



Environmental, Social, and Governance Report

2023 Report







Elme Communities owns and operates communities built to accommodate every life. With emphasis placed on impeccable communication, deep-rooted respect, and sustainable business practices, we offer spaces our residents are proud to call home.

Letter to Our Stakeholders

I would like to welcome you to the latest edition of our annual ESG Report. 2023 was another year of transformation and growth for Elme, as we completed onboarding all community-level operations to Elme management. As we have evolved and grown in our journey as a multifamily owner and operator, so has our commitment to Environmental, Social, and Governance (ESG) principles. We believe that ESG is critical to our long-term success as a company, and we continue to integrate the pillars of ESG throughout our communities and corporate operations.

I'm proud to share that in 2023 we certified our first five communities to the Fitwel Health and Wellness standard. This certification acknowledges the incorporation of evidence-based design and operations strategies that support physical, mental, and social health of occupants including close access to bike lanes and public transit, access to outdoor and fitness spaces, and indoor air quality controls. As we grow and adapt as an organization, we are committed to supporting initiatives that protect the health and wellbeing of both our residents and our Elme team members.

At the same time, we recognize the potential risks facing our business from the impacts of climate change. We are regularly evaluating and managing climate-related physical and transition risks as part of our Enterprise Risk Management program, ensuring that these topics receive the rigorous level of Executive and Board level oversight necessary to properly address their potential impacts. As



we continue our planned geographic expansion, climate risk and carbon neutrality have become integral factors in the due diligence process as we source acquisition opportunities. This is an important next step to support our growth as we continue to develop our ESG program and take measures to reduce our environmental footprint as a multifamily company.

I am incredibly proud of the commitment to ESG within our organization and look forward to continued growth and impact in the future.

Paul T. McDermott

Chairman & Chief Executive Officer





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LANDMARK LIVING





Our Company

Elme is a real estate investment trust (“REIT”) in the business of developing, renovating, acquiring, and managing apartment communities in the greater Washington, DC metro and Sunbelt regions.

We focus on value-oriented apartment communities with the aim of providing quality, affordable housing to underserved, middle-income renters in submarkets poised for strong, sustained demand. Research powers our investment strategy, enabling us to target the deepest demand segments in submarkets which we believe have the greatest probability of rent growth outperformance, and tailor our specific investment strategy in ways we believe will best create value. With a proven track record in multifamily repositioning, we utilize our experience and research to continue our growth and geographic diversification.

Our company is listed on the New York Stock Exchange under the symbol “ELME”. As of December 31, 2023, the ELME portfolio totaled over 9.9 million square feet (SF) across 29 properties, comprised of approximately 9,400 residential homes and 300,000 SF of commercial office. ELME’s Calendar Year 2023 total revenue was \$227.9 million and additional financial information can be found in our most recent 10-K filing.

Headquarter:

Bethesda, MD

DC Area

Multifamily Communities: 22

Units: 7,065

Commercial Office:

1 Building (300,000 sf)

Atlanta Area

Communities: 6

Units: 2,309

Residents: Over 14,000 residents

Employees: 245

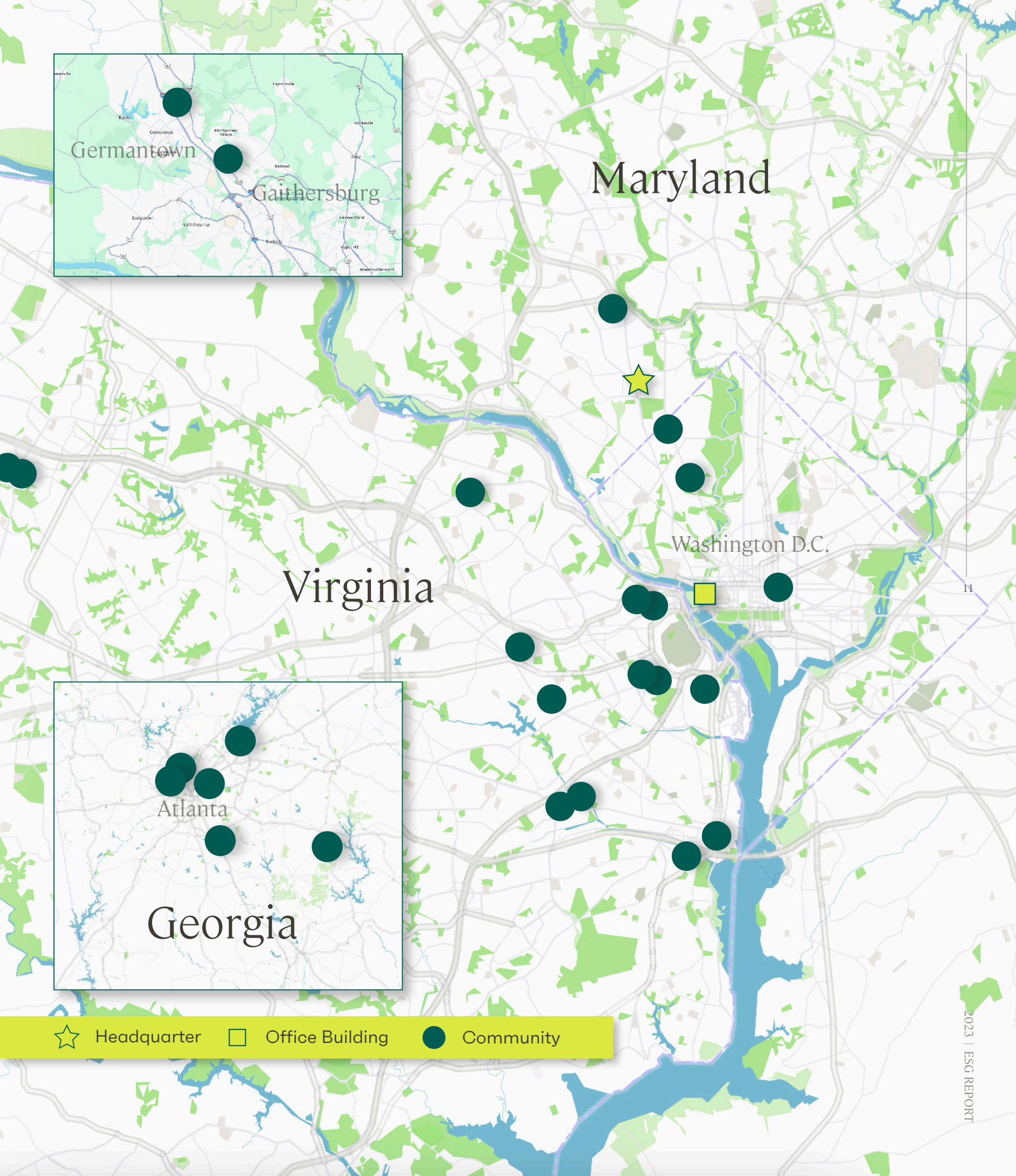
Market Cap (as of 12/31/2023): \$1.96B

Total Assets: \$1.90B

2023 Total Revenue: \$227.9M

Net Loss: (\$53M)

Dividend per share: \$0.72



Maryland

Virginia

Washington D.C.

Atlanta

Georgia

☆ Headquarter □ Office Building ● Community

Highlights and Ratings



MSCI 2023 Rating: A,
Increased from BB in 2020



ISS Rating: C,
Increased from D+
in 2021 to C in 2023



Sustainalytics Rating: 9.8
Classified as "Negligible Risk"



3.7M square feet of ENERGY STAR
Certified assets



Fitwel Champions and
certified five communities

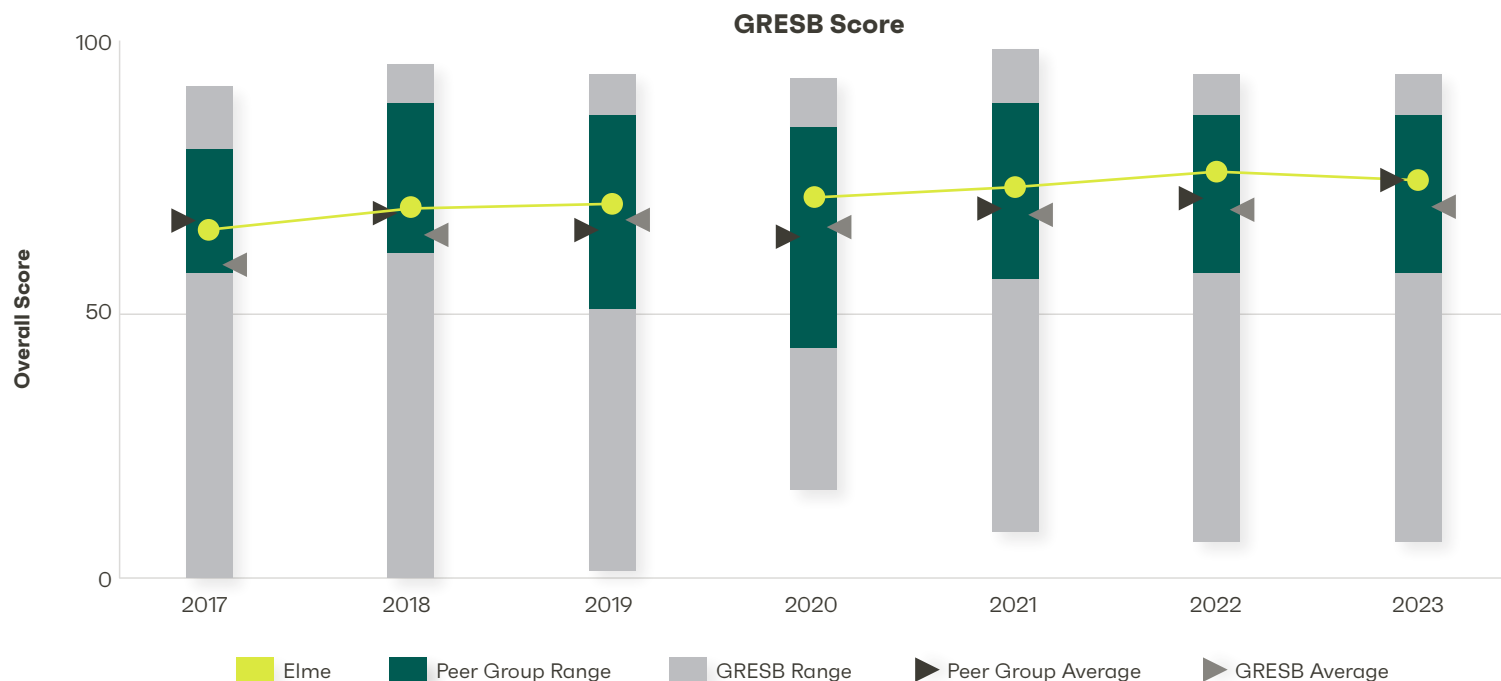


ULI Greenprint
Member



GRESB Real Estate Assessment:

2023: 76	2022: 77	2021: 76
2020: 75	2019: 74	2018: 75



ELITE 1%

**Clayborne
Apartments**

**The Ashby
at McLean**

Online Reputation Assessment
(ORA) score for 2023

1 - Stabilized communities are ones having been owned by Elme for two years or more, giving time for the transition of management and implementation of policies



DOE Better Climate Challenge Participant

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50%

of independent Trustees identify as female

69%

of stabilized¹ multifamily communities held one or more active sustainability certifications

96%

of our communities have a fitness center and other health-related amenities to support health and wellness

100%

of Elme buildings in DC are compliant with the new DC Building Energy Performance Standard (BEPS)

1 - Stabilized communities are ones having been owned by Elme for two years or more, giving time for the transition of management and implementation of policies





In the first quarter of 2023, new solar panel systems were connected at two of our multifamily communities in DC. These systems supplied residents with approximately 600,000 kWh of clean energy while selling any excess to the local grid.

419+ TONS CO2 AVOIDED IN 2023

480 kW System Size



Goals for a Multifamily REIT

In 2023 we completed our transition to in-house management of our multifamily portfolio. We have set a few ambitious—yet realistic—goals, seeking to increase stakeholder awareness, operate more sustainably, create long-term value for our stakeholders, and drive continuous like-for-like improvement across key performance indicators. As we evolve our internal platforms and processes, we will continue to develop additional goals based on these newly established baselines.

In regard to the goals below: Nearly half of our multifamily portfolio was acquired in 2019 or after, with 2021 being the first calendar year where data was stabilized for a majority of assets.



2023 Energy Intensity:

15.9 kWh/SF

We saw a 7% decrease in base-building energy usage compared to our 2021 baseline. Our multifamily energy decreased in 2023 as we continued to implement efficiency projects in our common areas and amenities. Almost all of our properties saw a reduction in energy consumption compared to 2022.

Baseline:

17.1 kWh/sf. We calculate energy use intensity on properties that are stabilized for a full two-year period. This baseline is for common area and landlord controlled spaces and excludes resident-controlled areas.

Goal:

Reduce the energy use intensity of our multifamily portfolio by 20% by 2031 from 2021 baseline.

2023 Scope 1 and 2 Greenhouse Gas Emissions Intensity:

3.83 kgCO₂e/SF

We saw a 3% increase in GHG emission compared to our 2021 baseline. This correlates with reduced green power purchasing in 2023, despite increased energy savings and the addition of onsite solar at two of our assets. Location based emissions were down 10% compared to 2022, primarily due to reduced energy consumption.

Baseline:

3.7 kgCO₂e/SF. We calculate GHG intensity on properties that are stabilized for a full two-year period. This baseline is for common area and landlord controlled spaces and excludes resident-controlled areas.

Goal:

Reduce Scope 1 and Scope 2 market-based emissions intensity of our multifamily portfolio by 50% by 2031 from a 2021 baseline.



2023 Water:

39.1 GAL/HOME

We saw a 14% increase in water use in stabilized communities compared to our 2021 baseline as we experienced higher occupancy across the portfolio and new assets with high consumption became stabilized.

Baseline:

34.4 kgal/home. We calculate water use intensity on properties that are stabilized for a full two-year period and use whole-building data.

Goal:

Reduce the whole-site water use intensity of our multifamily portfolio by 15% by 2031 from 2021 baseline.

2023 Community Certifications:

69.4%

We saw a decrease of communities with at least one sustainability and/or wellness certificate in 2023 to a total of 69.4% due to new properties becoming stabilized. We are actively planning for additional certifications in the coming years, as well as recertifying properties with certifications expiring in 2024.

Baseline:

70% of our portfolio of stabilized multifamily assets was certified with at least one sustainability and/or wellness certification in 2021.

Goal:

Increase building certifications (such as ENERGY STAR, LEED, BREEAM, IREM, and/or Fitwel) to 85% by 2026 from a 2021 baseline of 70%. Units are % SF certified.



Future State Goals

As part of our transformation, we continue to develop the internal programs, tools, and benchmarks necessary to collect and analyze additional ESG data points. We are excited to review this data, set baselines, and develop quantitative future state goals targeting the performance of both our company and portfolio, including:

Scope 3 Emissions

We are finalizing the standard data collection processes necessary to track and measure Scope 3 emissions, including emissions from energy use of our residents. In 2023, we continued to implement new green lease language around energy and water data sharing with residents, worked with utility companies to expand data coverage, and reorganized the way we benchmark data to make Scope 3 calculations possible.

Waste

We evaluate opportunities to collect better data from our multifamily communities around landfill and recycling, working with waste experts to improve data coverage and quality. In addition, we will work to promote waste diversion through resident engagement and education.

Diversity, Equity, and Inclusion (DEI)

In 2023 we completed our move to in-house community management—including community staff and managers—as we continued to expand our corporate team. As we review our latest DEI metrics, we will work to set proper baselines and goals for our organization.

Resident Satisfaction/Net Promoter Score

Bringing community management in-house (versus leveraging multiple third parties) allows us to standardize how we survey residents across geographic regions and communities. This enables us to measure and compare communities, identifying both long-term goals and areas of improvement.

Community Impact

Our team members have a history of volunteerism, and our employee-led Cultural Advisory Board engaged with multiple non-government organizations over the years (discussed further in this report). We are developing in-house tools to better track individual and group volunteerism and calculate in-kind contributions in a more accurate, quantitative manner.





An ESG strategy aligned with global objectives

At Elme, our ESG strategy is to operate and grow in a sustainable, responsible manner that contributes to positive economic, social, and environmental outcomes for shareholders, employees, and the communities in which we serve.

To do this, we align our operations with the United Nations Sustainable Development Goals (SDGs), forming concrete, distinct, and actionable tasks and practices against which we can measure progress. Specifically, we aligned the below SDGs with our initiatives and will continue to revisit the appropriateness of each initiative on an annual basis.







No Poverty.

Work to close the affordability gap for the value-conscious renter, ensuring the middle class has access to safe housing without government grants.

Promote financial inclusion by partnering with a financial technology firm to report on-time rent payments to all three credit bureaus.

Provide access to public transit and bike lanes to increase access for residents.



Good Health and Wellbeing.

Provide spaces to support the health and wellbeing of employees and residents.

Promote resident access to wellness programming and amenities.

Support healthy employee behaviors through wellness programming and benefits.

Provide healthy indoor air and environmental quality by reducing the impact of toxic chemicals through green cleaning and integrated pest management programs.



Decent Work and Economic Growth.

Promote positive work environments and contribute to a sustainable economy.

Require service providers and contractors to meet our standards for ethics, health, safety, and workplace laws.

Foster a culture of accountability at all levels of the workforce, with inclusive compensation, recognition, and time-off policies.



Gender Equality.

Achieve gender equality and empower women.

Leverage our Cultural Advisory Board (CAB) and HR team to oversee diversity and inclusion initiatives.

Monitor and support gender diversity trends and metrics within our management, Board of Trustees, and total workforce.

Provide equal opportunity in all aspects of employment and forbid discrimination based on sex, gender, sexual/gender identity, pregnancy, or any other characteristic protected by applicable law.



Clean Water and Sanitation.

Ensure the sustainable use and management of water resources.

Reduce water use intensity by 15% by 2031 below a 2021 baseline.

Prevent adverse biological growth by ensuring proper treatment of systems water.

Implement policies and best practices for good water and stormwater management and reducing potable water use.



Affordable and Clean Energy.

Establish standards for efficient and clean energy use.

Monitor energy demand and consumption across communities and complete recurring energy audits and/or assessments.

Identify opportunities for deployment of onsite renewable energy.

Pursue energy procurement strategies that ensure reliable and predictable energy expenses, including opportunities from clean energy sources.

Reduce energy use intensity by 20% by 2031 below a 2021 baseline.



Sustainable Cities and Communities.

Pursue actions and activities that promote sustainable, safe, and inclusive cities and communities.

Maintain a portfolio-wide sustainable operations program aligned with leading green building certifications.

Track energy, water, and waste performance by benchmarking all communities in ENERGY STAR Portfolio Manager.

Engage in partnerships and knowledge sharing programs to promote sustainable communities, such as ULI Greenprint and Better Buildings/Climate Challenge.

Support our local communities through volunteering and charitable donations.



Responsible Consumption and Production.

Pursue responsible resource use and disposal at our communities.

Educate residents on recyclable materials in their jurisdictions.

Promote reduction of waste from landfills by providing infrastructure to support reuse and recycling.

Provide technical guidance and support for tenants and residents to pursue sustainability strategies within their spaces.



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CLIMATE
ACTION



Climate Action.

Reduce Scope 1 and Scope 2 GHG market-based emissions intensity by 50% by 2031. Establish and monitor targets for Scope 3 emissions.

Achieve Net Zero GHG emissions across our portfolio by 2050.

Complete climate-related physical and transitional risk assessments regularly across the portfolio and all new acquisitions.

Implement policies and action plans to reduce the impact of climate-related risks.

Continue to evaluate the risk of climate change as part of our Enterprise Risk Management (ERM) process.

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RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Partnerships for the Goals.

Partner with industry organizations and commitments such as ULI Greenprint and DOE's Better Climate Challenge to promote sustainable goals.

Support nonprofits promoting more equitable and sustainable communities through volunteering and financial contributions.

Provide resources and education for our residents to support a sustainable lifestyle.

ENVIRONMENTAL







Sustainable buildings and communities

Elme implements sustainable policies and practices at all properties, working to provide occupants and residents work and live in efficient, healthy spaces. We apply industry standard rating systems such as the Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Method (BREEAM) to establish sustainable practices for building design and construction, renovation, operations, and maintenance.

It is the responsibility of our corporate ESG team, Asset Management, and individual community teams to ensure our communities and associated vendors are operating in a sustainable manner. Our community teams and service providers implement uniform practices for:

- Sustainable cleaning.
- Integrated pest management.
- Interior and exterior maintenance.
- Indoor environmental and air quality.
- Materials and waste management.





Elme implements sustainable standards during home renovations and maintenance, including the installation of LED lighting, efficient water fixtures, ENERGY STAR-rated appliances, and optimization or removal of irrigation systems.

Where feasible, we pursue sustainable operations and existing building certifications, including achieving the Fitwel Health & Wellness Certification at five of our properties in 2023. Fitwel is one of the world's leading health and wellness certification programs within the real estate sector. Aspects and strategies of our communities that contributed to certification include, but are not limited to, increased walkability and bicycling opportunities, access to outdoor spaces, fitness facilities, indoor air quality practices, promotion of local amenities, and comprehensive emergency preparedness.

In 2021, we achieved BREEAM In-Use certification at over 33% of our stabilized multifamily portfolio. The achievement included over 2,300 homes—the first multifamily communities in the United States to achieve BREEAM In-Use certification. As BREEAM In-Use certifications are valid for a period of three years, we are currently pursuing recertification for all of our certified assets and considering additional assets for future certification.

For new construction and major renovations, we follow sustainable building standards, such as LEED for Building Design and Construction (LEED BD+C). We proudly achieved LEED BD+C Silver at the Trove, our most recent development project, in 2021. This included diverting construction waste from landfills through strict recycling requirements and monitoring, supporting healthy indoor air quality through low-emitting paints adhesives, installing water efficient fixtures and landscaping, and other practices.

69%

of stabilized multifamily communities held one or more active sustainability certifications in 2023 measured by floor area.





The wellbeing of our residents is of paramount importance to the team at Elme. We are proud to support the healthy lifestyles of our residents through our sustainable practices and Fitwel certifications.”

— Paul McDermott, President and CEO of Elme.



Certified Sustainable

Energy Star 2023

Park Adams, Arlington, VA
Elme Bethesda, Bethesda, MD
The Kenmore, Washington, DC
The Wellington, Arlington, VA
Yale West, Washington, DC

Watergate 600, Washington, DC
3801 Connecticut, Washington, DC
Elme Herndon, Herndon, VA
Elme Sandy Springs, Sandy Springs, GA
Elme Druid Hills, Atlanta, GA



BREEAM In-Use

Elme Alexandria, Alexandria, VA
Elme Manassas, Manassas, VA
Elme Dulles, Herndon, VA
Elme Leesburg, Leesburg, VA
Elme Herndon, Herndon, VA
Elme Germantown, Germantown, MD
Elme Watkins Mill, Gaithersburg, MD
Cascade at Landmark, Alexandria, VA



LEED

The Trove, Arlington, VA
The Maxwell, Arlington, VA



FITWEL

Ashby at McLean, McLean, VA
Bennet Park, Arlington, VA
The Maxwell, Arlington, VA

Yale West, Washington, DC
The Paramount, Arlington, VA



Elme's newest addition to the portfolio, Elme Druid Hills, continues to demonstrate our commitment to sustainability. The property includes various sustainable features including:

- ENERGY STAR certified in 2023 with a score of 98, indicating the property is more efficient than 98% of similar properties nationwide.
- Walking and/or biking distance to amenities and jobs including Atlanta's significant new medical developments, Children's Healthcare of Atlanta and Emory Healthcare's Executive Park expansion.
- Outdoor spaces feature a mature tree canopy providing residents with shade and connection to nature.
- Fitness center with yoga studio and tennis courts promote resident health and wellbeing.
- Electric Vehicle charging provided on-site.
- Amenities and common areas such as the pool, playground, business center, and clubhouse promote social interaction and connectedness.

Just a few stats

69%

of stabilized multifamily communities held one or more active sustainability certifications in 2023 by floor area

79%

of properties have recycling opportunities and coordinate with local haulers

63%

of communities do not have irrigation, or have discontinued their irrigation systems

100%

of communities have ENERGY STAR appliances installed during unit renovations

90%

of properties have LED exterior lighting with photocells

>70%

of our portfolio is in locations rated as “walkable”



Climate Strategy and Risk

According to the U.S. Environmental Protection Agency (EPA), total direct and indirect GHG emissions from commercial and residential real estate made up approximately 30% of total U.S. emissions in 2020, with 13% being direct emissions. Additionally, the EPA estimates total emissions from real estate in the U.S. decreased by only 5% since 1990.

As real estate owners and operators, we recognize the importance of being leaders in climate change, understanding our impact on built and natural environments, and reducing our carbon footprint. We view our buildings and communities as long-term investments. Therefore, we analyze how climate change may impact the performance of our portfolio and search for ways to mitigate physical and transitional climate- related risks.

Climate Risk: Process and Oversight

Climate change poses potential risks to our assets and overall business- but also creates an opportunity to incorporate new ways of thinking into our strategic plan.

In response, we established processes to assess the physical and transitional climate risks and opportunities for our existing portfolio and new acquisitions. This is an iterative process as market conditions, regulations, technologies, and the methodologies to measure and predict climate risk evolve. Our treatment of these issues aligns with the Task Force on Climate-Related Financial Disclosures (TCFD). (Note: Additional details on the applicability of TCFD recommendations can be found in the Appendix.) As defined by the TCFD framework, physical risks associated with climate change include both acute risks (e.g. extreme weather) and chronic risks (e.g. heat stress); while transitional risks include policy development and new legislation around climate and energy performance, evolving technology, and potential impacts on reputation.

We integrated climate risk management into our existing Enterprise Risk Management (ERM) system, an annual Executive and Board-level oversight exercise to identify and prioritize responses to potential risks to our company, people, and financial performance. Through this mechanism, we oversee communication on risk findings and receive governance direction from the Board of Trustees. This is led by a cross-functional team of ESG, Property Management, Asset Management, Investment, Legal, Finance, Communication, and Human Resources professionals.

	SHORT- AND MEDIUM-TERM
FLOOD	Low risk across the portfolio except a portion of Elme Marietta.
SEA LEVEL RISE	Low risk across the portfolio.
HEAT STRESS	Medium risk across a majority of the portfolio, with medium to high risk in Georgia.
WATER STRESS	WRI lists all assets as low risk, except for Georgia assets listed as medium risk.
HURRICANES	Medium risk across the portfolio
WILDFIRE	Low-medium immediate risk across the portfolio, with higher risk at Georgia assets

Physical Risk

We identify potential physical risks to our existing assets and new acquisitions using data from Moody’s ESG and Climate Solutions, a provider of market intelligence and analysis related to physical climate and environmental risks. This assessment is based on the IPCC RCP 8.5 business-as-usual scenario. Additionally, we analyze information from a variety of sources including the World Resources Institutes (WRI) Water Risk Atlas, Federal Emergency Management Agency (FEMA) Flood Map Service Center, and others to develop a comprehensive understanding of risk(s). For time horizons, we review short-term (1-2 years), medium-term (3-10 years), and long-term (10+ years) risks.

The risks and opportunities outlined below reflect our portfolio as of December 31, 2023, which was comprised of primarily multifamily properties in DC, Virginia, Maryland, and Georgia, in addition to a single commercial office asset (Watergate 600) located DC.

	LONG-TERM	CONSIDERATIONS / COMMENTS
	Low Risk across the portfolio with the exception of Wellington, Trove, and Riverside as each could experience increased long-term risk depending on local infrastructure.	Although Moody’s and FEMA data shows our assets in low-risk areas, we will monitor and evaluate flood risk as properties can still be susceptible to high frequency and/or severe rainfall (this includes impacts to supply chains).
	Low risk across the portfolio	All assets are being continuously monitored for onsite potential impacts in coming decades. There are no immediate threats.
	Medium risk in most areas, with higher risk in Georgia and DC assets.	Possible impacts include reduced electrical grid reliability, increased energy costs, decreased life of HVAC equipment, and increased insulation and solar coating/paints. Energy efficiency projects continue to be implemented across the portfolio.
	MSCI lists most assets as medium-to-high risk, with potential changes in supply and demand for surface water available for consumptive use through 2040.	Extreme drought and availability of potable water will be monitored. Water efficiency projects continue to be implemented across the portfolio.
	Per Moody’s: “Only historical data is used, because global projection data is unavailable due to high uncertainty of how climate change influences tropical cyclone formation and intensity.”	A majority of our communities are in-land, reducing storm surge from hurricanes. While projections for future impacts are uncertain, historical data provides a reasonable indication of where tropical cyclones have the potential to form and the level of their potential severity. This will be monitored continuously.
	Medium risk across the portfolio, with higher risk at Georgia assets given potential heat and water stress	We will continue to track wildfire activity to ensure the safety of our assets and residents. We monitor vegetation growth and proximity to structures, keeping in mind a 'defensible zone' between fauna and structures.

Transitional Risks and Opportunities

A transition to a low-carbon economy, represented by the Representative Concentration Pathways (RCPs), poses scenarios with changing regulatory, market, technology, and reputation implications.

Our team evaluates these risks and opportunities across our different property geographies and over short-, medium-, and long-term horizons that may arise related to such a transition.

SHORT-AND MEDIUM-TERM	
Risk	Increased utility costs or other operating expenses, such as taxes and insurance premiums.
	Accelerated timeframes for equipment replacement to meet building energy/GHG performance criteria.
	Natural gas restrictions in new development and renovations in the DC area, i.e. “electrification,” increasing capital expenses.
	Increased Securities and Exchange Commission (SEC) or other local, state, and/or deferral emissions-related regulatory reporting, adding additional costs.
	Prior investments in building systems may become obsolete due to rapid advancements in technology.
	Failure to comply with building efficiency or greenhouse gas emissions mandates could result in financial penalties in DC and MD.

LONG-TERM	
Risk	Natural gas restrictions in new development and renovations in broader markets.
	Asset locations and product offerings may not align with changing market or demographic forces driven by climate change.
	Renewable energy mandates could impact development and redevelopment plans.
	Reduced asset valuations could be perceived as “stranding,” unaligned with climate goals, or more carbon-intensive than peers.
	Increased cost of carbon and potential carbon regulations in broader markets, impacting NOI.

SHORT-AND MEDIUM-TERM	
Opportunities	Policy changes may result in the increased incentives to make deep energy retrofits cost effective.
	Lower cost of capital from Green Bonds.
	Lower operating and utility costs through operational efficiencies and climate-focused capital planning.
	Within the DC area, increased federal spending for climate regulation may be a growth driver for the region.
	Outperforming market peers for resident demand by maintaining reputation as a sustainability leader.

LONG-TERM	
Opportunities	Increased potential value of low-carbon, ESG-focused assets.
	Prevention of expensive building adaptations
	Opportunities or repairs by mitigating risks/impacts of climate change.
Higher ESG ratings and long-term leadership in the ESG space.	



Assessment

Measure community risk exposures.

Identify business and operational risk and opportunities.

Validation

Evaluate risk probabilities and severity.

Investigate methods for calculating financial impacts.

Response

Recommend community and portfolio mitigation and adaption plans.

Incorporate risks and opportunities into investment and asset management plans.

Disclosure

Asset-Level Responses and Management of Climate Risk

We review individual assets for site-specific mitigation measures needed to address both physical and transitional risks on a regular basis. This includes evaluation of critical equipment and infrastructure, comprehensive emergency and disaster plans, procedures, and policies; life-safety training, resident engagement, emergency notifications, availability of back-up emergency power, and potential for onsite renewable energy sources.

Additionally, we benchmark energy, GHG emissions, water, and waste performance at individual assets and constantly work to increase our data coverage across our portfolio—including resident-paid utilities. This enables us to identify lower-performing assets susceptible to transitional risk, evolving legislation, and existing performance requirements from local municipalities.

We will continue to develop appropriate strategies, adjust operations, and make capital investments in building performance, energy efficiency, and overall reduction of carbon impact.



Market Participation

We monitor and take part in process changes undertaken by various jurisdictions to mitigate and adapt to climate change. For instance, the District of Columbia established a Building Energy Performance Standard (BEPS) to regulate the energy efficiency of existing buildings and requires the District of Columbia to be supplied with

100% renewable energy by 2032. Elme actively participated in the policymaking process within the District's BEPS Task Force. We will continue to play an active role as other jurisdictions begin to adopt building efficiency and climate policies, ensuring both the government and the commercial real estate industry achieve our shared goals.



Emissions and Mitigation



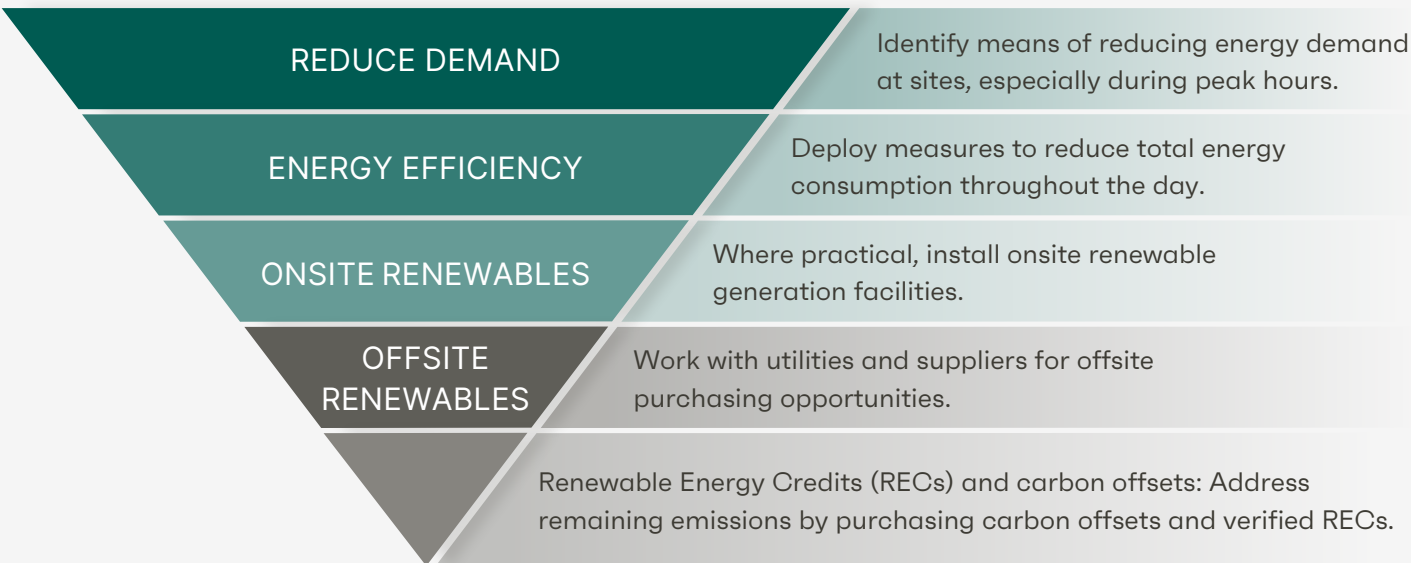
In 2022, we joined the U.S. Department of Energy (DOE) Better Climate Challenge, furthering our commitment to a 50% or more reduction in Greenhouse Gas (GHG) emissions in 10 years. This partnership allows us to support fellow real estate leaders and the DOE by sharing success and best practices in decarbonization. We have been members of ULI Greenprint since 2021, working alongside industry-leading colleagues to reduce greenhouse gas (GHG) emissions across our combined portfolios by 50% by 2030, and Net Zero by 2050. These goals are in line with the Paris Agreement and findings from the Intergovernmental Panel on Climate Change (IPCC) report to limit global warming to 1.5°C.

We have established standard procedures for benchmarking our portfolio's Scope 1 GHG emissions (direct GHG emissions from fuel burned on site from landlord controlled spaces, including natural gas or diesel oil) and Scope 2 GHG emissions (indirect GHG emissions from energy generated off site controlled by the landlord,

such as electricity purchased by the landlord for common area and base-building spaces).

In 2023, we continued to coordinate with utility companies, contractors, and residents to increase our data coverage in measuring material Scope 3 indirect GHG emissions, such as those generated by producing energy controlled by others (e.g. multifamily and retail tenants that pay their own utility bills). This will enable us to develop an impactful and tangible Scope 3 emission reduction strategy.

We believe our GHG mitigation strategy aligns with industry best practices, including those recommended by the United States Department of Energy Better Climate and World Green Building Council's Advancing Net Zero programs. We identify, select, and prioritize projects based on multiple aspects, including but not limited to physical impact, cost, return on investment, resident demand, local requirements and regulations, and investment timing.





Environmental Management

Elme invests in sustainable solutions and programs that benefit residents and target the “triple bottom line” of people, planet, and profit. With decades of sustainability and real estate management expertise, we commit to operating high-performing properties that serve residents and investors in a responsible manner. We designed our ESG priorities to increase asset value, mitigate risks, and prepare for future market demands. We achieve results by establishing portfolio-wide standards and executing community-specific solutions.

To ensure Elme continually improves ESG performance, we operate under an Environmental Management System, aligned with ISO 14001 and based on an iterative Plan-Do-Check-Act model, which allows for active management and continuous improvement. Our Asset Management, Property Management, and Engineering teams collaborate to develop action plans and execute projects. Our Executive team reviews ongoing progress of plans and provides oversight into the entire process.





Energy

According to the U.S. Energy Information Administration (EIA), residential properties consume approximately 22% of the nation's energy. Striving to reduce energy consumption, we take a comprehensive approach to energy management, pursuing strategies to optimize energy use, demand, and cost within our control through a variety of programs.

Energy Management

We benchmark energy use in ENERGY STAR Portfolio Manager, comparing our buildings against peer sets while accounting for differences in operating conditions, regional weather data, and other important considerations. Eligible buildings pursue the ENERGY STAR certification each year, indicating they perform better than at least 75% of similar buildings nationwide. Energy data is also fed into Measurabl, which allows us further insights and tracking of energy and GHG performance from a portfolio level all the way down to individual meters.

Within the commercial office asset in our portfolio, we installed Energy Intelligence Software (EIS) Metering, allowing us to monitor and analyze building energy use remotely and in real-time. Additionally, with increasing concerns around grid reliability, Elme's properties have enacted demand response curtailment plans to reduce load. We continue to evaluate opportunities to implement similar strategies across our multifamily portfolio, taking building type (high-rise, garden-style, etc.) and level of energy control into consideration.





Energy Improvements

Energy Audits

We conduct recurring energy reviews, walkthroughs, and audits to assess building performance, provide a comprehensive assessment of energy conservation projects, guide capital investment decisions and implement operational efficiency strategies. For potential new acquisitions, we complete energy and water audits during the due diligence phase to ensure we have a solid understanding of issues and opportunities for energy and water optimization and reduction of utility costs.

Home Renovations

As we renovate apartment homes, we replace appliances with ENERGY STAR-rated equipment, check sealing and insulation of openings and windows, evaluate hot water heater insulation, and upgrade lighting to LEDs.

Smart Home Technology

Additionally, we are deploying smart home technology to assist with energy conservation for both residents and Elme. This includes smart thermostats that can be automated to reduce run times and schedule setbacks during vacancies, smart plugs and switches to control energy consumption of devices, a mobile app to provide controls remotely, and leak detection sensors within units. We delivered 5,362 new Smart Home packages in 2023.

4,136 TREES

equivalent to the carbon savings of
our on-site solar in 2023



Lighting

Throughout our portfolio, we have replaced (or plan to replace) common area, occupied space, exterior, and parking lighting fixtures with LED, resulting in significant energy and maintenance savings. As noted above, residential homes are targeted during renovation or turnover.

Cooling Tower, Air-Handler, and Chiller Replacements

As we replace base-building central plant equipment at end of life or for operational improvement, we capture efficiency improvements through various strategies. These include improved controls, variable frequency drives, economizing modes, and environmentally- preferred refrigerants.

Boilers

Numerous recent boiler replacement projects include efficiency improvements such as right- sizing heating capacity, installing modular boilers to better handle seasonality, and transitioning to high-efficiency condensing boilers.

Renewable Energy

Onsite Renewables

In the first quarter of 2023, new solar panel systems were connected at two of our multifamily communities in DC, supplying residents with approximately 600,000 kWh of clean energy while selling any excess to the local grid. We continue to evaluate opportunities for installation of on-site renewable energy, factoring in shading, available space, market conditions, return-on-investment, rebates and transferable tax credits, etc.

Sourcing Renewable Energy

To increase the proportion of energy use from renewable sources and further reduce emissions from community operations, Elme explores opportunities to purchase electricity supply from clean sources through energy procurement strategies. We continue to review local energy, REC, and carbon offset markets for potential procurement of environmental attributes, while prioritizing energy efficiency and onsite generation projects.



Water

According to the EPA, average drought conditions across the nation vary over time, the severity of which differ region to region. Large and consistent decreases in the Standardized Precipitation-Evapotranspiration Index (SPEI), a drought index used to determine the onset, duration, and magnitude of drought conditions, have been observed throughout the western U.S. Meanwhile, the eastern United States—in particular, the Northeast—experienced generally wetter conditions over the past century.

While our properties are not located in the western U.S., we remain dedicated to reducing water

consumption and using this resource efficiently and responsibly. This will be increasingly important to combat increased water stress due to growing demand in the coming decades.

Our ESG team and community managers review water usage and opportunities for conservation, implementing various water saving measures. We use both ENERGY STAR Portfolio Manager and Measurabl to monitor and benchmark water usage in buildings, and currently have full data coverage across our portfolio as of December 31, 2023. At our multifamily properties, we:



47

- Replaced showerheads and faucets with low-flow versions, helping residents reduce their total water consumption.
- Installed ENERGY STAR appliances, including dishwashers and washing machines, that utilize less water than their counterparts.
- Reviewed and implemented opportunities to discontinue (or elected to not install) irrigation for landscaping areas. This requires the selected flora be native or adaptive to local conditions. Over half of our communities have discontinued their permanent irrigation systems.

In 2023, we saw an approximate 4.5% increase in water usage across our like-for-like portfolio compared to 2022. We will continue to monitor water performance and identify means of reducing water use in both new acquisitions and existing assets.



Waste

Elme has been committed to reducing landfill waste across our portfolio for many years. We continue to be dedicated to operational improvements, cooperating with innovative partners, and engaging building occupants to achieve results.

We use monthly reports from waste haulers to benchmark and track performance over time in ENERGY STAR Portfolio Manager across our portfolio. In 2023, we continued to 1) identify issues with various haulers for communities that have limited or no data and 2) review opportunities to engage waste specialists to help gain access to better data coverage. This increased data set will allow us to establish an official baseline and set a portfolio-wide goal towards the reduction of landfill waste.

In 2023, we completed waste audits at 100% of our multifamily communities in order to identify areas of opportunity for improved diversion, as well as engagement with residents.

Donation Boxes

To facilitate the reuse of durable goods—especially those unwanted items discarded at move-out—we placed donation collection bins at many of our multifamily properties. Clothing bins proved especially popular with residents, allowing them to donate clothing easily throughout the year.

Electronic Waste

To assist residents with the proper disposal of electronics and batteries, we work with partners to collect and recycle e-waste.









Elme proudly supports sustainable commutes in our local regions by participating in strategic partnerships such as the Arlington Transportation Partners (ATP) Champions. ATP Champions enhance transportation benefits, amenities, and programs, allowing more people to travel by walking, biking, taking public transit, carpooling, or vanpooling.

In 2023, the Trove and Maxwell earned Platinum and Silver ATP Champion ratings, respectively, thanks to their multiple initiatives and dedication to sustainable transportation.

Transportation

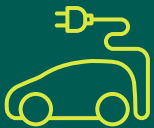
Elme commits to owning and operating properties within areas connected by multi-modal transportation options. We support residents and tenants in commuting to-and-from our properties by all modes, encouraging green commuting.

We regularly benchmark each building’s access to alternative forms of transportation. One benchmark tool we use is WalkScore, which measures the walkability of any building or community based on surrounding amenities, pedestrian friendliness, access to public transit, and whether a location is good for biking. The figures below (based on total square feet) are for our portfolio as of December 31, 2023.



Biking

For bikers, we installed protected bicycle storage at over half of our communities and will evaluate the remainder of the portfolio based on demand and surrounding infrastructure. We continue to connect with residents to best determine how to assist them in increasing biking activity and opportunities.



Electric Vehicles

Our current EV portfolio includes all communities in Maryland, many in Northern Virginia, DC, and Atlanta. As of December 31, 2023, 39% of our communities have EV charging stations. We are working to install more EV charging stations at our properties in 2024 and beyond.

During due diligence of new acquisitions, we evaluate existing electrical infrastructure for the feasibility and cost of installing EV charging stations.

56%

of our portfolio is classified as “Bikeable,” “Very Bikeable,” or a “Biker’s Paradise”

91%

of our portfolio is classified as having access to transit

74%

of our portfolio is classified as walkable, and not “Car Dependent”





53

Green Bond

In September 2020, Elme issued a \$350 million green bond to tackle ESG objectives and enhance sustainability for our recent development and acquisition activity. Elme's Green Bond Framework aligns with the Green Bond Principles issued by the International Capital Market Association (ICMA).

In 2021, Elme allocated net proceeds of \$347 million to finance and refinance third-party verified green building projects. We allocated most of these proceeds to multifamily communities that achieved BREEAM In-Use certifications, half of which earned a "Very Good" rating (representing the top 25% of BREEAM certified assets). BREEAM, a leading sustainability assessment method developed by BRE Group (BRE), is our sustainability certification

of choice, due to its rigorous certification process and the return on investment offered to both newer and older multifamily facilities. We allocated remaining proceeds to Trove, Elme's first ground-up multifamily development, which achieved LEED Silver certification for design and construction from the U.S Green Building Council.

Through the green bond process, we seek to set a standard and lead the nation's movement toward the effective use of sustainable capital allocation and ESG funding. Management's assertion on the full allocation of the net proceeds to Eligible Green Projects and the Report of Independent Accountants, can be found in the Green Bond Allocation Report, available on our website.

SOCIAL







Social

Our Employees

Elme is made up of growth-oriented, hardworking individuals dedicated to transforming creative ideas into decisive action. Our flat organizational structure facilitates frequent, meaningful interactions with company Executives, and our commitment to teamwork and entrepreneurial spirit enables employees at every level to conceptualize ideas and make them happen. We create an environment where engaged people do what they do best, all while learning, growing, and contributing in meaningful ways to build a better company. We trust, encourage, and support one another, driving our pursuit of excellence.

We believe in giving employees the tools and voice they need to succeed and build better communities. Whether through employee community tours, quarterly townhalls, annual employee engagement surveys, or fundraising events, we work together to continuously build a better company and community.

Training, Education, and Career Development

Performance Evaluations

All full-time employees receive an annual performance review of applicable goals, allowing for input from managers and others within the organization in order to both celebrate achievements and provide actionable suggestions for improvement. This implements a consistent approach across departments, setting clear timelines and helping track career development progress. Beyond performance, Elme trains people-managers to provide and receive constructive feedback, helping to facilitate growth.

93%

of community teams were retained during transition to in-house property management



Ethics, Compliance, and Training

All employees receive Code of Business Conduct and Ethics training upon hire and must review and recertify their knowledge of these items annually. This training is completed through our online training platform and in-person training sessions with the Human Resource team. Additionally, employee training covers the identification and prevention of workplace harassment and discrimination, how to foster a healthy and safe environment, diversity and inclusion, cybersecurity, and disaster/emergency awareness and procedures. In 2023, 100% of employees received training on the above topics, including training for all new employee and annual trainings for existing staff.

In-House Education and Tuition Assistance

At Elme, we place great value on employee growth—at all levels of the company—through professional and leadership development offerings.

We financially support all employees pursuing job-specific training and provide tuition reimbursement for degree programs and certifications. We encourage individuals to join professional organizations offering technical, soft-skill, and leadership development workshops.

Fair Housing Training

Throughout our transition into a multifamily company, we wanted to ensure all employees received education and training on Fair Housing, not just community staff. Through multiple channels, including online education platforms, we provide opportunities for our entire company to learn about the Fair Housing Act and its history, who is protected, and how to identify and prevent discrimination in housing-related activities.

Open Positions, Advancement, and Talent Pipeline

Our organization supports the internal growth and promotion of our employees, developing a pipeline of professionals driven by continued career growth. When open positions become available, we encourage internal candidates to apply. For external candidates, our Human Resources team connects with local schools and professional networks to build a new employee pipeline to meet the growing needs of our expanding company.

Benefits and Well Being

We provide a robust compensation and benefits program to support the professional and personal lives of our employees. Encompassing health and wellbeing, financial security, career advancement, these benefits include:

- 401(k) with employer match.
- Tuition and education reimbursement.
- Employee referral bonus.
- Pre-tax commuter benefits.
- Cell phone stipends.
- Employee assistance program.
- Paid sick leave.
- Flexible vacation.
- Paid holidays.
- Paid parental leave.
- Medical, dental, and vision coverage.
- Flexible spending and Health Reimbursement Accounts (HRAs).
- Company-paid life insurance.
- Voluntary employee, spouse, and dependent life insurance.
- 60% - 100% paid short-term disability.
- Long-term disability.
- Flexible work arrangements (including hybrid/remote work where job responsibilities allow).
- Travel assistance benefits.
- Employee rent discount.
- Free access to certified financial planners.
- Wellness initiatives.



RENT DISCOUNT

In 2023, rent discount benefit for employees equated to over \$359,000 of value.



Diversity, Equity, Inclusion, and Accessibility (DEIA)

At Elme, we believe diverse backgrounds, experiences, cultures, ethnicities, and interests lead to new ways of thinking and drives organizational success. We aim to develop a strong sense of belonging where all team members connect to the organization and each other, remain engaged in their work, and are confident in their ability to thrive. We hope to build a sustainable culture of inclusion by increasing diversity across all functional areas, mitigating bias in our systems, and ensuring all team members have equal access to the tools, resources, information, and support to perform their best.

We continue to monitor key diversity metrics, including age, self-identified ethnic origin, and self-identified gender across new hires, senior management, Executives, and all employees.

To better support our DEIA initiatives, we partnered with a DEIA specialist to provide external and best-in-class insights into our internal programs and procedures. Additionally, we teamed up with culture strategists in 2022 to help generate strong values for our company. In 2023, we formed a Cultural Advisory Board (CAB) comprised of individuals from all aspects and areas of the organization. This CAB serves as a DEIA and cultural sounding board for Elme Communities, as well as develops initiatives and projects that advance our culture and support our employees.

DEIA initiatives for a more inclusive environment include, but are not limited to:

- Launching a diversity education series for employees.
- Recognizing diversity and inclusion months and celebrations.
- Developing a standardized framework to track and identify Disadvantaged Business Enterprises (DBEs), such as minority-, women-, and veteran-owned vendors to provide baseline metrics.
- Gathering employee sentiment around DEIA efforts through an inclusion and belonging survey.
- Initiating targeted recruitment and relationship development at HBCUs and with diverse industry groups.
- Requiring company-wide training on implicit bias, cultural intelligence, microaggressions, and psychological safety.
- Conducting a diversity and equity audit for baseline information and target setting.
- Ensuring our Corporate Governance/Nominating Committee considers diversity when nominating new Board trustees (see Governance, Leadership section for more information).

Turnover and Tenure

1.9 YEARS

Average tenure of team member.

5.5 YEARS

Average tenure of leadership

2.5 YEARS

Average tenure of males.

1.5 YEARS

Average tenure of females

<1 YEAR

Non-binary Average Tenure

31.3%

Voluntary turnover

Please see the data below regarding our staff as of December 31, 2023:

Ethnic Diversity

Total Team Members



Leadership*



C-Suite



New Hires



Gender Diversity

Total Team Members: 245 (152 male, 91 female, 2 non-binary)



Leadership: 15 (9 male, 6 female)



C-Suite: 5 (3 male, 2 female)



New Hires: 190 (118 male, 70 female, 2 non-binary)



Age Diversity

Total Team Members



Leadership



C-Suite



New Hires





CEO **ACT!ON** FOR DIVERSITY & INCLUSION

In 2020, our CEO signed the CEO Action for Diversity and Inclusion initiative, cultivating environments supporting open dialogue on complex—and often difficult—conversations around diversity, equity and inclusion; implementing and expanding unconscious bias education and training, sharing best-known DEI programs and initiatives, and engaging our Board of Trustees when developing and evaluating DEI strategies.



Employee Safety Metrics

No fatalities

0% loss time due to injury

Five worker compensation claims

Human Rights

Elme commits to protecting and respecting the human rights and dignity of all persons impacted by our business and ensuring all operations function with integrity. Respect for human rights is fundamental to maintaining ethical business practices and best serving our residents and associates. Inspired by the United Nations (UN) Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights, our Human Rights Policy covers health, safety, and wellbeing; discrimination and harassment, child labor, forced labor, working hours and compensation, discipline and corporate punishment, anti-corruption and anti-bribery, and accountability.

Employee Health and Safety

Our goal is to provide a safe, healthy environment for our employees and residents. We do this by establishing policies and procedures aimed to reduce risk, implementing safety training addressing potential perils, creating awareness around common incidents (and how to avoid them), and celebrating safety champions.





Community Health and Safety

Green Cleaning

Our communities utilize green cleaning products and procedures, including those certified as Green Seal, to minimize the environmental impact of cleaning materials. Our green cleaning efforts benefit employees, janitorial staff, and residents by reducing contact with toxic chemicals that can negatively impact one's health.

Indoor Air Quality

To support respiratory and brain health, we utilize low-volatile organic chemical (VOC) flooring, paints, adhesives, and sealants; air filters to advance air quality, exhaust fans, and outdoor air ventilation systems in our communities. All communities—with the exception of a few grandfathered leases—do not allow smoking inside, within 25 feet of a building entrance, window, or air intake; or on balconies.

Health and Wellbeing

Elme commits to providing healthy living spaces for residents, from improving indoor air quality to providing opportunities for physical and mental wellbeing. Our communities offer amenities that help residents advance their personal health goals and foster social interaction. Our fitness centers and yoga studios include modern equipment such as fitness mirrors, dumbbells, free weights, smith machines, aerobic machines, and on-demand video courses. Most communities have a swimming pool for both exercise and entertainment, many of which have a lap pool and “adult swim” times to ensure equal access for swimmers. For our four-legged residents, over half of our communities have a dog park.

96%

Of our communities have a fitness center.

82%

Of our communities have a pool, many of which have a lap lane.

To promote mental and social health, our communities contain benches and outdoor spaces, allowing residents to gather together or sit amongst nature. Most communities are located within walking distances to a park or have onsite playgrounds or sports courts.

To enable residents to further their education, apply for jobs, or simply browse online, 86% of our communities have a business center with computers, internet, and other tools.



Fitwel in our Portfolio

In 2023, we certified five assets using the Fitwel Health & Wellness Certification to promote the various health and wellness aspects and amenities of our communities throughout our portfolio. Fitwel is the “world’s leading certification system committed to building health for all”. Generated by an analysis of 5,600+ academic research studies, Fitwel is focused on a healthier future where all buildings and communities are enhanced to strengthen health and wellbeing. Fitwel was originally created by the U.S. Centers for Disease Control and Prevention (CDC) and U.S. General Services Administration. The CDC remains the research and evaluation partner for Fitwel.

In order for a building or community to achieve certification, it must demonstrate it has incorporated a variety of Fitwel strategies focused on occupant wellbeing that support physical, mental, and social health. This year, we completed certification of the first five of our multifamily communities to Fitwel standards. Aspects and strategies of our communities that contribute to certification include, but are not limited to, increased walkability and bicycling opportunities, access to outdoor spaces, fitness facilities, indoor air quality practices and policies, access to shared spaces, promotion of local amenities, and comprehensive emergency preparedness.

Elme Communities is proud to be a Fitwel Champion, joining a group of industry leading companies optimizing buildings to promote health.





FITWEL 1 STAR CERTIFICATION

achieved by Bennett Park in 2023 through amenities including secure bicycle parking, access to outdoor spaces, fitness center, and healthy vending options





Community Continuity

At all times, community staff members are prepared to handle emergency situations, including fires, floods, personal injuries, or other dangers to life or property. We train community teams on potential natural disasters that could impact their building, such as hurricanes, tornados, floods, fires, and freezing conditions.

Each community comes equipped with an emergency contact list, site maps, plans and procedures, the necessary hardware to shut off electricity, gas, and water; and a disaster response kit containing essential items such as caution tape, protective personal equipment (PPE), and first aid supplies.

Community staff members undergo emergency preparedness training on health concerns such as pandemic flu and COVID-19. While properties have a continuity plan meant to establish response policies and procedures for many immediate emergencies, a pandemic flu event is sufficiently different in how it evolves—therefore, it requires a specific plan of action. Unlike most emergencies, it could take weeks or months to determine the severity of a pandemic flu crisis. The health response continuity plan determines how to deal with a developing outbreak, protect and support our employees, residents, and vendors; and continue to operate as efficiently as possible.

Resident Engagement and Connectivity

As a multifamily owner and operator, we understand the importance of providing healthy, safe places to live—particularly as many employees double as residents. Residents are some of our most important stakeholders, and we elevate the standard of value living by listening to their needs.

Resident Feedback

In 2023, we were proud to bring all community-level residential operations in-house from our third-party operators. We believe this will allow us to provide high-quality customer service to all our residents. Resident feedback is critical to delivering the highest quality living experience. Therefore, resident satisfaction surveys are conducted by independent third parties at all multifamily properties.

In 2024 Elme moved to J Turner for resident surveys where we introduced customer surveys for prospects, move-in experience, work order satisfaction and pre-renewal. The new survey program along with online reviews allows for deeper insights into the satisfaction of our residents throughout the customer journey experience.

We also monitor online reviews as indicators of our performance and address any concerns from current or previous residents. This includes monitoring a variety of sites such as Google, Yelp and ApartmentRatings.com, among others. Elme's Online Reputation Assessment (ORA) scores for the portfolio is currently 66.83 which is 5 points above the national average. We continue to focus on increasing our scores with focused action plans for each community to address any negative feedback issues.

51%

of reviews in 2024 were 5-star reviews

2

Elme communities were recognized in J Turner's Elite 1% rankings for online reputation





81%

of homes have
Prop Tech Installed

Resident Communications

We distribute resident updates (such as events or educational materials) through multiple platforms, including emails, posters, live bulletin boards, resident apps, and social media. Social media—particularly Instagram—allows community management teams to share tips on living healthy, enjoying the community, and making a positive environmental impact with residents.

Customer Service

Our Property Management and Engineering teams take pride in their superior customer service and responsiveness, resulting in long-lasting relationships with residents. We utilize maintenance and engagement platforms to easily connect residents and staff, resolving maintenance or community issues in a timely manner.

Utilizing Technology to Elevate the Resident Experience

We are excited to provide an elevated experience to our residents through smart home automation technology. We have partnered with SmartRent to launch several property technology (prop tech) solutions across our portfolio, all connected through a mobile application to provide a seamless connected home experience that residents can control.

Prop tech includes:

- Smart thermostats allow residents to control the temperature of their home from anywhere, as well as schedule and automate HVAC runtimes. This also allows our community teams to control vacant units easily, automating temperature setbacks.
- Smart locks allow residents to control who has access to their home from an app, providing flexibility and convenience. Additionally, residents can receive real-time notifications when their door is accessed.
- Smart plugs and switches allow residents to monitor and automate energy consumption, turning lights and devices on and off remotely.
- Leak Detectors notify maintenance of potential leaks in the home, helping prevent water damage from unreported leaks, and giving residents peace of mind knowing their possessions are not being damaged.
- Voice Assistant Integrations allow residents to control their smart home technology through voice commands using existing voice assistants, like Alexa.



Community Engagement

As a real estate investment trust, investing is at the core of what we do. Our most valuable investments aren't made at the property level—they're made within our team members, residents, and regions in which we live. With over five decades of experience operating workplaces and residential communities, we are passionate about making a difference in the region we call home.

Motivated by our guiding principles and drive to help those in need, our employees participate in a variety of philanthropic activities throughout the year. Whether volunteering at a food bank, running a toy drive, or walking for a cause, we proudly foster a culture of giving back.

Second Story

Through the Commercial Real Estate Development Association (NAIOP) and the Developing Leaders program, Elme proudly participates in multiple community events and charitable drives to support Second Story. Second Story provides housing, counseling, and life skills support for teenagers experiencing crisis and young people experiencing homelessness (including those who are pregnant, young parents, and their children). Second Story's community-based programs provide after-school homework help and safe havens for 2nd-12th graders in vulnerable communities and drop-in support for their families.

Elme was a 2023 Gold Sponsor of the Developing Leaders Snack Pack Project, which provided meals and snacks (or Snack Packs) to children participating in Second Story's afterschool programs at the Culmore Teen Center in Northern Virginia. Elme, alongside other NAIOP members, coordinated food pickup and raised enough funds to donate more than 5,000 Snack Packs to the Culmore Teen Center.

Arlington Partnership for Affordable Housing (APAH)

Elme continued to support APAH in 2023. APAH is committed to increasing the number of affordable rental housing units in the communities within the Washington DC Metro region, including Arlington County and neighboring jurisdictions, efficiently and effectively.

Since APAH was founded in 1989, their portfolio has grown to more than \$550 million. Their rental communities provide safe, attractive housing to over 2,000 households in the DC Metro region.

Elme in Action

Elme employees took action in 2023 to support a variety of nonprofit organizations and causes. Activities included collecting canned goods to support the Capital Area Food Bank, donating toys for Toys for Tots, and participating in the Potomac Watershed Clean-up project, partnering with the Apartment and Office Building Association (AOBA) and Alice Ferguson Foundation. Our Atlanta communities collected over 600 pounds of food to support the Atlanta Apartment Association (AAA) Food-A-Thon.







Financial Inclusion

As we look for new opportunities to improve the wellbeing of our residents, financial inclusion resonated as an area where we could make an impact. Across the U.S., apartment building residents have an average credit score lower than those of homeowners. This could be due to limited opportunities to build positive credit history, which can impact 1) residents' ability to receive future loans and 2) the interest rates of those loans. Many times, on-time rent payments are not reported to all three of the major credit bureaus, creating a missed opportunity to grow credit history and downstream ramifications on financial security.

Financial inclusion aims to increase the availability and equality of financial service opportunities, remove barriers to the financial sector, and enable individuals to improve their financial wellbeing. Beyond credit history, life-altering events can interrupt a resident's ability to pay rent, including job loss, medical emergencies, domestic violence, and other hardships. This can lead to delinquencies, increased interest rate debt, potentially eviction, and situational unhousing.

Since 2022 Elme has partnered with Esusu to dismantle barriers to housing for working families. Through Esusu, we report on-time rent payments to all three credit bureaus on a monthly basis, providing an opportunity for residents to build their credit. This no-cost amenity is available to 100% of our community residents. This initiative follows a "do no harm" mindset. Therefore, only on-time payments—not delinquencies—will be reported.

In addition to credit reporting, the Esusu platform offers housing stability loans for residents experiencing financial hardship. These interest-free loans provide up to three months rent relief, enabling residents to remain housed during difficult times. Residents can then work with Esusu to set up a 12-month repayment plan for the loan.

These programs support the short- and long-term financial wellbeing of our residents.





Housing That’s Affordable

At Elme, our residents care about value. We aim to elevate the value living experience by serving those who earn the Area Median Income (AMI) or below.

Below we share the affordability of portfolio homes to residents earning various percentages of AMI in 2023. Affordability is determined by spending 30% of income on housing and adjusted by family count, as the U.S. Department of Housing and Urban Development, or HUD, suggests keeping housing costs below 30% of income to ensure that households have enough money to pay for other nondiscretionary costs.

In addition, we monitor Fair Market Rents (FMR) in our areas. Per HUD, the FMR is the 40th percentile of gross rents for typical, non-standard rental homes occupied by recent movers in a local housing market.

99%

Homes affordable to households earning the Area Median Income (AMI)

87%

Homes affordable to households earning 80% of AMI

36%

Homes affordable to households earning 60% of AMI

At our Wellington and Bennett Park communities in Northern Virginia, we engaged with Arlington County’s Committed Affordable Housing program (CAF) to guarantee rents remain affordable to low- and moderate-income households over the next decade.





GOVERNANCE



Leadership

Elme commits to robust corporate governance and high ethical standards. Our seven-member Board of Trustees (the “Board”) is responsible for corporate policy and management oversight with the goal of enhancing long-term shareholder value. In 2020, our Board formalized the oversight, implementation, and improvement of ESG initiatives, recognizing that environmental and social matters—together with strong corporate governance—play a critical role in the execution of our strategy.

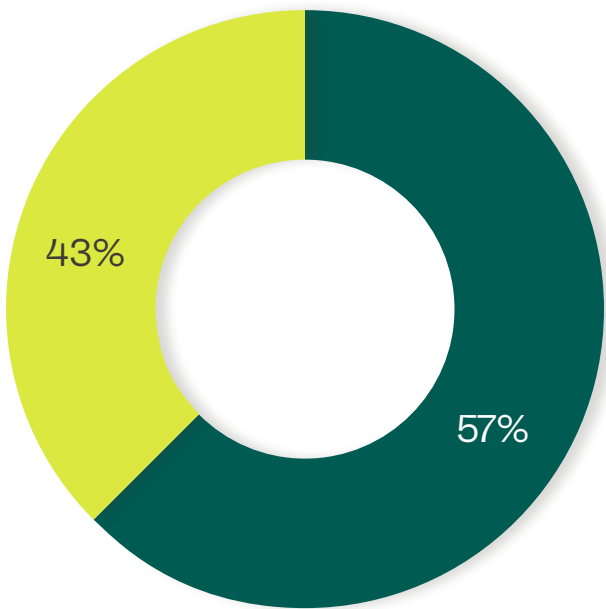
Most Board Trustees are independent, as defined by NYSE listing standards, with the exception of Elme’s Chairman, President, and Chief Executive Officer. The Board annually elects one Trustee to serve as Chairman of the Board. The Board has concluded that Elme should maintain a Board leadership structure in which either the Chairman or a Lead Trustee is independent under the rules of the NYSE. As a result, the Board adopted a corporate governance guideline setting forth this policy. Since the current Chairman is the Chief Executive Officer who is not independent under the NYSE rules, the Board has appointed a Lead Independent Trustee.

The Board maintains three standing committees—the Audit Committee, the Compensation Committee, and the Corporate Governance/Nominating Committee—consisting entirely of independent Trustees and governed by a written charter available on our website.

Profiles of all Board members can be found on our website and in our Proxy.

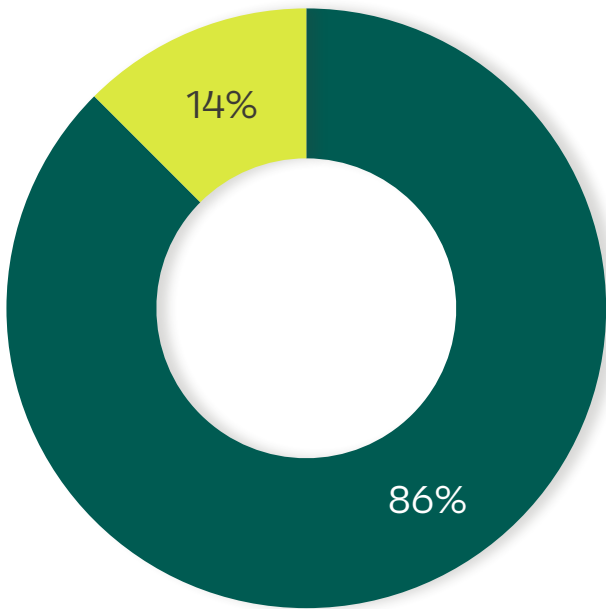
Board of Trustees

GENDER



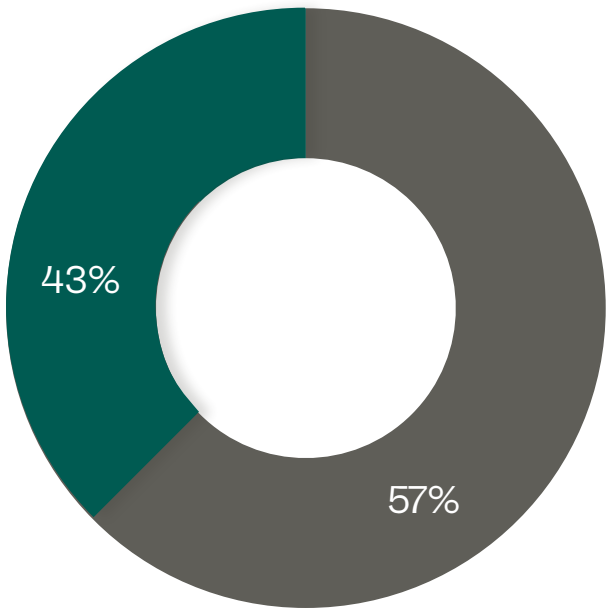
Male Female

RACE / ETHNICITY



White Black / African American

AGE



55-64 65-74

COMPOSITION		BOARD AGE	
Female	3	45-54	0
Male	4	55-64	3
Ethnically Diverse	1	65-74	4
		75+	0



Governance, Ethics, and Policies

Elme expects all Trustees, officers, and employees to strictly adhere to the highest ethical and professional standards, and transact business in full compliance with federal, state, and local laws and regulations.

Elme adopts a Code of Business Conduct and Ethics (the “Code of Ethics”), which applies to all Trustees, officers, and employees. Each person subjected to the Code of Ethics is required to read and certify their understanding of the Code of Ethics and covenant to comply with all requirements set forth therein. All employees receive training on numerous ethics topics, including insider trading, both at time of hiring and throughout the year.

This Code of Ethics, along with other policies and statements, include but are not limited to:



Anti-Corruption, Bribery, and Conflicts of Interest

The Code of Ethics explicitly prohibits conflicts of interest and instructs all employees, officers, and Trustees to scrupulously avoid conflicts regarding their own and the company's interests. Employees are also prohibited from offering or giving anything to any person in connection with company business that could be perceived as a bribe.

Political Contributions

Elme respects employees' right to participate (during their personal time) or not participate in the political process as they see fit. Elme strictly prohibits employees from using their position to coerce or pressure any other employee, vendor, or supplier to contribute to or show support for political candidates or causes.

Human Rights

Aligned with United Nations (UN) Universal Declaration of Human Rights, our Human Rights statement outlines human rights including health, safety, and wellbeing; freedom from discrimination and harassment, prohibition of child and forced labor, guidance on working hours and compensation, and prohibition of corporate punishment, among others.

Whistleblower

Elme requires all employees to report awareness or suspicion of unethical behavior. For any employee wishing to report a violation of the Code of Ethics or any other ethical, legal, or other violation, the Code of Ethics provides instructions for making such reports through a whistleblower mechanism and protection for whistleblowers. Reports may be made anonymously, if desired. Elme commits to an environment where open, honest communications are the expectation, not the exception.

Vendor Code of Conduct

Elme expects suppliers and all subcontractors to make best efforts to conduct their business in line with Elme's Code of Ethics. Therefore, we developed a Vendor Code of Conduct.

The Company's governance framework is designed to promote the long term interests of Elme and our shareholders and strengthen Board and management accountability. Corporate Governance Highlights include:

- All directors are independent, other than the CEO. To that end, we have a Lead Independent Trustee
- Annual election of directors and majority voting in uncontested elections
- Diversity within the Board of Directors
- Policy on recoupment of incentive compensation (Clawback Policy)
- Senior Officer Stock Ownership Guidelines (Board Members, Executive Vice Presidents, and Senior Vice Presidents)
- Regular Succession Planning
- No "Poison Pill"
- Only one class of shares with equal voting rights, "One Share, One Vote"
- Internal auditors reporting to the Board's Audit Committee
- Internal Disclosure Committee for Financial Reporting
- Policy on political contributions
- As a publicly traded Company, our financial statements undergo independent quarterly reviews and annual external audits prior to filing with the SEC
- Charter of the Compensation Committee;
- Charter of the Corporate Governance and Nominating Committee; and
- Charter of the Audit Committee



ESG Oversight and Management

Elme takes a multi-tiered approach to our ESG program, ensuring we have oversight and insight of our ESG mission across departments, expertise, and focus areas—from the boiler room to the board room. As noted above, our Board formalized oversight of ESG matters in 2020, with a focus on implementing and improving company initiatives.

The ESG Steering Committee supports the Board, providing guidance on strategy, goals, and company-wide alignment across departments. It is comprised of Executives, senior managers, and internal experts, including the:

Director, ESG	VP, Human Resources	Chief Administrative Officer, Treasurer
VP, Investments	VP, Finance	Chief Operating Officer
VP, Investor Relations	VP, Research	
Director, Marketing	Senior VP and Chief Information Officer	

Our ESG Department is responsible for implementing ESG efforts across the company and portfolio, managing ESG data collection and benchmarking, and providing expertise at all company levels. This department resides within the company’s Operations division which reports directly to the COO, Tiffany Butcher. They work with other department heads, community managers, building engineers, and C-Suite individuals each day to advise on, support, and advance ESG goals. They are responsible for ESG reporting and disclosure, including the GRESB, Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standard Board (SASB), Global Reporting Initiative (GRI), and various ESG rating programs.

We engage several consultants to further enhance our ESG program by supporting the development and implementation of ESG strategies and practices, achieving sustainability certifications, and advising on actionable solutions at the building, portfolio, and company level.

Elme includes ESG factors in annual performance targets for all employees, including senior management. ESG performance impacts incentive compensation for all staff. In addition, we include ESG factors in qualitative performance reviews for all employees, with opportunities for non-financial recognition, awards, and employee development opportunities. For example, we publicly recognize community staff at company Town Hall events for energy efficiency achievements or attaining green building certifications.



Risk Management

Enterprise Risk Management

We have an industry-leading, robust Enterprise Risk Management (ERM) process, overseen by our Board. The primary purpose is to adequately position the company to understand and respond to potential risks that could materially impact strategic objectives and operations, and quickly respond to appropriate opportunities.

As part of the ERM process, department leaders discuss and evaluate risks across the company. They're asked to consider the severity and likelihood of certain risk factors, drawing upon their company knowledge and past business experience. We assess inherent risks across several pillars corresponding to significant business processes, including but not limited to environmental contamination, cybersecurity, water stress, employee turnover, and energy costs.

We evaluate the methods, procedures, and initiatives that reduce these inherent risks and the residual risk to the company. We repeat this process annually (at a minimum), identifying risks and improving actions to reduce risk. We report results of our ERM process, complete with a detailed assessment of top risks and corresponding mitigation strategy, to the Board.

Climate Risk

As mentioned previously, the Executive team and Board have ESG oversight, including climate risk. Our governance structure and the process for assessing and managing these risks are detailed in this report's Climate Risk section.

Business Continuity

Over the past several years, we established a corporate culture and company-wide focus on business continuity preparedness. Throughout this process, we reviewed potential disruption scenarios to identify and prioritize the systems and procedures that impact our ability to maintain continuity.

Based on this scenario analysis, we developed tools and resources which allow us to perform nearly all corporate functions from remote locations with little-to-no downtime. We periodically tested our preparedness by conducting simulated outages and requiring remote work practice events. Our critical assessment, critique, and enhancement of these capabilities positioned us to perform during these challenging times.

Cybersecurity

Elme's cybersecurity strategy combines prevention with resiliency. Continuous improvement helps enhance our organization's cyber posture. We constantly reevaluate the threat landscape and evolve our strategies. In addition to regularly refining our protection methodology, we focus on identification, response, and recovery from a cyberattack.

Our program employs the strengths of people, processes, and technology to protect resident, employee, and organization data.

People

We believe our best defense against an attack is an educated, cyber-conscious workforce. We regularly assess employee cyber knowledge, implement awareness education on safe online behavior and data privacy practices, and provide tools for identifying cyberattacks. Beyond our formal cybersecurity training (an annual requirement for employees), we conduct quarterly phishing tests and follow-up education to keep employees vigilant against any assault on company information.

Process

We routinely benchmark our cyber practices against industry leading frameworks and conduct table-top exercises with third-party partners. This identifies opportunities for improvement in our incident response methods and tests our ability to quickly pivot when situations change course. We have a robust evaluation program for third-party technology providers, focused on organizations presenting the most risk in the case of loss of data and computing capabilities.

Technology

We combine in-house skills, leadership, and powerful tools to prevent data loss or unauthorized access. As the threat landscape changes, we constantly reevaluate our toolset to ensure we use best-in-class solutions. We follow best practices like single sign-on with multi-factor authentication across our application portfolio to protect against unauthorized logins. We constantly monitor and alert for attacks at all levels of the network infrastructure. We filter for malicious and spam email and provide impersonation protection, URL rewriting/scanning, and attachment scanning. We protect our perimeter with next generation firewalls employing IDS and IPS.

Real Talk

Elme is proud to be among the founding members of the Real Talk initiative. Established at the 2023 Realcomm conference by a group of technology executives, the Real Talk initiative promotes inclusion and diversity within the real estate technology space. The group works to create an environment where new voices can be heard and young talent can be nurtured, supporting the creation of a more equitable and innovative industry.

In helping found Real Talk, our goal is to foster a more inclusive industry and highlight the many paths to success with a focus on how each one of us can support the next generation of diverse leaders. Sometimes those conversations can be difficult but are necessary to move us forward as an industry.”

— Susan Lilly Gerock, SVP and Chief Information Officer



Stakeholder Engagement

Gaining feedback and perspective from key stakeholders helps formulate our ESG strategy, identify meaningful goals, and better understand company impact. As a multifamily REIT, key stakeholders include investors, residents, team members, senior leadership, Trustees, vendors, suppliers, consultants, and our local municipalities (including governments and organizations). This report features multiple sections on stakeholder engagement, with a brief summary below.

Investors	We regularly engage with individual investors around ESG metrics and strategy and include ESG in our annual proxy and investor updates. To increase investor access to data and performance, we publish this annual ESG report, align with the Sustainability Accounting Standard Board (SASB) and Task Force on Climate-related Financial Disclosures (TCFD), and participate in the GRESB.
Residents	We communicate and engage with residents around environmental conservation, local impact, health, and wellness.
Team members	Our team members are critical to our success. We regularly engage team members in ESG efforts through townhalls and individual site walks. ESG updates, achievements, and other information are available via our internal communications platform.
Senior leadership	Our senior leaders serve as ambassadors to their respective departments and areas of focus. Many serve on the ESG Steering Committee, including a member of our Executive team.
Board of Trustees	We provide ESG updates to the Board throughout the year, enabling Trustees to share insights and prior experience within the program.
Suppliers, vendors, and consultants	Corporate teams engage vendors and community teams around ESG-related aspects, including policies and best practices.
Local groups	We routinely engage with groups, including government agencies and local nonprofits. Our community teams interact with local municipalities to ensure compliance, and coordinate with nonprofits to support important local initiatives and charities throughout the year. At the corporate level, our Cultural Advisory Board supports charitable giving, employee volunteerism, and volunteerism contributed by individual team members.







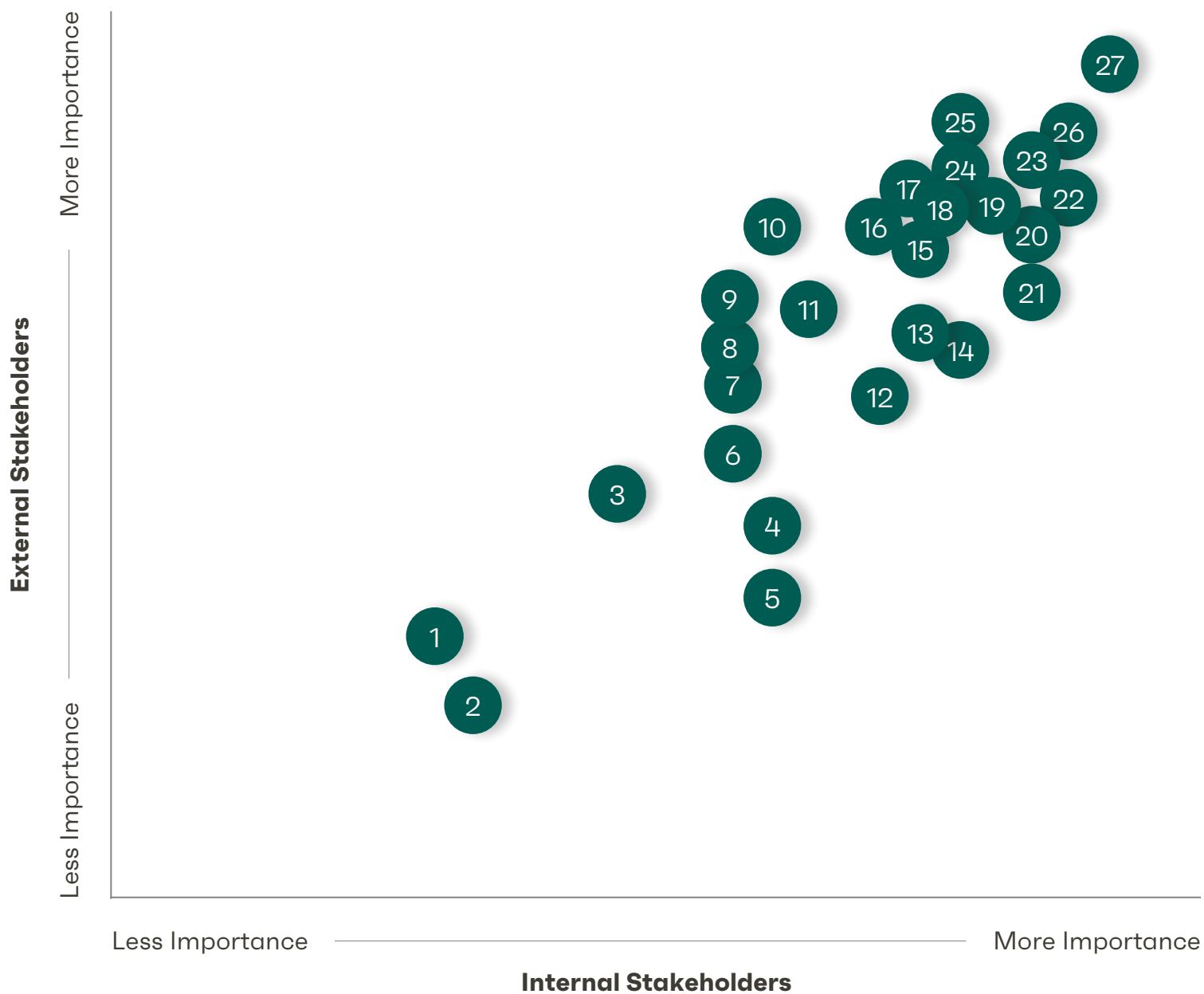
Materiality Assessment

In 2022, Elme conducted our first materiality assessment with key stakeholders to identify environmental, social, and governance elements considered impactful to our business and important to stakeholders. This included but was not limited to physical and transitional risks of climate change and resilience, health and wellness, resident experience, cybersecurity, and DEI. We intend to update our materiality assessment every three years to assure continued alignment of ESG initiatives and priorities.

The materiality assessment confirmed ESG-related performance indicators, informed ESG reporting (including this report), and developed areas of focus and strategic

plans. Stakeholders surveyed included corporate employees, senior Executives, community management, maintenance professionals, third-party vendors and consultants, and residents.

Some elements noted as “most important” by internal and external stakeholders include data and cybersecurity, resident health and safety, climate change and resilience, resident experience, and organizational economic performance. All parties rated biodiversity as important, though not as highly as other ESG elements. Elme identifies all elements in the top-right quadrant as areas of potential focus.



1. Public Policy
2. Biodiversity
3. Sustainable Construction
4. Responsible Supply Chain
5. Marketing and Labeling
6. Sustainable Operations
7. Green Building Certifications
8. Recycling
9. Renewable Energy

10. Water Use
11. Local Communities
12. Technology / Innovation
13. Climate Change & Resilience
14. Board Governance
15. Human Rights in Labor
16. Energy
17. Employee Wellness
18. Business Ethics

19. Board Governance
20. Talent Retention
21. DEI
22. Resident Health / Safety
23. Data Security
24. Training and Development
25. Housing Affordability
26. Non-Discrimination
27. Resident Experience



Green Leases

We achieve more when we engage residents and tenants on sustainability issues, in informal and formal capacities. We facilitate this through green lease clauses in standard leases, encouraging cooperation on shared sustainability goals, sharing utility and benchmarking data, and cost-sharing energy efficiency investments in commercial offices. For these efforts, the Institute for Market Transformation (IMT) and the U.S. Department of Energy's (DOE) Better Buildings Alliance consistently recognizes Elme as a Green Lease Leader with a Gold rating in both multifamily and office sectors.

We took steps to incorporate green lease language into future residential leases, ensuring our continued leadership as a multifamily company. This includes sharing energy and water data with residents, purchasing renewable energy from future onsite projects, and regular resident engagement around energy performance and efficiency.

ESG Reporting

This ESG report provides information related to various ESG performance metrics and key indicators for our company in 2023, unless otherwise noted. While the company takes reasonable and appropriate steps to ensure the accuracy of the data disclosed in this report, it is possible the information in this report could evolve over time. In cases where the company becomes aware of updates to data from previous years, the company will provide updated data in subsequent reports if the company believes such changes are material. All financial information is presented in U.S. dollars.

We report on 100% of our portfolio assets (none of which are in joint ventures), and of which we have control over operations (including day-to-day decision-making authority) and mechanical systems repair, maintenance, and installation.

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, the United Nations Sustainable Development Goals (UN SDGs), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD). Indices can be found in the Appendix section of the report.

Absolute data includes all properties owned for the entire calendar year. We calculate intensities as the consumption for all properties owned for the entire calendar year, divided by the gross floor area of those properties. We exclude properties from like-for-like data if they were not owned for the entirety of both periods.

Scope 1 emissions include direct GHG emissions from fuels and natural gas combusted onsite from landlord-controlled spaces. Scope 2 emissions represent indirect emissions due to consumption of electricity by landlord for common area and base-building spaces.

Additional Information

More information about our ESG program, financial performance, and overall company can be found at www.elmecomunities.com or in our most recent Proxy Statement, SEC Filings, and Annual Report.

For questions related to their respective topics, please contact:

ESG Katie Fluence

LEED AP ID+C, ND, WELL AP
Director, ESG
kfluence@elmecomunities.com

Investor Relations Amy Hopkins

VP, Investor Relations
ahopkins@elmecomunities.com



Industry Participation

Sharing information, knowledge, and experience is a key to the overall success of ESG programs. Through our involvement within industry organizations, we share and gain insights surrounding new technology, methods, and ideas that further our ESG story. Many of our community and corporate teams are involved with local associations. Elme is currently affiliated with various industry groups, organizations, and frameworks, including the:

- National Association of Real Estate Investment Trusts® (Nareit®).
- United States Green Building Council® (USGBC®).
- Building Research Establishment (BRE).
- Global Real Estate Sustainability Benchmark (GRESB).
- Apartment and Office Building Association (AOBA).
- Building Owners and Manager Association (BOMA).
- Urban Land Institute (ULI).
- National Apartment Association (NAA).
- National Multifamily Housing Council (NMHC).
- Commercial Real Estate Women (CREW).
- National Association for Industrial and Office Parks (NAIOP).
- Task Force on Climate-Related Financial Disclosure (TCFD).
- Sustainability Accounting Standards Board (SASB).
- CEO Action for Diversity and Inclusion™.
- U.S. DOE Better Climate Challenge









APPENDIX: DATA TABLES

Data Tables

ENERGY: WHOLE SITE / BUILDING			
	ABSOLUTE (Residents and Common Area)		
	2023		
	CONSUMPTION (MWH)	DATA COVERAGE (SF)	DATA COVERAGE (%)
OFFICE	4,137	328,391	100%
MULTIFAMILY	67,619	6,070,715	61%
PORTFOLIO	71,756	6,399,106	62%

Note: Elme's portfolio contained Retail properties in 2020 in addition to the Office and Multifamily Portfolios.

ENERGY: LANDLORD-CONTROLLED				
	ABSOLUTE (Landlord-Controlled Only)			
	2023			
	CONSUMPTION (MWH)	DATA COVERAGE (SF)	INTENSITY (KWH/SF)	DATA COVERAGE (%)
OFFICE	4,137	328,391	12.6	100%
MULTIFAMILY	23,419	1,617,838	15.9	100%

LIKE-FOR-LIKE (Residents and Common Area)				
2020	2021	2022	2022-2023 CHANGE (%)	
CONSUMPTION (MWH)	CONSUMPTION (MWH)	CONSUMPTION (MWH)		
3,538	3,546	4,239	-2.5%	
70,979	71,299	73,702	-9.0%	
90,866*	74,845	77,940	-8.6%	

2,243,349
MWH
renewable energy purchased from energy supplier from local and regional sources

581,378 MWH
of renewable energy generated on-site

LIKE-FOR-LIKE (Landlord-Controlled Only)						
2020		2021		2022		2022-2023 Change (%)
CONSUMPTION (MWH)	INTENSITY (KWH/SF)	CONSUMPTION (MWH)	INTENSITY (KWH/SF)	CONSUMPTION (MWH)	INTENSITY (KWH/SF)	
3,538	10.7	3,546	10.8	4,239	12.9	-2.5%
19,775	18.6	23,338	17.1	23,664	17.3	-1.0%

Data Tables

EMISSIONS

OFFICE	Scope 1 (MTCO2e)
	Scope 2 Location-Based (MTCO2e)
	Scope 2 Market-Based (MTCO2e)
	Scope 1 + Scope 2 Market-Based (MTCO2e)
	Emissions Intensity [Scope 1 + Scope 2 Market-Based] (kgCO2e/SF)
	Scope 1 + Scope 2 Location-Based (MTCO2e)
	Emissions Intensity [Scope 1 + Scope 2 Location-Based] (kgCO2e/SF)
MULTIFAMILY	Scope 1 (MTCO2e)
	Scope 2 Location-Based (MTCO2e)
	Scope 2 Market-Based (MTCO2e)
	Scope 1 + Scope 2 Market-Based (MTCO2e)
	Emissions Intensity [Scope 1 + Scope 2 Market-Based] (kgCO2e/SF)
	Scope 1 + Scope 2 Location-Based (MTCO2e)
	Emissions Intensity [Scope 1 + Scope 2 Location-Based] (kgCO2e/SF)

	ABSOLUTE				LIKE-FOR-LIKE
	2023	2020	2021	2022	2022-2023 Change (%)
	114	84	77	103	9.3%
	1,051	913	957	1,125	-7.0%
	1,051	913	957	1,125	-7.0%
	1,165	998	1,034	1,228	-5.4%
	3.5	3.0	3.2	3.7	-4.3%
	1,165	998	1,034	1,228	-5.4%
	3.5	3.0	3.2	3.7	-4.3%
	1,761	1,508	1,738	1,752	0.5%
	4,078	3,811	4,144	4,206	-3.1%
	3,928	3,014	3,334	3,415	13.1%
	5,839	4,521	5,072	5,167	11.5%
	3.8	3.5	3.7	3.8	0.7%
	5,839	5,319	5,882	5,958	-2.0%
	3.9	4.1	4.3	4.4	-10.8%

Data Tables

WATER: WHOLE SITE / BUILDING

	ABSOLUTE (Residents and Common Area)		
	2023		
	Consumption (kgal)	Data Coverage (SF)	Data Coverage (%)
OFFICE	2,910	328,391	100%
MULTIFAMILY	369,255	9,980,624	100%
PORTFOLIO	372,165	10,309,015	100%



LIKE-FOR-LIKE (Residents and Common Area)			
2020	2021	2022	2022-2023 Change (%)
Consumption (kgal)	Consumption (kgal)	Consumption (kgal)	
2,654	3,737	4,614	-58.6%
227,195	238,399	238,399	35.4%
229,848	246,323	242,136	34.9%



Task Force on Climate-related Financial Disclosures (TCFD)

GOVERNANCE		
Disclose the organization’s governance around climate-related risks and opportunities.		
Describe the board’s oversight of climate-related risks and opportunities.	Board oversight of climate-related risks and opportunities is incorporated as a subset of our annual Enterprise Risk Management review. The Board receives a presentation of written briefing materials on the findings from the review processes.	ESG REPORT pages 34,83-85 86-87
Describe management’s role in assessing and managing climate-related risks and opportunities.	Senior leaders from the organization’s Sustainability, Property Management, Asset Management, Investments, and Legal teams are conduct assessments and manage climate-related risks and opportunities. The organization’s Executive team oversees the execution of this work through the annual Enterprise Risk Management review.	ESG REPORT pages 34-37
STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.		
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate-related risks and opportunities identified through our assessment process include flood, seal level rise, heat stress, wildfire, and water stress and are described in more detail in the Climate Risk section of this report.	ESG REPORT pages 34-37
Describe the impact of climate-related risks and opportunities on the organization’s business, strategy, and financial planning.	The impact of climate-related risks and opportunities to the organization’s business strategy and financial planning include regulatory, market, technology, and reputation implications. These are discussed in more detail in the Climate Risk section of this report.	ESG REPORT pages 34-37
Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The organization’s strategy, including the scenarios and time horizons considered, and involvement with jurisdictional activity on climate and energy policy, are discussed in the Climate Risk section of this report.	ESG REPORT pages 34-37

RISK MANAGEMENT		
Disclose how the organization identifies, assesses, and manages climate-related risks.		
Describe the organization's processes for identifying and assessing climate-related risks.	Our process follows an iterative assessment-validation-response method. The process for identifying and assessing physical risks consists of reviewing climate and environmental risk data from Moody's Climate Risk Tool, based on the IPCC RCP 8.5 business-as-usual scenario. The process for identifying and assessing transitional risks and opportunities involves a collaborative review process among a cross-functional team of senior leaders, facilitated by a third-party climate risk consulting team, to assess the regulatory, market, technology, and reputation risks and opportunities posed over short-, medium-, and long-term horizons.	ESG REPORT pages 34-37
Describe the organization's processes for managing climate-related risks.	Our process follows an iterative assessment-validation-response method. We completed the assessment and validation phase, with response phases conducted over the course of 2022 and beyond.	ESG REPORT pages 34-37 30-39
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	We integrated all aspects of the climate-risk assessment and management program into our organization-wide Enterprise Risk Management review process. We conduct the ERM process annually and present written briefing materials to the Executive team and Board of Trustees.	ESG REPORT pages 34-37, 83-85

103

METRICS AND TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.		
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Energy consumption and greenhouse gas emissions are the performance metrics most material to climate-related risks and opportunities, included in this report.	ESG REPORT page 16-17, 34-37, 96-99
Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Greenhouse gas emissions are included in this report.	ESG REPORT page 16-17, 34-37, 98-99
Describe the targets used by the organization to manage climate-related risks, opportunities, and performance against targets.	Elme describes targets to reduce energy consumption and greenhouse gas emissions in this report.	ESG REPORT page 16-17, 34-37

Sustainability Accounting Standards Board (SASB) Index

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE		UNIT OF MEASURE
			MULTIFAMILY	OFFICE	
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	100% coverage for all landlord controlled and common areas, 60.83% coverage for whole building	100.0%	Percentage (%) by floor area
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage	233,858.00	14,894.30	Gigajoules (GJ)
		(2) Percentage grid electricity	59.2%	84.9%	Percentage (%)
		(3) Percentage renewable	4.0%	0.0%	Percentage (%)
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	-10.3%	-2.4%	Percentage (%)
	IF-RE-130a.4	(1) Percentage of eligible portfolio that has an energy rating by property subsector	90.3%	100.0%	Percentage (%) by floor area
		(2) Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	34.4%	100.0%	Percentage (%) by floor area
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Building energy management considerations are described in the Energy section of this starting on page 42		

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE		UNIT OF MEASURE
			MULTIFAMILY	OFFICE	
Water Management	IF-RE-140a.1	(1) Water withdrawal data coverage as a percentage of total floor area, by property subsector	100.0%	100.0%	Percentage (%) by floor area
		(2) Percentage of total floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	49.7%	0.0%	Percentage (%) by floor area
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage, by property subsector	1,380.98	11.02	Thousand cubic meters (m3)
		(2) Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress, by property subsector	52.2%	0.0%	Percentage (%)
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	7.0%	-36.9%	Percentage (%)

Sustainability Accounting Standards Board (SASB) Index

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE		UNIT OF MEASURE
			MULTIFAMILY	OFFICE	
Management of Tenant Sustainability Impacts	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	The water consumption of properties in our portfolio consists of typical commercial and multifamily building uses such as drinking water, plumbing fixtures, landscape irrigation, and HVAC operation. All water use and discharge is by means of municipal water and sewer systems. Risks of water supply across the portfolio are minimal due to the geographic location of our properties. However, costs of water access pose a management risk in the form of increasing expenses for maintaining municipal water and sewer systems passed on to ratepayers. Additionally, much water use in our properties is outside the operational control of building management, as dictated by tenant and resident behavior. Strategies designed to reduce water consumption mitigate these risks. These strategies include metered tracking of use and sensors to identify leaks or anomalous use, use of high efficiency kitchen and bathroom fixtures, implementation of equipment upgrades to reduce use of plumbing fixtures and irrigation, and controls strategies to reduce HVAC operating hours.		
	IF-RE-410a.1	1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector	0.0%	37%	Percentage (%) by floor area
		(2) Floor area of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector	0	4,366	Square feet (ft2)

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE		UNIT OF MEASURE
			MULTIFAMILY	OFFICE	
	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property subsector	57%	0%	Percentage (%) by floor area
		Percentage of tenants that are separately metered or submetered for water withdrawals, by property subsector	0%	0%	Percentage (%) by floor area
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	The Green Leasing (page 90) and Resident Engagement (page 70) sections describe approaches to tenant sustainability impacts.		
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	21.8%	0%	Square feet (ft ²)
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Climate Risk section of this report (pages 34-37) describes climate risk analysis, portfolio exposure, and strategies for mitigating risks.		

Global Reporting Index (GRI)

STATEMENT OF USE

Elme Communities has reported the information cited in this GRI content index for the period January 1- December 31, 2023 with reference to the GRI Standards.

GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Our Company, 10-K
	2-2 Entities included in the organization’s sustainability reporting	Our Company, 10-K
	2-3 Reporting period, frequency and contact point	ESG Reporting
	2-4 Restatements of information	None
	2-5 External assurance	None
	2-6 Activities, value chain and other business relationships	Our Company, 10-K Our supply chain includes its corporate operations and portfolio properties. Through new development projects and ongoing operations of existing buildings, we engage with several third-party suppliers for the procurement of materials and services. We expect our vendors to selfmonitor their compliance with our Vendor Code of Conduct.
	2-7 Employees	Our Company, Our Employees
	2-8 Workers who are not employees	Not Applicable
	2-9 Governance structure and composition	ESG Oversight and Management, Leadership
	2-10 Nomination and selection of the highest governance body	Leadership, 2024 Proxy Statement
	2-11 Chair of the highest governance body	Leadership, 2024 Proxy Statement
	2-12 Role of the highest governance body n overseeing the management of impacts	Our Company, Stakeholder Engagement, Materiality Assessment, Risk Management
	2-13 Delegation of responsibility for managing impacts	ESG Oversight and Management, Leadership
	2-14 Role of the highest governance body in sustainability reporting	ESG Oversight and Management

GRI STANDARD	DISCLOSURE	LOCATION
	2-15 Conflicts of interest	Governance, Ethics, and Policies, Code of Business Conduct and Ethics
	2-16 Communication of critical concerns	In 2024, there were no material breaches in the code of ethics reportable by law in our financial filings. Code of Business Conduct and Ethics
	2-17 Collective knowledge of the highest governance body	ESG Oversight and Management, Leadership
	2-18 Evaluation of the performance of the highest governance body	2024 Proxy Statement
	2-19 Remuneration policies	2024 Proxy Statement
	2-20 Process to determine remuneration	2024 Proxy Statement
	2-22 Statement on sustainable development strategy	Letter to Our Stakeholders
	2-23 Policy commitments	Governance, Ethics, and Policies, Governance Documents
	2-24 Embedding policy commitments	Governance Documents
	2-25 Processes to remediate negative impacts	2024 Proxy Statement
	2-26 Mechanisms for seeking advice and raising concerns	Governance, Ethics, and Policies, Governance Documents
	2-27 Compliance with laws and regulations	10-K, 10-Q, Code of Business Conduct and Ethics
	2-28 Membership associations	Industry Participation
	2-29 Approach to stakeholder engagement	Stakeholder Engagement

Global Reporting Index (GRI)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	Materiality Assessment
GRI 201: Economic Performance 2016	3-3 Management of material topics	2024 Proxy Statement
	201-1 Direct economic value generated and distributed	2024 Proxy Statement
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Strategy and Risk
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Governance, Ethics, and Policies
	205-1 Operations assessed for risks related to corruption	Governance, Ethics, and Policies
	205-2 Communication and training about anti-corruption policies and procedures	Governance, Ethics, and Policies, Ethics, Compliance, and Training
GRI 302: Energy 2016	3-3 Management of material topics	Environmental Management
	302-1 Energy consumption within the organization	Appendix- Energy
	302-2 Energy consumption outside of the organization	Appendix- Energy
	302-3 Energy intensity	Appendix- Energy
	302-4 Reduction of energy consumption	Appendix- Energy
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Water
	303-1 Interactions with water as a shared resource	Water
	303-5 Water consumption	Appendix- Water
GRI 305: Emissions 2016	3-3 Management of material topics	Emissions and Mitigation
	305-1 Direct (Scope 1) GHG emissions	Appendix- GHG Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix- GHG Emissions
	305-4 GHG emissions intensity	Appendix- GHG Emissions
	305-5 Reduction of GHG emissions	Appendix- GHG Emissions

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste
GRI 401: Employment 2016	3-3 Management of material topics	Our Employees
	401-1 New employee hires and employee turnover	Our Employees
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits and Wellbeing
	401-3 Parental leave	Benefits and Wellbeing
GRI 404: Training and Education 2016	3-3 Management of material topics	Training, Education, and Career Development
	404-1 Average hours of training per year per employee	Training, Education, and Career Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Training, Education, and Career Development
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Diversity, Equity, Inclusion, and Accessibility (DEIA)
	405-1 Diversity of governance bodies and employees	Diversity, Equity, Inclusion, and Accessibility (DEIA), Leadership
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	Community Health and Safety
	416-1 Assessment of the health and safety impacts of product and service categories	Community Health and Safety