
Institute of Real Estate
Management Certified
Sustainable Property
(IREM CSP) Certifications

- 11.6M total sq. ft.
- Includes: Palazzo East at Park La Brea, Indigo, The Fremont, One Canal, Riverloft

4
Buildings earned National
Green Building Standard
(NGBS) Green Certified

- 398,000 total sq. ft.
- Includes: The District at Flagler Village

CLIMATE RISK AND RESILIENCE

AIR proactively protects our teams, communities, and stockholder value from climate-related risks through a comprehensive approach to assessing climate risks and implementing resilience strategies in alignment with the TCFD. In 2022, AIR received a verified “A” rating by GRESB’s TCFD assessment of AIR’s governance, strategy, risk management, and metrics and targets (on an A–F scale, with A being best).

GOVERNANCE

AIR’s Governance and Corporate Responsibility Committee of the Board of Directors oversees AIR’s policies and strategies related to ESG matters, including reviewing climate-related risks and opportunities. AIR’s Chief Corporate Responsibility Officer (CCRO), reporting to the CEO, is responsible for assessing and managing climate-related issues and oversees an internal, multi-departmental Corporate Responsibility Working Group. This group evaluates climate-related physical and transition (regulatory) risk information and evaluates opportunities to make investments in improving resiliency, efficiency, renewable energy, and obtaining sustainable building certifications.

The CCRO gives quarterly updates to the Board about climate-related matters to inform Board actions on guidance and strategy, annual budgets, risk management policies, business plans, oversight of major capital expenditures, acquisitions, and divestitures.

STRATEGY

AIR performs twice-annual physical and transition (regulatory) risk assessments and benchmarking for the AIR portfolio using Morgan Stanley Capital International’s (MSCI’s) Real Estate Climate Value-at-Risk solution. MSCI’s forward-looking and return-based valuation assessments translate risks into financial terms to empower decision-making. These scenarios inform AIR’s broader risk management framework and help assess risks

over the short, medium, and long term. The TCFD Index on pages 46–48 includes more detail on identified risks and opportunities.

AIR also performs deep dive assessments on specific assets to identify hardening, adaptation, and/or mitigation opportunities, and develops capital improvement strategies based on these findings. Examples include but are not limited to:

- Custom disaster preparedness training programs that include guidance for site teams to respond quickly and effectively to weather events and natural disasters such as earthquakes, wildfires, and hurricanes
- Facility waterproofing where there is a potential for water intrusion
- Engaging vendor response teams to facilitate quick repairs and restoration of properties quickly following a climate-related event
- Mold prevention program to avert water damage and maintain indoor air quality
- Emergency preparedness plans that outline procedures and identify local resources
- Preventative maintenance programs to ensure critical systems remain functional during inclement weather including emergency generators, groundwater treatment, sump pumps, and stormwater systems for use on standby
- Reinforced building structures for protection against severe weather

Regarding opportunities, AIR continues to make progress to certify 95% of its portfolio as sustainable, which residents and investors increasingly see as a third-party validation of

quality. Where feasible, AIR evaluates and invests in renewable energy sources and continues to prioritize and make significant investments in converting older, less efficient central plant and HVAC equipment into high efficiency systems. Several properties have been converted to cogeneration and several solar projects are underway. In tandem, these measures reduce occupancy costs for residents, improve competitiveness, and lower risk.

RISK MANAGEMENT

AIR’s strategic approach to risk management follows a uniform but flexible process that prioritizes our portfolio’s resilience against physical and regulatory risks. AIR’s use of MSCI’s Real Estate Climate Value-at-Risk helps us to model twenty different climate-related transition risk scenarios, including several that are 2° or lower. The analysis considers seven different physical risk scenarios and identifies the potential degree of exposure that each property has to various physical risks, such as tropical cyclones, floods, storm surges, wildfire, drought, extreme temperatures, and rising sea levels. Additionally, AIR regularly considers risks associated with regulatory requirements, such as local benchmarking ordinances, building performance standards, economic shifts, and the changing availability and price of resources. AIR takes this information into consideration at the asset level during each phase of the real estate lifecycle.

METRICS AND TARGETS

AIR monitors and reports environmental, social, and governance targets including energy, GHG, and water goals, performance, and targets. The full range of metrics can be found in the 2022 Performance data on page 49 and the UNSDG summary on pages 36–41.

THE MSCI MODELING SHOWS:

100%

of the portfolio has no identifiable risk of extreme heat

47%

of the portfolio has negligible risk for extreme cold 52.94% is likely to see a risk reduction

86%

of the portfolio has negligible risk of wildfires 13.55% is likely to see a risk reduction

75%

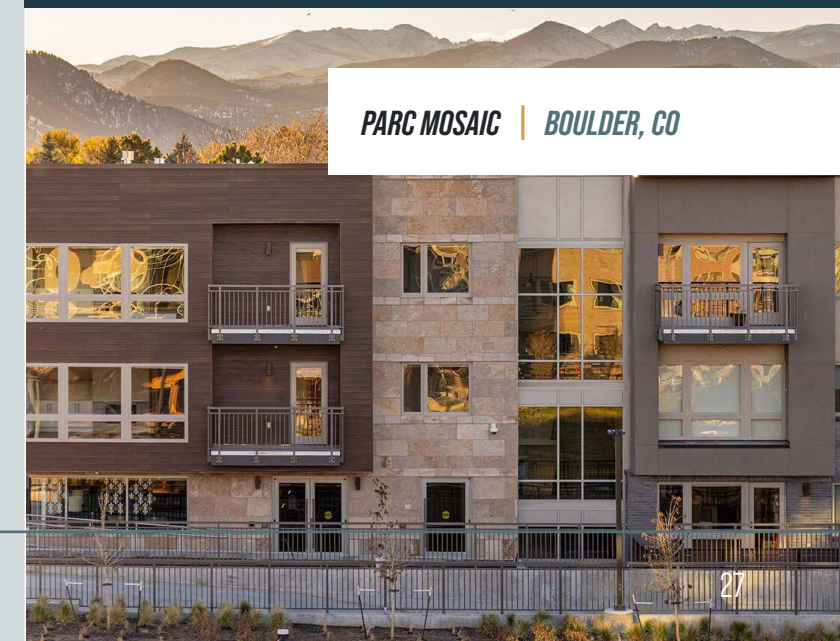
of the portfolio has no identifiable or negligible risk for tropical cyclones

93%

of the portfolio has no identifiable risk or negligible risk for fluvial flooding

66%

of our portfolio has negligible overall physical risk



GOVERNANCE

We lead with strict adherence to our Code of Business Conduct and Ethics. We begin with a disciplined eye to Board composition and refreshment. Our Board of Directors includes a wide range of backgrounds as well as professional and lived experiences: for example, one half of the independent directors are immigrants, and an overlapping half are women. We emphasize pay for performance and low overhead costs to be efficient and effective stewards of the investment capital entrusted to our careful management. We have peer-leading conversion of rental revenues to free cash flow available for re-investment or distribution to shareholders, including retirees and those who support them. Above all else, our leadership team provides strong guidance to promote and uphold our mission, vision, and values.



AIR has aligned with the United Nations Sustainable Development Goals (UNSDGs). See more on page 36



OUR LEADERSHIP

At AIR, our corporate governance philosophy is rooted in our commitment to high ethical standards and professional responsibility. Our core values: integrity, respect, collaboration, customer focus, and performance guide our commitment to our residents, to our teammates, to our shareholders, and to the communities in which we own, operate, and live.

GOVERNANCE HIGHLIGHTS

- Elimination of Supermajority Voting Provision to amend AIR's Charter and Bylaws
- Ability for Stockholders to remove Directors with a simple majority and without cause
- Annual Director Elections and Opt out of MUTA to opt out of provisions regarding classified boards

RANGE OF BACKGROUNDS, EXPERIENCE, AND EXPERTISE

- Immigrants and Women in Leadership
- Independent directors are gender-balanced
- 33% of VPs and above are women

REGULAR BOARD REFRESHMENT

- Average tenure of independent director is three years
- Separation of Chairman and CEO roles into independent positions
- Intentional Board refreshment

SENIOR LEADERSHIP



Lisa Cohn
President and
General Counsel



Keith M. Kimmel
President,
Property Operations



Paul L. Beldin
Executive Vice
President, Chief
Financial Officer



Patti Shwayder
Senior Vice President,
Chief Corporate
Responsibility Officer



Joshua Minix
Executive Vice
President and
Chief Investment
Officer



Matthew O'Grady
Senior Vice President,
Capital Markets

MANAGEMENT DIRECTOR



Terry Considine
Founder and Chief
Executive Officer

INDEPENDENT DIRECTORS



Thomas L. Keltner
Board Chair



Tom Bohjalian
Director



Kristin Finney-Cooke
Director



Devin I. Murphy
Director



Margarita Paláu-Hernández
Director



John D. Rayis
Director,
Compensation and
Human Resources
Committee Chair



Ann Sperling
Director, Governance
and Corporate
Responsibility
Committee Chair



Nina A. Tran
Director, Audit
Committee Chair

GOVERNANCE IN PRACTICE

BOARD OF DIRECTORS

COMPOSITION

- ✓ **Due Diligence**
 - Supermajority independent Board
 - Intentional balance of different backgrounds and experiences
 - Regular Board refreshment
 - Board self-evaluation
 - Disciplined balance of retention for institutional memory and recruitment for fresh perspectives
 - All standing committees composed entirely of independent directors
 - Each independent director serves on each standing committee
 - Independent chairman of the Board
 - Roles of chairman and CEO separated
 - Independent director stock ownership averages \$700,000 as of July 2023
- ✓ **Guidance**
 - Audit Committee Charter
 - Compensation and Human Resources Committee Charter
 - Governance and Corporate Responsibility Committee Charter
 - Corporate Governance Guidelines

RESPONSIBILITY AND OVERSIGHT

- ✓ **Selection and Succession**
 - CEO selection and succession
 - Executive compensation tied to performance and endorsed by stockholders with record approval
 - Succession planning development
- ✓ **Protection of Shareholder interests**
 - Conflicts of interest
 - Confidentiality
 - Guardian of Financial reporting and disclosures
 - Proxy Access
 - Available to Shareholders
 - Available to Team
 - Opted out of MUTA to opt out of provisions regarding classified boards
- ✓ **Risk Management**
 - Annual risk management assessment of operations, finance, accounting, ESG, legal, compliance, IT and data protection, human resources, and more
- ✓ **Quarterly Board Updates on ESG Topics and Goals**

POLICIES

- ✓ **Code of Business Conduct and Ethics**
- ✓ **Anti-Bribery/Anti-Corruption Policy**
- ✓ **Policy and Board oversight for the use of company funds for political purposes**
- ✓ **Culture of Respect:**
 - Anti-Harassment Training
 - Confidential whistle-blower access to general counsel and the Board
- ✓ **Vendor Code of Conduct**
- ✓ **Occupational Health and Safety Policy**
- ✓ **Performance reports**
- ✓ **AIR Communities Corporate Policies**
 - Environmental
 - Team & Community Relationships: Safety, Performance & Career
 - Development, Health & Wellbeing
 - Resident and Community
 - Health & Wellbeing
 - Community Engagement
 - Governance

PROCESS

- ✓ **Appointment**
 - All Directors elected to one-year terms
 - Majority voting requirement with a resignation policy
- ✓ **Schedule**
 - Chairman of the Board engaged in setting agendas, executive sessions
 - Chair of committees engaged in setting agenda
 - Board meets at least quarterly
 - Independent directors meet regularly, (at least quarterly) independently of CEO with access to additional resources as needed
 - Regular access to and direct involvement with quarterly management meetings and monthly updates
- ✓ **Engagement**
 - Continued discussion until a consensus is reached
 - Regular CEO communication to the Board
 - Regular stockholder engagement

POLICIES AND ETHICS

High ethical standards and professional responsibility drive our corporate philosophy, and our teammates see this firsthand. To understand their role, AIR teammates must pass annual courses, including topics on:

- Fair housing
- Wage and hour compliance
- REIT compliance
- AIR's Code of Business Conduct and Ethics

100%

AIR teammates Have Completed Courses on Policies and Ethics

AIR Communities' Corporate Policies, publicly available on our website, include ESG policies and are reviewed annually by the AIR Corporate Responsibility Task Force and our CEO. We work to maintain our role as a respected corporate citizen and constantly integrate stakeholder feedback to identify areas of improvement.

AIR is proud to receive a

15.7 (Low Risk)

score from Sustainalytics, measuring our exposure to industry-specific material ESG risks and how we manage said risks.

INDUSTRY REPORTING

Reporting frameworks hold us accountable for our corporate responsibility goals and provide valuable information for benchmarking, performance, and best practices. Our corporate responsibility website provides transparency and engagement around our initiatives. AIR's annual Corporate Responsibility Report is aligned with:



AIR reports annually to GRESB, the global investor-driven ESG benchmark and reporting framework for real estate companies. In 2022, we received an 'A' grade for both ESG public disclosure and for alignment with TCFD. Our 2022 GRESB Standing Investments benchmarked performance, shown below, includes a top 5 ranking among our peers.



THE AIR EDGE

Andrea Young named Trailblazer in Denver Business Journal Awards



AIR's Andrea Young, Senior Vice President of Technology, was awarded the 2022 Denver Business Journal C-Suite Trailblazer Award, which honors individuals who push businesses forward through innovative practices.

AIR is considered low risk on the Institutional Shareholder Services group of companies (ISS) ESG US Cyber Risk Index* based on our cyber risk score.



*The ISS ESG US Cyber Risk index supports investors in identifying and tracking companies with low or negligible cyber-related risk.

CYBERSECURITY

The work of our IT department, led by Andrea Young, keeps AIR ahead and on top of rising cybersecurity threats, which is a top priority for all AIR stakeholders according to our materiality assessment. AIR's cybersecurity initiatives maintain a strong and mature program of risk monitoring, prevention, and mitigation through continued process improvement, as well as financial and human capital investment.

We work with cross-functional teams and independent advisors to achieve and maintain high levels of data security by:

- Reporting quarterly or more often as needed to the board, and keeping the board regularly involved in understanding the technology landscape and AIR's cybersecurity profile
- Regularly updating privacy notices, terms of use, and lease documents
- Identifying responsible team members to facilitate implementation of cybersecurity priorities and report to senior management and the Board on risk identification, safeguards, and mitigation steps
- Developing and implementing policies to identify and mitigate cybersecurity risks
- Training team members at onboarding and annually thereafter
- Communicating updates to all team members and providing actionable guidance when new risks arise
- Engaging vendors to enhance cybersecurity safeguards and improve incident response
- Updating or replacing systems and applications as appropriate to improve management of data processing and storage and to enhance security

MATERIALITY

AIR's Materiality Assessment guides our goals and initiatives around topics that are most important to team members, Board, management, investors, and community partners. These ESG topics were identified through a survey conducted in 2022 and will be reviewed and updated periodically to incorporate timely and relevant feedback into our business planning, as well as changes in best practices, regulatory, and public policy enforcement.

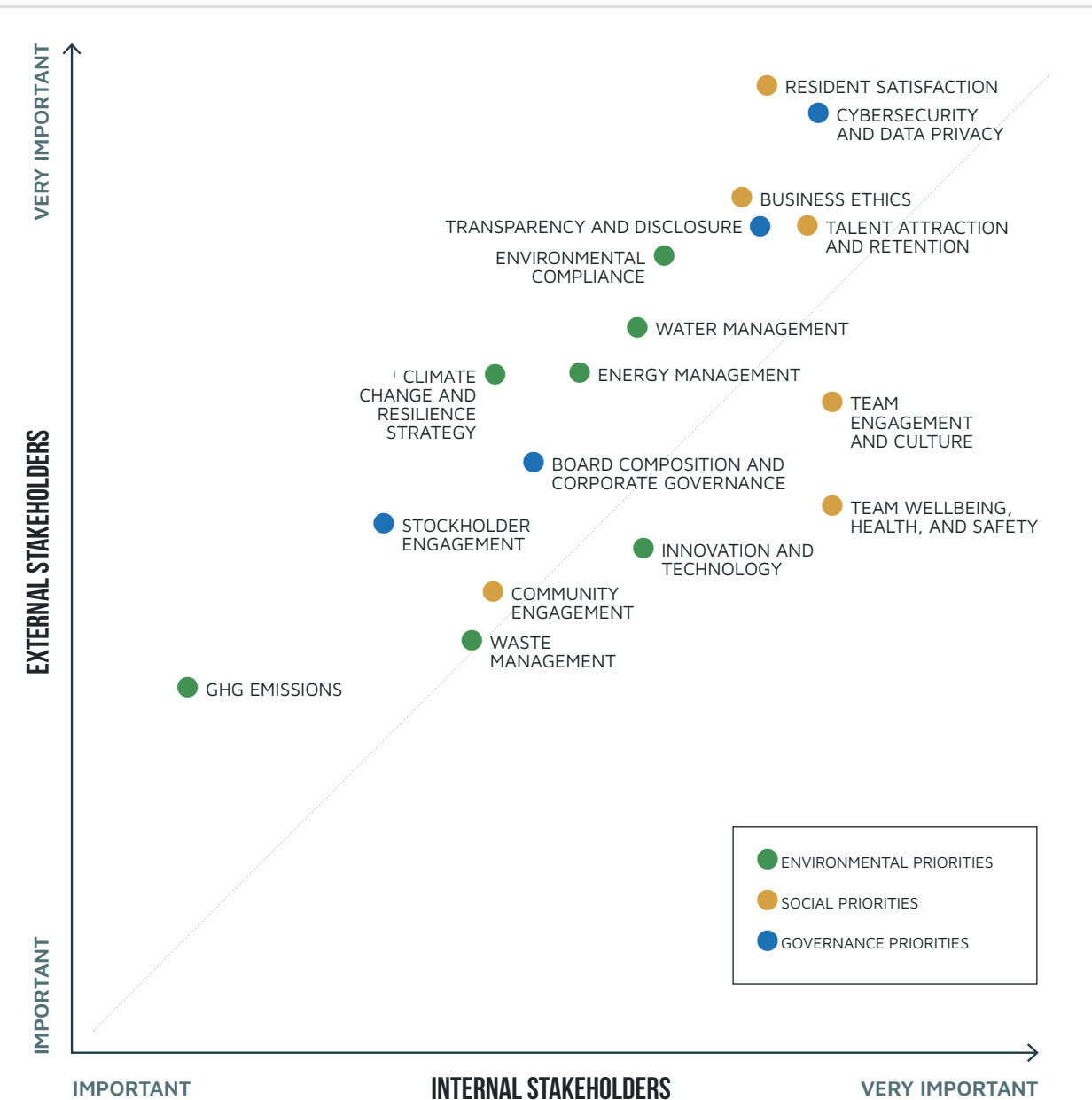
TOP PRIORITIES:

- Resident Satisfaction (see more on page 6)
- Cybersecurity and Data Privacy (see more on page 33)
- Business Ethics (see more on page 32)
- Talent Attraction and Retention (see more on page 10)
- Transparency and Disclosure (see more on page 42)
- Climate Risk and Resilience (see more on page 26)

ENGAGEMENT

AIR engages regularly with each of our stakeholder groups to remain tuned in to their overall experience and provide adequate tools and initiatives for their continued satisfaction.

INTERESTED PARTY	ENGAGEMENT STRATEGIES
Teammates: Denver and on site	<ul style="list-style-type: none"> ■ Company-wide stand-ups twice per week ■ Required annual training ■ Career development tools ■ Dedicated intranet page ■ Quarterly town hall meetings ■ Annual employee engagement survey ■ Quarterly employee pulse surveys ■ Weekly company-wide newsletters ■ Regular team-building events ■ Materiality assessment
Residents	<ul style="list-style-type: none"> ■ Resident portal ■ Comment submittal ■ Maintenance requests ■ Regular customer satisfaction surveys ■ Appreciation events ■ Email and text communications ■ Good Neighbor Policy
Investors/Partners	<ul style="list-style-type: none"> ■ Quarterly earnings calls ■ Annual and quarterly publications ■ Annual meetings, presentations, and reporting channels ■ Materiality assessment ■ Annual contact with holders representing at least 70% of shares
Local Communities	<ul style="list-style-type: none"> ■ Good neighbor commitment ■ Company-hosted community events ■ AIR Gives volunteering ■ Philanthropic investments ■ Social media
Vendors / Supply Chain	<ul style="list-style-type: none"> ■ Vendor Code of Conduct ■ Regular meetings ■ Materiality Assessment


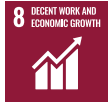





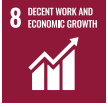


UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UNSDGs) provide a global framework in support of a company’s long-term value in financial, environmental, social, and governance terms. AIR’s Corporate Responsibility goals incorporate 11 of the UNSDGs, which are outlined in detail below and indicated throughout this report with UNSDG icons corresponding to each goal and performance metric.



UNSDG	AIR ESG Goal	Key Performance Metrics	2023 Status
ENVIRONMENTAL			
ENERGY 	Reduce amount of energy consumed.	Achieve 15% energy use intensity savings over 2019 baseline by 2025. Maintain annual portfolio energy use intensity (EUI) average of 43 kBtu/sq. ft., or less.	
WATER 	Reduce amount of water consumed.	Achieve 10% water intensity savings over 2019 baseline by 2025.	
GHG EMISSIONS 	Reduce greenhouse gas emissions by increasing energy efficiency and using renewable energy sources.	15% GHG intensity savings over 2019 baseline by 2025.	
TECHNOLOGY & INNOVATION 	Create a more environmentally efficient building and operation.	Obtain property certification for 95% of the portfolio by 2025. Achieve whole building data for 80% of the portfolio by 2025.	

UNSDG	AIR ESG Goal	Key Performance Metrics	2023 Status
SOCIAL			
<p>INVESTING IN OUR TEAMMATES</p>  	<p>Increase team retention and satisfaction, employee engagement, safety, well-being, and overall happiness.</p>	<p>Obtain annual employee engagement survey response rate of 50% by 2023. Obtain annual employee engagement survey response rate above 70%.</p> <hr/> <p>Reduce voluntary turnover with a goal of no more than 20% annually.</p> <hr/> <p>Provide 100% of our teammates with access to health and wellness opportunities throughout the year.</p> <hr/> <p>Promote and invest in human capital through AIR programs, including annual scholarships to pay costs of college and trade schools for children of teammates, AIR HUGS for teammates experiencing crisis, financial support for patriotic causes, US citizenship and English as a second language and support for military teammates while on active duty.</p>	<p> </p> <hr/> <p> </p> <hr/> <p> </p> <hr/> <p></p>
<p>SERVING OTHERS / INVESTING IN OUR COMMUNITIES</p>  	<p>Increase company involvement and engagement with the community.</p>	<p>Achieve 4.25 or better annually for Customer Satisfaction Score.</p> <hr/> <p>Increase team member AIR Gives volunteer participation by 30% over 2021 baseline. Achieve a 30% increase over a 2022 baseline by 2025.</p> <hr/> <p>Provide scholarships for students in affordable housing in partnership with the National Leased Housing Association.</p>	<p> </p> <hr/> <p> </p> <hr/> <p> </p>

UNSDG	AIR ESG Goal	Key Performance Metrics	2023 Status
GOVERNANCE			
GOVERNANCE TRAINING 	Increase total percentage of employees receiving and completing training on governance issues.	Achieve 95% documented completion rate of employee trainings on critical corporate governance topics by 2024. Topics include: Code of Business Conduct and Ethics, Insider Trading, REIT Compliance, Wage and Hour, and Fair Housing. Goals over time: 85% documented completion by 2022, 90% documented completion by 2023, and 95% completion by 2024.	
BOARD & INVESTOR ENGAGEMENT  	Increase Board- and investor-level involvement with corporate responsibility programs.	Maintain Board oversight of corporate responsibility initiatives and progress through a dedicated Governance and Corporate Responsibility Committee. Board, committees, and directors are evaluated and elected annually with regular Board refreshment to ensure the Board is comprised of directors of varying tenures, backgrounds, and perspectives. Engage stockholders holding at least 2/3 of outstanding shares annually. Perform and report to Board annual enterprise risk management assessment on areas including: regulatory compliance efforts to mitigate risk including operations, liquidity, leverage, financial reporting, accounting, legal matters, climate risks and opportunities, and human resources.	
BUSINESS ETHICS 	Increase ethical business practices.	Transparency to stockholders and diligent compliance with laws, regulations, and industry standards, including Business Conduct and Ethics, Insider Trading, REIT Compliance, Wage and Hour, and Fair Housing. Board oversight of lobbying and political contributions.	

TRANSPARENCY AND DISCLOSURES

AIR reports and validates our progress with industry-recognized benchmarks and performance verification methods including:”



- **GRESB:**
Provides validated ESG performance data and peer benchmarks for investors and managers to improve business intelligence, industry engagement, and decision-making.



- **United Nations Sustainable Development Goals (UNSDGs):**
A list of 17 topic areas consisting of goals, which are an urgent call for action by all countries in global partnership to address strategies to improve health and education, reduce inequality, and spur economic growth.



- **Sustainability Accounting Standards Board (SASB):**
Enables businesses around the world to identify, manage, and communicate financially-material sustainability information to their investors.



- **Task force on Climate-related Financial Disclosures (TCFD):**
Created by the Financial Stability Board to improve and increase reporting of climate-related financial information. The framework provides information to investors about what companies are doing to mitigate the risks of climate change, as well as be transparent about the way in which they are governed.

- **Independent Verification:**
Third-party, independent assurances of our goals and metrics not only holds us accountable but allows our stakeholders to confidently assess and understand our corporate responsibility agenda.

SASB DISCLOSURES

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	ANSWER
ENERGY MANAGEMENT				
Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-130a.1	Performance Data page 45 57% = 2022 % Floor Area Covered as a percentage of entire portfolio
(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Quantitative	Gigajoules (GJ), Percentage (%)	IF-RE-130a.2	Performance Data page 45 218,210 MWh
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	IF-RE-130a.3	Performance Data page 45 -.4% year over year change in absolute consumption
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-130a.4	Energy Efficiency pages 18-19 100% of portfolio tracked in ENERGY STAR® Portfolio Manager®
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and Analysis	N/A	IF-RE-130a.5	Energy Efficiency pages 18-19 (Including solar highlight) Climate Risk & Resilience pages 26-27

SASB DISCLOSURES

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	ANSWER
WATER MANAGEMENT				
Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-140a.1	Performance Data page 45 72% = 2022 % Floor Area Covered as a percentage of entire portfolio
(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	Thousand cubic meters (m ³), Percentage (%)	IF-RE-140a.2	Performance Data page 45 3,174,547 m ³
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	Percentage (%)	IF-RE-140a.3	Performance Data page 45 -16.4% change in year over year absolute consumption
ACCOUNTING METRIC				
Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	IF-RE-140a.4	Water Conservation page 22 Climate Risk and Resilience pages 26-27
MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS				
1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	Percentage (%) by floor area, Square feet (ft ²)	IF-RE-410a.1	Our Residents pages 6, 9 100% of resident leases include ESG language (Good Neighbor Policy and requirements for recycling)
1) Percentage of new leases that contain a cost recovery clause for resource efficiency related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-410a.2	Energy Efficiency pages 18-19 Water Conservation page 22

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	ANSWER
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and Analysis	N/A	IF-RE-410a.3	Waste Management page 24 Building Materials page 24 Our Residents pages 6, 9 2-way communication on energy/water consumption and waste
CLIMATE CHANGE ADAPTATION				
Area of properties located in 100-year flood zones, by property subsector	Quantitative	Square feet (ft ²)	IF-RE-450a.1	Climate Risk and Resilience pages 26-27
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and Analysis	N/A	IF-RE-450a.2	Climate Risk and Resilience pages 26-27
ACTIVITY METRIC				
Number of assets, by property subsector	Quantitative	Number	IF-RE-000.A	Company Overview pages 4-5 26,410 apartment homes 84 Communities
Leasable floor area, by property subsector	Quantitative	Square feet (ft ²)	IF-RE-000.B	Company Overview pages 4-5 28,658,690 Total floor area (sq. ft.)
Percentage of indirectly managed assets, by property subsector	Quantitative	Percentage (%) by floor area	IF-RE-000.C	N/A
Average occupancy rate, by property subsector	Quantitative	Percentage (%)	IF-RE-000.D	Company Overview pages 4-5 96.3% Average Daily Occupancy

TCFD DISCLOSURES

DISCLOSURE	RESPONSE
GOVERNANCE	
Describe the Board's oversight of climate-related risk and opportunities	Climate Risk and Resilience, Governance, page 26
Describe management's role in assessing and managing climate-related risks and opportunities	Climate Risk and Resilience, Governance, page 26
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>Physical risks identified include acute risks such as tropical storms, flash floods, river floods, storm surge, tropical cyclone and wildfire, and chronic stressors such as drought, fire weather, heat, precipitation, rising mean temperatures, rising sea levels, and cold stress/ extreme cold. Regulatory risks identified include policy and legal requirements (e.g., increasing cost of GHG emissions), technology (e.g., cost to transition to lower emission technologies), market dynamics (e.g., increase in the cost of raw materials), and reputation (e.g., shifts in consumer preferences).</p> <p>Opportunities include resource efficiency (e.g., reduced energy and water consumption), energy source (e.g., use of renewable energy sources and resiliency through decentralized energy generation), products and services (e.g., development of climate adaptation and insurance risk solutions), markets (e.g., use of public-sector incentives), and resilience (e.g., resource diversification).</p> <p>AIR is in the process of categorizing risks and opportunities over the short, medium, and long term.</p>

DISCLOSURE	RESPONSE
Describe the impact of climate-related risks and opportunities on the organizations' businesses, strategy, and financial planning	<p>Direct impacts of physical risks on business, strategy, and financial planning include increased capital costs. Indirect impacts include increased insurance premiums, increased operating costs, reduced revenue and higher costs from negative impacts on workforce, reduced revenue from decreased production capacity, reduced revenue from lower sales/ output, and write-offs/ early retirement of existing assets.</p> <p>Business, strategy, and financial planning opportunities include increased revenue through new solutions, better competitive position to respond to consumer preferences, increased revenues through access to new markets (e.g., EV charging, renewable energy), increased diversification of financial assets (e.g., green bonds), and market valuation and liquidity at exit.</p>
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Climate Risk and Resilience, Strategy, page 26
RISK MANAGEMENT	
Describe the organization's processes for identifying and assessing climate-related risks	Climate Risk and Resilience, Risk Management, page 27
Describe the organizations' processes for managing climate-related risks	<p>Asset-level resilience strategies include factoring asset-specific risks and opportunities into operational planning, maintaining regulatory compliance, and establishing disaster recovery capabilities/plans.</p> <p>Climate Risk and Resilience, Risk Management, page 27</p>
Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's internal risk management	Climate Risk and Resilience, Risk Management, page 27

TCFD DISCLOSURES

DISCLOSURE	RESPONSE
METRICS AND TARGETS	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Climate Risk and Resilience, page 26 Performance Data, page 49
Disclosure Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Performance Data, page 49 Risks include increasing price of GHG emissions, cost to transition to lower emission technology, and negative reputational damage to the real estate sector overall.
Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets	UNSDGs, page 36 Performance Data, page 49

PERFORMANCE DATA

	2019	2020	2021	2022*	YEAR-OVER-YEAR CHANGE	CHANGE OVER BASELINE	PORTFOLIO FLOOR AREA COVERED (2022)
ENERGY							
Absolute Consumption (MWH)	231,318	259,321	219,119	218,210	-4%	-5.7%	57%
Intensity (kBtu/sf/yr)	48.81	56.08	47.39	43.78	-8.2%	-10.3%	
GREENHOUSE GAS							
Absolute Scope 1 Emissions (tonnes)	57,242.58	64,703.91	55,654.38	17,532	0.9%	-1.9%	57%
Absolute Scope 2 Emissions (tonnes)				38,628			
Scope 1 & 2 Intensity (tonnes per 1,000 sq. ft.)	3.95	4.19	3.61	3.30	-8.5%	-16.5%	
WATER							
Absolute Consumption (m³)	3,556,448	3,958,056	3,799,545	3,174,547	-16.4%	-10.7%	72%
Intensity (m³ per sq. ft.)	0.143	0.159	0.144	0.147	2.0%	2.7%	
WASTE							
Diversion Rate	16%	17%	17%	18%	8.3%	15.5%	
Total Landfill (tonnes)	17,459	16,881	15,797	14,701			
Total Diverted (tonnes)	3,240	3,390	3,167	3,246			

*2022 absolute and intensity metrics reflect a transition to a like-for-like methodology. Properties without whole building data for the full year are excluded from both calculations.

AIR

COMMUNITIES

Apartment Income REIT Corp.

4582 S. Ulster Street, Suite 1700

Denver, Colorado 80237

www.aircommunities.com