



Palazzo West  
LOS ANGELES, CA

# CORPORATE RESPONSIBILITY REPORT 2020



"We believe our work is more than a business. It's also a mission to serve others. We are committed to further progress on the achievement, measurement, and reporting of our Corporate Responsibility goals."

## A Message from the CEO

2020 was an extraordinary year for all. The implications of a global pandemic were felt far and wide... from board rooms to dining rooms. That same year, we separated our business into two distinct companies.

AIR Communities was formed in December of 2020 as a separate, self-managed multi-family REIT focused on operational excellence, while Aimco is now growing its business of developing and redeveloping apartment communities.

Through it all, I have seen our teammates excel in their mission to provide quality apartment homes to residents nationwide, driving strong returns despite the economic, governmental, and regulatory challenges caused by Covid-19. As we move forward, AIR's business model and diversified portfolio of stabilized multi-family properties will provide a solid foundation for success.

## HIGHLIGHTS FROM 2020 INCLUDE:

**72%**

PEER LEADING NOI MARGIN

★★★★★  
**4.31** OUT OF **5**

SUPERIOR CUSTOMER  
SATISFACTION

NAMED A  
**TOP WORKPLACE**

IN COLORADO AND WASHINGTON, D.C.

Corporate responsibility is an important part of our business. As with all other aspects of AIR's business, our corporate responsibility program focuses on continuous improvement, and we actively discuss these matters with our stockholders and solicit their feedback on our program. In 2020, we introduced a new Chief Corporate Responsibility Officer to expand and coordinate efforts company wide. In 2021, we changed the name of the Nominating and Governance Committee of the AIR Board of Directors to "Governance and Corporate Responsibility" and we expanded the charter of the committee. Our purpose was to make clear that our historic commitment to respect all individuals and to be an engaged good neighbor continues. Today's emphasis on ESG will build on that foundation.

Through this report, I encourage you to learn more about AIR Communities and our team's good works.

*Be well and best wishes,*

  
**Terry Considine**  
CHIEF EXECUTIVE OFFICER







# Introduction

Apartment Income REIT Corp., (AIR Communities), is the owner and operator of best-in-class apartment communities in strategic markets across the United States. AIR was formed in late 2020 and professionally manages a high-quality and diversified portfolio of stabilized multifamily properties. AIR common shares are traded on the New York Stock Exchange under the symbol AIRC.

AIR's business activities are defined by a commitment to our mission, vision, and the values that shape the AIR culture. As with all other aspects of our business, our corporate responsibility program is intentional, explicit, and focused on continuous improvement. We strive to provide an exceptional living experience for residents and a great place to work for teammates, to be a good neighbor in the communities we serve and a good steward for our investors.



**707 Leahy**  
REDWOOD CITY, CA

# Our Commitment

AIR Communities continues to build on Aimco's long history of environmental, social and governance (ESG) successes while incorporating an expanded commitment to ESG. This includes the appointment of a Chief Corporate Responsibility Officer who is responsible for further refining the way ESG is embedded into the organization. In 2020 AIR participated in the Global Real Estate Sustainability Benchmark (GRESB) to track ESG performance and provide transparency to investors and other stakeholders. We also provide third party confirmation of our several quantifications and metrics.



## OUR MISSION

We strive 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.



**Monterey Grove**  
SAN JOSE, CA



**The Beach Club Residences**  
MINNEAPOLIS, MN



**Vivo**  
CAMBRIDGE, MA



# 2020 Highlights

Keeping properties safe and running, with office workers working from home, and maintaining financial results was a test of resiliency passed with flying colors.

32%

TOTAL STOCKHOLDER RETURN

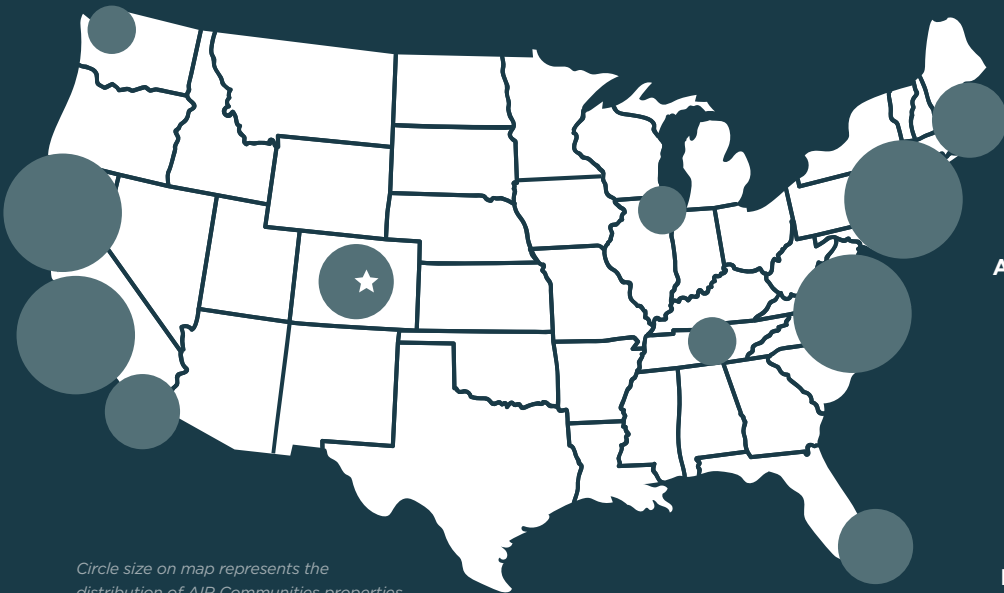
Cumulative return from the announcement of planned business separation through year-end 2020. (TSR computed between 9/11/2020 - 12/31/2020.)

95.2%

AVERAGE DAILY OCCUPANCY

72%

PEER LEADING NOI MARGIN



Circle size on map represents the distribution of AIR Communities properties

★ AIR Communities headquarters

26,592

APARTMENT HOMES

99

COMMUNITIES

900

TEAMMATES



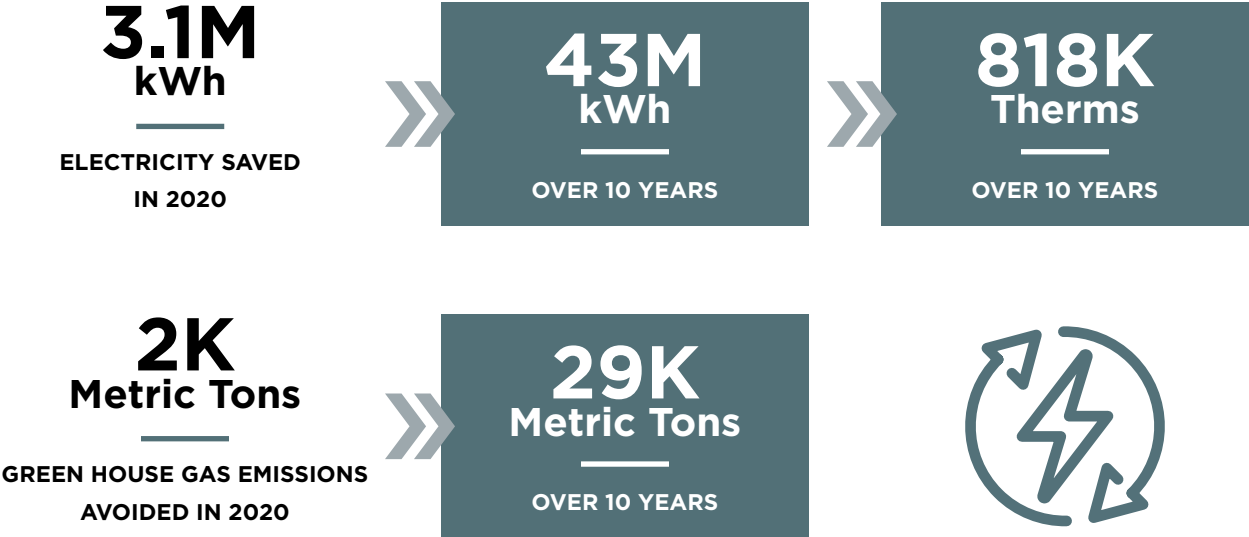
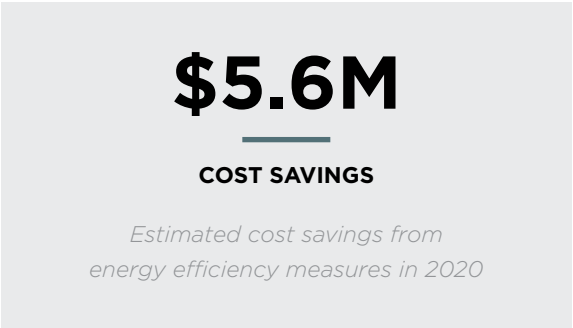
# MAKING AN IMPACT

AIR's best-in-class apartment communities create an exceptional living experience for our residents while reducing our environmental footprint and returning value to the company.



# Clean Energy

To date AIR has installed **236 EV charging stations** across the portfolio and our properties utilize electric golf carts for the leasing and service teams to eliminate the use of gasoline powered vehicles at nearly all of our communities. We are actively exploring the use of solar energy and fuel cells to supplement or even substitute for high-cost utilities.





One sustainable option provided for our residents is electrical vehicle (EV) charging stations included as an amenity at many communities.

## Efficient Energy

AIR creates a positive environmental impact through a best-in-class management model for our apartment communities. Our proactive management includes systematically investing in building systems that use energy to ensure they operate efficiently.

### Key efficiency initiatives include:

- Tracking whole building performance data for 66% of the portfolio in ENERGY STAR Portfolio Manager
- High efficiency LED lighting incorporated in nearly all communities
- Weatherization projects to reduce heat/cooling loss and increase comfort conducted across the portfolio
- Converted all central plant heating equipment to natural gas
- All HVAC systems are centrally monitored
- Cogeneration systems in operation at properties in Philadelphia, Redwood City, and Minneapolis
- Low flow plumbing fixtures have been a standard for the last decade—not only retrofits but standard inventory for service teams



## SmartRent: Technology in Action

Incorporating innovative technology into our apartment homes provides an enhanced living experience for our residents while providing property teams with the tools they need to automate daily processes. AIR has deployed smart home technology in 97% of all apartment homes with the SmartRent technology platform.

### **SmartRent benefits include:**

- Residents can control their door locks and thermostats from their smart phone via the SmartRent mobile app
- Utilities for the vacant units are managed automatically via the SmartSmartRent system, which saved 1.2M kWh of energy in 2020
  - High temperature and humidity alerts allow a proactive approach to detect incidents before they become problems
  - Low temperature alerts reduce the risk of frozen pipes
- Water leak sensors proactively identify and allow team members to address water leaks

These benefits result in an optimized living experience for residents while driving an overall reduction of energy, water, waste, and even keying costs.



# Water Conservation

AIR works to reduce water consumption and associated expenses for all managed buildings through monitoring consumption, utilizing water-efficient equipment, and incorporating water management best practices into daily operations. Our team specifically focuses on conservation measures to improve efficiencies, help our residents manage their usage, lower costs and reduce environmental impacts.

## Key efficiency initiatives as of year-end 2020 include:

- Low flow plumbing fixtures as a standard
- Water leak sensors integrated as part of the SmartRent solution
- All communities in California, Denver and other arid locations have smart irrigations systems installed

**144M  
GALLONS**

**WATER SAVED  
OVER 10 YEARS**

**\$793K**

**COST SAVINGS OVER 10 YEARS**



OUR WATER CONSERVATION PROGRAM INCLUDES XERISCAPING, SMART IRRIGATION, EFFICIENT SHOWER AND FAUCET FIXTURES.

**Lincoln Place**  
VENICE, CA



# Climate Risk and Resilience

AIR takes a proactive approach to protect our communities from impacts of severe weather and climate change. To protect team members, residents, and assets, we implement processes for resilience preparedness for hurricanes, storms, earthquakes, windstorms, tornadoes, power outages, floods, and wildfires, including:



**Flamingo Point**  
MIAMI BEACH, FL

- **Best-in-class disaster preparedness program** that prepares and provides a guide for all site teams should a wildfire, hurricane, earthquake, or other natural disaster occur
- Preparedness training and vendor response teams to facilitate quick repair and restoration of properties
- Emergency plans that outline these processes and identify local resources
- We react quickly to prevent water damage and minimize adverse impacts with our best-in-class mold prevention program
- We have hardened the building structure for protection against severe weather at many properties. Flamingo Point, an \$1B AIR community located in South Florida, has been completely renovated to include protections for storm impacts
- We have emergency generators, groundwater treatment, sump pumps, and stormwater systems. Our preventive maintenance programs ensure that critical systems are functional during inclement weather and eliminate or minimize damage
- AIR has waterproofed elevator pits where local conditions have the potential for water intrusion
- An excellent bottom line metric is the low level of our casualty claims

## PROPERTY SPOTLIGHT:

# Parc Mosaic

Parc Mosaic is a 226-unit apartment home community located in Boulder, Colorado. This LEED Gold certified community exemplifies sustainable living and incorporates a myriad of amenities to encourage and facilitate resident health, wellness, and a strong sense of community.

### SUSTAINABLE FEATURES INCLUDE:



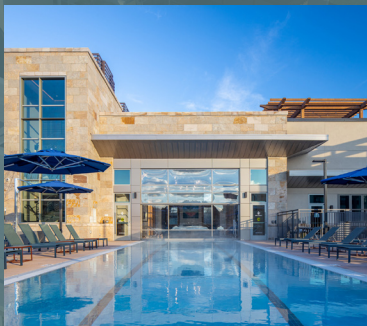
ELECTRIC VEHICLE  
CHARGING STATIONS



WATER EFFICIENCY THROUGH  
NATIVE VEGETATION AND  
IRRIGATION STRATEGIES



4-STORY INDOOR CLIMBING  
WALL, PLAYGROUND



25-METER INDOOR/OUTDOOR  
SALTWATER POOL



24/7 STATE-OF-THE-ART FITNESS  
FACILITY, YOGA STUDIO, VIRTUAL  
FITNESS, RUNNING/BICYCLE PATH

# NAIOP

COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

COLORADO CHAPTER





PHILADELPHIA MAYOR JIM KENNEY, CITY COUNCIL PRESIDENT DARRELL CLARKE, AND PARKS AND RECREATION COMMISSIONER KATHRYN OTT-LOVELL JOIN AIR COMMUNITIES TO OPEN MAJA PARK ADJACENT TO PARK TOWNE PLACE MUSEUM DISTRICT RESIDENCES.



# BUILDING COMMUNITY

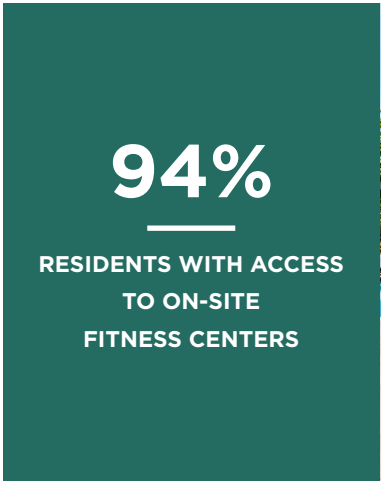
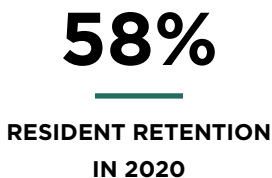
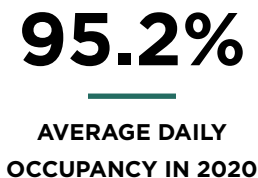
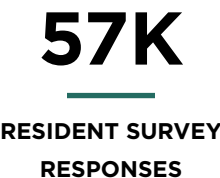
AIR's company culture is deeply rooted in our commitment to others. Our relationships with residents, teammates, business partners, and neighbors in the broader communities are built on the highest level of integrity, respect, and caring.



# Our Residents

AIR means home to more than 45,000 people across America. Now more than ever, we understand the importance of providing safer and healthier homes for our residents. We are committed to owning and managing properties that meet or exceed healthy building best practices and create extraordinary living environments. Our apartment homes provide a superior residential experience with amenities to live, work, and play in proximity, including gyms, parks, walkability, and access to transit.

In 2020, AIR created a Resident Healthy Living Guide customized for each property to help support our residents live a healthy, balanced life. Our health and wellness operational policies are guided by the “9 Foundations of a Healthy Building” developed by the Harvard T.H. Chan School of Public Health and are implemented as best practices throughout our company.



# Our Team

Our team and culture are keys to our success. We are defined by a commitment to our mission, vision, and values. We strive to provide an exceptional living experience for residents and a great place to work for teammates, to be a good neighbor in the communities we serve, and a good steward for our investors. We are accountable to teammates in return for their hard and meaningful work of providing homes for others. We see our workforce as a team, and not employees only. Our view is relational, and not transactional, reflecting a longer view of the benefits of a cohesive and caring team.



TEAM ENGAGEMENT  
IN 2020



MANAGEMENT POSITIONS  
FILLED INTERNALLY



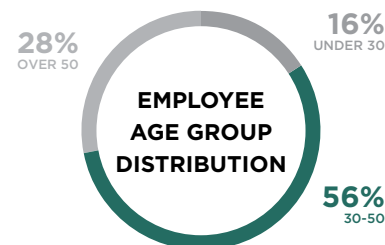
EMPLOYEE  
MINIMUM WAGE



TEAM MEMBERS RECEIVING  
PROFESSIONAL TRAINING



VOLUNTARY  
TURNOVER



AVERAGE TRAINING  
PER TEAM MEMBER



LOST DAY  
INCIDENT RATE

## CARING FOR OUR TEAM



Implemented industry-leading Parental Leave Policy providing 16 weeks of paid leave



Provide employee health screenings



Hosts an annual wellness challenge to encourage healthy habits and teamwork



Flexible work hours to accommodate personal needs



Providing up to 16 weeks of pay and benefits for teammates deployed on active duty in the U.S. Military



**THE ONLY REAL ESTATE  
COMPANY AWARDED A**

2018, 2019, AND 2020

**ASSOCIATION  
FOR TALENT  
DEVELOPMENT  
BEST AWARD**

**FOR EXCELLENCE IN TALENT  
ACQUISITION, TRAINING,  
AND TEAM DEVELOPMENT**

ONE OF ONLY SIX COMPANIES TO BE RECOGNIZED AS A  
**"TOP WORKPLACE" IN COLORADO**  
FOR EACH OF THE PAST EIGHT YEARS

**TOP  
WORK  
PLACES**

2013

**TOP  
WORK  
PLACES**

2014

**TOP  
WORK  
PLACES**

2015

**TOP  
WORK  
PLACES**

2016

**TOP  
WORK  
PLACES**

2017

**TOP  
WORK  
PLACES**

2018

**TOP  
WORK  
PLACES**

2019

**TOP  
WORK  
PLACES**

2020





## Keeping Residents and Teammates Safe

Throughout the pandemic, AIR remained nimble, responsive, and innovative to ensure our residents and teammates could feel safe. Our COVID-19 response included the following:

### RESIDENTS

- Supported residents sheltering in place and met the needs of those who reported COVID-19 positive
- The AIR team worked with residents impacted by Covid-19 to find solutions. Support included:
  - Providing resources on rental assistance from state and local funds
  - Establishing payment plans and flexible payment process, where appropriate
  - Delivering groceries and medicine, and providing assistance for residents in need
  - Offering a streamlined reservation system to allow residents to book amenities based on time slots and pre-partitioned physical distancing areas

### TEAMMATES

- Formed an internal cross-functional task force that met daily regarding work redesign and team safety
- Enhanced flexibility to work remotely to fit individual needs
- Paid 100% of costs related to employee COVID-19 testing and treatment
- Pioneered new ways to communicate with teammates working remotely, including virtual town halls and stand-up meetings with AIR leadership
- Developed a Covid-19 newsletter to provide timely, transparent updates on local orders and company guidance
- Kept properties fully safe, fully staffed, and onsite teams fully compensated

# AIR Gives

Service to others is in our DNA. Aimco established the Aimco Cares program more than 15 years ago as a formalization of longstanding programs to serve our teams, their families, and our local communities. AIR continues that tradition today through AIR Gives, which also gives team members 15 paid hours each year to apply to volunteer activities of their choosing.

## AIR GIVES IN ACTION

Throughout the Covid-19 pandemic, the **AIR Gives Good Neighbor Program** provided free use of furnished apartments to frontline healthcare workers at its apartment communities on the Anschutz Medical Campus, near Boulder Community Health, and communities near Newark University Hospital.

With large, in-person gatherings made difficult during the pandemic, AIR teammates across the country found new, safe ways to give back in 2020:

- At **Hillmeade in Nashville**, teammates partnered with a group of residents to grocery shop and deliver supplies to elderly and at-risk residents
- At **Peachtree Park in Atlanta**, team members rotated shifts to pressure wash and beautify resident's front doors to add a little "shine" to the shelter in place order



## \$1.3M

In scholarship funds awarded to **630 children of teammates** since 2006



## \$67.5K

In scholarship funds given to **26 students** of teammates in 2020



## \$340K

Raised from the Charity Golf Classic in 2020 benefitting military veterans and providing scholarships for students in affordable housing



## IN ADDITION TO VOLUNTEERING



### AIR HUGS

Provides emergency financial support to teammates



### SCHOLARSHIPS

Help to fund advanced education for children of Aimco teammates



### AIR GIVES

#### CITIZENSHIP PROGRAM

Supports teammates on their journey to U.S. Citizenship



### CHARITY GOLF CLASSIC

Supports military families and aspiring college students living in affordable housing





# Our Communities

We value service to others – it’s one reason we encourage every teammate across the country to become involved in-service projects and activities that matter most to them through our philanthropic program, *AIR Gives*. Building on 15-year history and impact of *Aimco Cares*, AIR Gives recognizes the responsibility our business has and continue to partner with a wide range of stakeholders, elected officials, neighbors, and industry partners to create positive outcomes and lead by example.



AIR TEAMMATES IN DENVER SPENT TIME BEAUTIFYING NEARBY BEAR CREEK TRAIL.



AIR’S BOSTON TEAM REMOVED MORE THAN 35 BAGS OF DEBRIS FROM THE CHARLES RIVER ESPLANADE PARK.

# Our Industry

AIR is a leader and active participant in the multifamily housing industry as a member of several industry associations.



# GOVERNANCE

AIR's corporate philosophy is founded upon solid corporate governance, high ethical standards, and professional responsibility. Underlying all business activities is a focus to stay true to our core values of integrity, respect, collaboration, performance culture, and a focus on customers.



# Leadership

Integrity comes from the top. Our experienced, dedicated Board of Directors and Senior Leadership Team bring deep expertise and sound decision-making to AIR. Transparency to shareholders, diligent compliance with laws, regulations, and industry standards, and their higher spirit and an uncompromising commitment to AIR's Code of Business Conduct and Ethics define our company and drive the daily actions of our team members.

## HONORED FOR THE PAST

**SEVERAL  
CONSECUTIVE  
YEARS**

**FOR BOARD  
COMPOSITION**

BY THESE ORGANIZATIONS:



# 73%+

**Outstanding shares represented through annual  
engagement with stakeholders on ESG matters in 2020**

## WOMEN IN LEADERSHIP

- All three Board Committees are led by women
- 31% Female Board of Directors
- President and General Counsel and newly created Chief Corporate Responsibility Officer position filled by women

## REGULAR BOARD REFRESHMENT

- Average tenure of independent director is three years
- Separation of Chairman and CEO roles into independent positions
- Three new director nominees for 2021

# BOARD OF DIRECTORS

## COMPOSITION

- ✓ Supermajority independent board
- ✓ Intentional balance of different backgrounds and experiences
- ✓ Regular Board refreshment
- ✓ Self-evaluation by the Board
- ✓ Disciplined balance of retention for institutional memory and recruitment for fresh perspectives
- ✓ All standing committees are composed of entirely of independent directors
- ✓ Each independent director serves on each standing committee
- ✓ Independent Chairman of the board
- ✓ Separated the roles of Chairman of the Board and CEO
- ✓ Independent director stock ownership averaging \$1.4M
- ✓ Audit Committee Charter
- ✓ Compensation and Human Resources Committee Charter
- ✓ Governance and Corporate Responsibility Committee Charter
- ✓ Corporate Governance Guidelines
- ✓ MUTA opt out

## PROCESS

- ✓ All Directors elected to one-year terms
- ✓ Director elections with a majority voting requirement, backed by contingent letters of resignation
- ✓ Chairman of the Board engaged in setting agendas, executive sessions
- ✓ Board meets at least quarterly
- ✓ Independent directors meet at least quarterly / Meets regularly independently of CEO with access to additional resources as needed
- ✓ Practice of continued discussion until a consensus is reached
- ✓ Formal written communication to the Board from the CEO at least monthly
- ✓ Regular access to and direct involvement with management -quarterly meetings and monthly updates
- ✓ Regular stockholder engagement

# BOARD OF DIRECTORS

## RESPONSIBILITIES / OVERSIGHT

- ✓ Selection of CEO
- ✓ Evaluation of CEO
- ✓ Executive Compensation tied to performance and endorsed by shareholders
- ✓ Succession Planning & Management Development
- ✓ Compliance
- ✓ Conflicts of Interest
- ✓ Confidentiality and Reputation
- ✓ Financial Reporting and Disclosures
- ✓ Annual Risk Management of operations, finance, accounting, ESG, legal, compliance, IT & data protection, HR, and more
- ✓ Proxy Access
- ✓ Code of Business Conduct and Ethics
  - Anti-bribery/anti-corruption policy
  - Policy and Board oversight of the use of company funds for political purposes
  - Valuing a Culture of Respect: Antiharassment Training
  - Confidential whistle-blower access to our General Counsel and to the Board
- ✓ Vendor Code of Conduct
- ✓ Occupational Health and Safety policy and performance reports
- ✓ AIR Communities Corporate Policies
  - Environmental
  - Team & Community Relationships: Safety, Performance & Career Development, Health & Wellbeing, Resident and Community Health & Well-being, Community Engagement
  - Governance
- ✓ Corporate Governance Guidelines

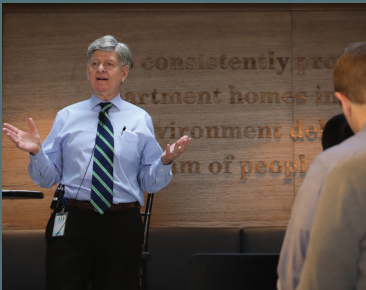


# Policy and Ethics

Our corporate philosophy is founded upon high ethical standards and professional responsibility. To ensure compliance and strict adherence to government regulations and industry standards, AIR teammates must pass annual courses including Fair Housing, wage and hour compliance, REIT requirements, and AIR's Code of Business Conduct and Ethics.

In conjunction with AIR's goal to foster continuous improvement in corporate responsibility our AIR Communities Corporate Policies include ESG policies defined by the commitment to our mission, vision, and the values that shape the AIR culture. These policies are monitored and reviewed annually by the AIR Corporate Responsibility Task Force and are publicly available on our corporate website. This Task Force is comprised of representatives from various departments across the company, including senior and executive management, and reports directly to the CEO. They are shared with all AIR team members and disclosed to our investors and other key stakeholders on our website.

Maintaining high ethical standards and integrity has always defined AIR's corporate practices and culture and contribute to our role as a respected corporate citizen.



CEO TERRY CONSIDINE  
HOSTS A QUARTERLY ALL-  
TEAM TOWN HALL AT THE  
COMPANY'S HEADQUARTERS  
IN DENVER, CO.



AIR BOARD MEMBER  
NINA TRAN VISITS WITH  
TEAMMATES AT THE  
COMPANY'S CORPORATE  
HEADQUARTERS.



PRESIDENT OF PROPERTY  
OPERATIONS KEITH KIMMEL  
LEADS ONE OF 100 SEMI-  
WEEKLY TEAM STAND-UP  
MEETINGS.



For more information, please contact:  
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**APARTMENT INCOME REIT CORP.**

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