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## **ESG Policy & Procedures**

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Integrating RedHill's ESG Principles  
and Responsible Investing

## REDHILL'S PURPOSE

At RedHill, making a positive impact and doing good is imperative, not just a possibility.

The purpose of this document is to present RedHill's environmental, social, and governance (ESG) policies and processes to recognize a deliberate approach to being a responsible investor and corporate citizen. By clearly defining RedHill's ESG initiatives, setting Key Performance Indicators (KPIs), and establishing methods to monitor our performance, we establish internal accountability and risk mitigation. RedHill's policies and procedures outlined throughout this document encompass our belief that we can drive positive change while seeking to provide exceptional performance and value to our stakeholders, including our investors, residents, local communities, employees, and more.

RedHill's ESG policies address all three areas of ESG:

- **Environmental:** Implementation of energy efficiency and conservation, tracking and reporting, and reduction of RedHill and our communities' carbon footprint.
- **Social:** Furthering individual well-being, diversity, and inclusion within RedHill, at our properties, and with our service providers.
- **Governance:** Partnerships with sustainable and ESG-motivated organizations, encompassing property managers, vendors, investors, and others, and providing transparent / public reporting.

Environmental, social, and governance principles are an integral part of our thinking and corporate strategy. Our firm is committed to thematic practices when and where possible as we invest, making the world and our communities a better place for future generations.





## ENVIRONMENTAL POLICY

RedHill’s environmental and sustainability policies are to maximize our energy efficiency opportunities and reduce negative impacts on the environment. At every property we operate and manage, we seek to find new and creative ways to reduce our carbon footprint and positively impact the environment we are in. We are committed to continually exceed the expectations of our tenants, employees, and the communities in which we operate.

To be held accountable for and improve our environmental impacts, RedHill has identified KPIs to clearly define and track our environmental progress:

- Evaluate and pursue third-party building certifications and ratings, including EnergyStar, Green Building Certifications, LEED Certification, and BOMA Best within 1 year of property ownership.
- Track and monitor utility consumption at properties on a monthly / quarterly basis.
- Prioritize exterior design plans that promote minimal water usage and include native plants in the area.
- Utilize property management partnerships that are aligned in our ESG-focused thinking.

### Current & Potential Environmental Opportunities

Using Environment-Friendly Cleaning Supplies

Integration of Solar Energy / Panels at Properties

Recycling Stations at all Assets

Installing Smart Irrigation Controls

Adding Electric Vehicle Charging Stations

Requiring Sustainability Awareness for Employees

Using Energy Efficient Appliances & Central Systems

Using Recycled Building Materials for Projects

# SOCIAL POLICY

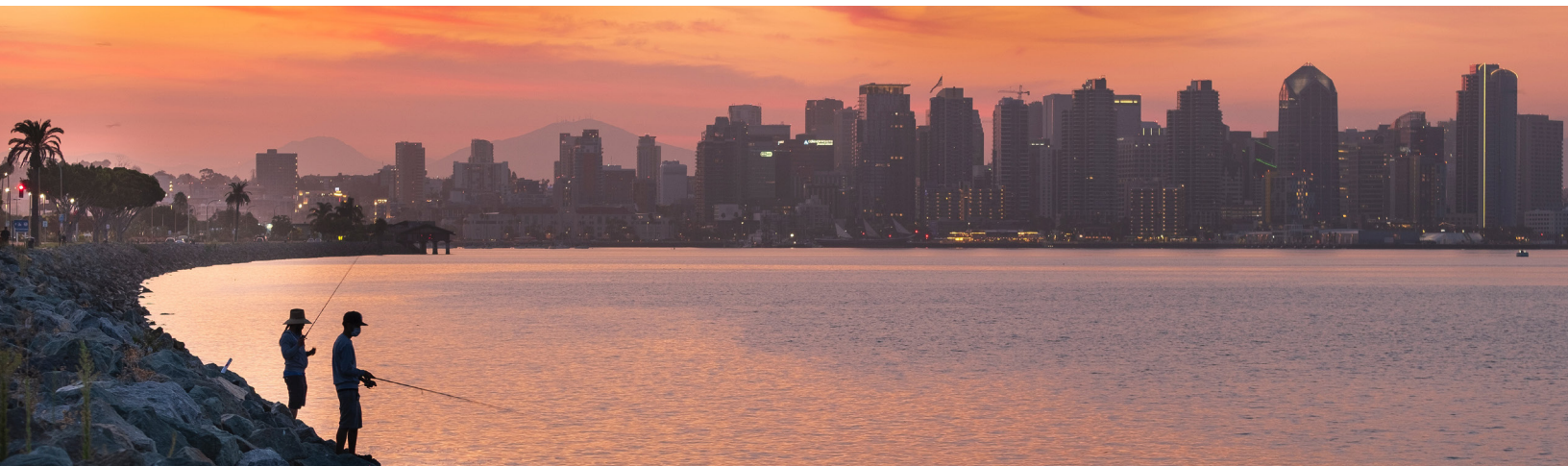
Behind every RedHill-owned property is a strong team, both on-site and in-office.

RedHill understands the importance of prioritizing not just its investors, but all stakeholders. This includes its employees, property management teams, and residents at all RedHill-owned properties. We strive to demonstrate a commitment to our communities and raise the social standard for workforce housing all around the Western U.S.

To continue to boost our social policy, RedHill will target a minimum of two social programs for each property. From the list below, we aim for at least one policy to enhance resident well-being and another to enhance employee well-being. By implementing at least two programs at each of our properties, RedHill will adjust to the needs of each unique property to improve various social policies and enhance individual welfare.

	Resident Well-Being	Employee Well-Being
Satisfaction & Engagement	<ul style="list-style-type: none"> <li>- Monthly/yearly satisfaction surveys</li> <li>- Resident social events</li> <li>- Community newsletters &amp; resident community boards</li> </ul>	<ul style="list-style-type: none"> <li>- Employee training &amp; social events</li> <li>- Diversity policy &amp; training</li> <li>- Documented employee policies &amp; procedures</li> </ul>
Physical Health	<ul style="list-style-type: none"> <li>- Disability &amp; aging-in-place unit modifications (% of units)</li> <li>- Gym addition / improvements</li> <li>- Mobile health clinics (eg. blood drives)</li> </ul>	<ul style="list-style-type: none"> <li>- Health awareness programs</li> <li>- Physical activity partnerships</li> <li>- Mobile health clinics (eg. blood drives)</li> </ul>
Financial Health	<ul style="list-style-type: none"> <li>- Trade training &amp; placement partnerships (eg. HVAC, plumbing)</li> <li>- Eviction mediation policies</li> <li>- Utility payment assistance</li> </ul>	<ul style="list-style-type: none"> <li>- Financial counseling</li> <li>- Education partnerships &amp; tuition assistance</li> <li>- Transportation evaluation &amp; supplement</li> </ul>
Community Health	<ul style="list-style-type: none"> <li>- Charitable partnerships (eg. childcare, domestic abuse, pet rescue)</li> <li>- Outreach programs</li> <li>- Fitwel Certification</li> <li>- Smoke-free communities</li> </ul>	<ul style="list-style-type: none"> <li>- Charitable partnerships (eg. childcare, domestic abuse, pet rescue)</li> <li>- Outreach programs</li> <li>- Fitwel Certification</li> <li>- Smoke-free communities</li> </ul>

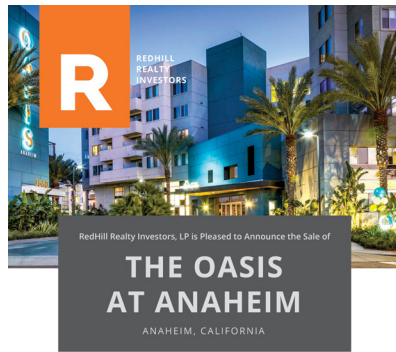
List is not exhaustive and subject to change depending on property \*



# GOVERNANCE POLICY

For our current and potential investors, RedHill vows to be fully transparent in every investment opportunity. To do so, we will provide regular investment updates, including quarterly / yearly reports and market valuations, to ensure clarity and confidence in all investment opportunities and in RedHill. Investors will always be notified first when it comes to property updates, including its acquisition or disposition. We will provide easy-to-use contact methods, through our investor platform and email / phone, so communication is always open and available.

## Investor Communication Examples



RedHill Realty Investors, LP acquired The Oasis at Anaheim, a 312-unit community, in January 2018 and executed a core-plus strategy over a 3 plus-year hold period. We are grateful to all who assisted in this successful venture and transaction.

Transaction Represented By JLL

For information, Contact:  
David Jensen | Alex Pascale  
858.350.1804 | redhill.com

**REDHILL**



### A RedHill General Partnership

We extend our thanks to our equity partner, Citymark Capital, and all parties who assisted in the marketing and provided execution services, with special thanks to LoanCore, CBRE, and Greystar Property Management.

For information, Contact:  
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NUMBER OF UNITS	151	YEAR BUILT	2017
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**CITYMARK**  
CAPITAL

**REDHILL**

Like our individual investors, our institutional partners will always be provided with open and available communication. We are always available to our investors and at a minimum provide bi-weekly property reports and calls to inform on all property updates: from new leases to current construction projects. At the end of each month, reports are provided to highlight property financials, operations, capital improvements, business plan execution, and more. RedHill prides itself on implementing business processes to demonstrate good corporate citizenship and industry best practices, aligning with our fiduciary duty to our clients.





## GOVERNANCE POLICY

Making a Positive Impact by Challenging the Status Quo

To hold ourselves accountable, RedHill will encourage all partnerships to have a written and easily accessible policies and procedures manual that is inclusive of harassment, ethics, and diversity policies.

We will discuss and review the below as we assess new and existing partnerships:

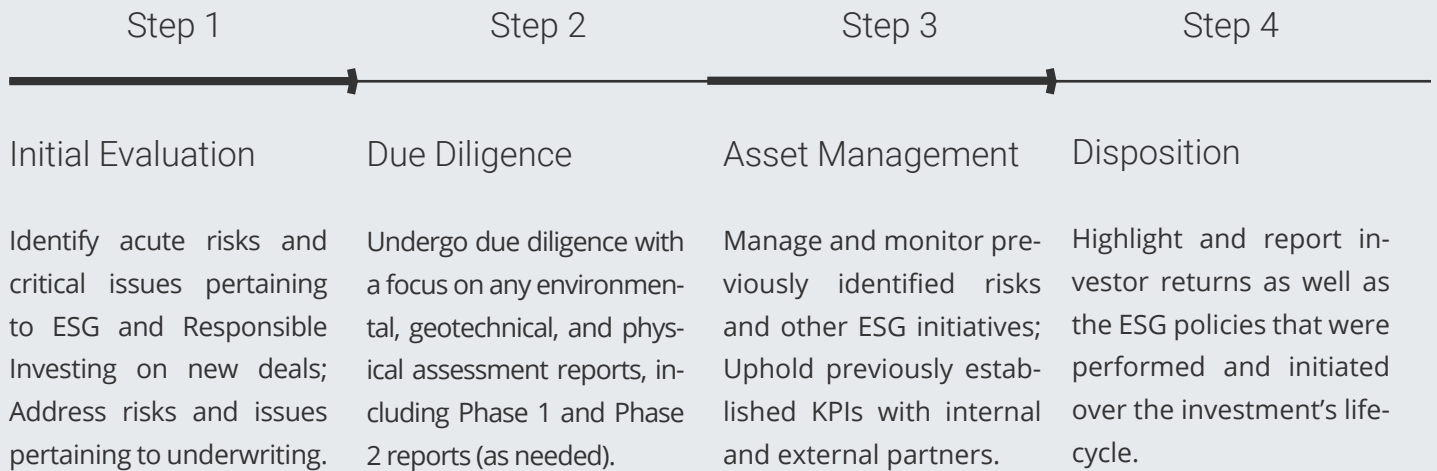
- **Management Team:** structure, diversity, effectiveness, experience, and tenure.
- **Internal Code of Conduct:** written handbook, ethics, systems / procedures, data security, data breach protocol and reporting, anti-harassment, diversity, minority-owned business policy.
- **Risk Evaluation and Mitigation:** process, systems, reporting (corporate and asset level).
- **Vendor Code of Conduct:** ethics, credentialing, data security.

# RESPONSIBLE INVESTING

By staying true to RedHill’s ESG policies and procedures, we can integrate Responsible Investing practices into our investment and lifecycle processes. For RedHill, responsible investing backed by ESG initiatives expands our capabilities to identify and assess risk, improve our investment decision-making process, and increase our share- and stakeholders’ investment performance.

When RedHill considers our ESG initiatives for a property, we consider all aspects before acquisition and throughout the investment’s hold period, including climate and geographical risk, geopolitical and reputational factors, upcoming regulation, and more. These are critical issues that are often overlooked in most investment opportunities. Socially, we implement engagement efforts with other ESG-focused partners - that way we are aligned on the investment story from beginning to end.

## Responsible Investing LifeCycle



“RedHill’s differentiation is that we are guided by our ESG values in every aspect -- from how we run our properties to how we operate as a team.”

- David Jensen, President & COO

## THE REDHILL TEAM

Everything we do is guided by RedHill's six principles which define our character and culture. They have been at the core of RedHill since its formation. These qualities are shared convictions amongst our team that we bring to our profession and personal conduct. They are the center and fundamental strength of our business practices and social interactions.

Driven by our guiding principles, RedHill makes a positive impact by challenging the status quo, empowering our people and teams, integrating responsible investment practices, and driving economic growth at the property level through responsible investing wherever possible. With help from our extraordinary team, powered by the desire to make a difference, RedHill excels and helps build stronger and better communities for today and tomorrow.

### Guiding Principles that Matter

Hard Work

Accountability

Excellence

Integrity

Teamwork

Entrepreneurship





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