

PENNROSE

Bricks & Mortar | Heart & Soul

**Making
an
Impact**

**ENVIRONMENTAL
SOCIAL
GOVERNANCE**

2022 REPORT



COMPANY DESCRIPTION

Pennrose is committed to transforming communities by creating high-quality, inclusive housing that improves lives. We are a leader in mission-driven multifamily development and management. We are guided by the understanding that our legacy goes beyond the buildings we develop – it extends to the neighborhoods they improve, the residents who call them home, and the community organizations we partner with.

Since 1971, Pennrose has been working to improve the lives of working individuals and families by creating safe, secure housing communities where residents can build fulfilling lives. Today, we are nationally acclaimed for our innovative approach to developing high-quality, affordable, market-rate, mixed-use, and master-planned communities tailored to the nuances and character of each individual neighborhood.

52 Years in Business

520+ Employees

165 Managed Sites

12,000+ Total Units Managed

27,000+ Units Developed

REPORT DESCRIPTION

Whether you call it ESG or corporate social responsibility, we at Pennrose just think it is the right thing to do. Our social impact, environmental standards, and governing strategies have always been as important to the organization.

This report represents Pennrose's first step in setting, measuring, and reporting quantifiable ESG metrics and activities, and will help guide us in identifying future goals. Our intent is to provide a level of transparency and detail for our current ESG efforts.

ENVIRONMENTAL

GREEN BUILDINGS

For more than a decade, every new unit produced by Pennrose has been designed and constructed to a LEED silver equivalent of energy efficiency or better. Many of our developments have achieved much higher levels of efficiency, including passive house certification.

We are continuously working to implement more utility energy conservation and efficiency programs for residents/in-unit.

40%
OF PROPERTIES
HAVE ACHIEVED
CERTIFICATION

29
PROPERTIES
SCHEDULED TO
CLOSE WILL ACHIEVE
CERTIFICATION

ENERGY EFFICIENCY & CONSERVATION PROJECTS

SOLAR POWER

Solar projects have been installed at 34 properties. Pennrose has just been awarded a Local Initiatives Support Corporation (LISC) STAR grant in Massachusetts, to provide solar feasibility studies on all of our projects in the state.

LED LIGHTING

Communities throughout our portfolio are undergoing LED lighting upgrades, with nearly 10 properties scheduled to be upgraded in 2023.



SOURCING PROGRAMS

Where possible, we participate in utility provider community solar and renewable energy sourcing programs. We are currently purchasing some source of green energy at 44 of our 153 properties (28.8%).

EV CHARGING

Our first EV Charging Stations were installed at Westbrook Village in Hartford, CT in 2022.

WATER CONSERVATION

The installation of ION Energy water conservation devices has begun with the intention for full portfolio implementation. These automatic leak detection devices are designed to bring water consumption levels down to 45 gal per bedroom, per day, by identifying unit-level water events, pinpointing malfunctions, and generating automated work orders to stop water loss before it impacts a property's operating income. The installation of this system will be our standard for all new developments moving forward.



SOCIAL

Pennrose strives to be an Employer of Choice to retain and attract the best talent. We are committed to the wellbeing of our team members and their families. We offer a robust array of benefits related to health and wellness, financial security, work-life balance, and learning and development.

Culminating in 2022, Pennrose completed a comprehensive compensation analysis of all positions to help us evaluate whether: our base and incentive compensation are competitive within our industry, compensation is allocated fairly and equitably, we are incenting the right performance, behavior, and motivation in our team members, and geographic fluctuations are factored into compensation. We took a thoughtful approach to evaluating the completed analysis, making sure that changes made to base salaries and incentive plans would be meaningful and sustainable for the organization.

520 EMPLOYEES

AS OF 12/31/23

265 NEW HIRES

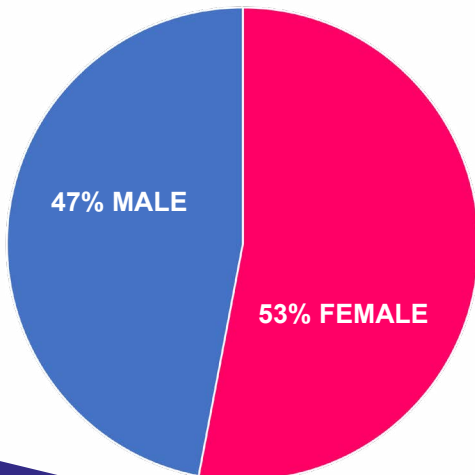
IN 2022

DEI STATEMENT

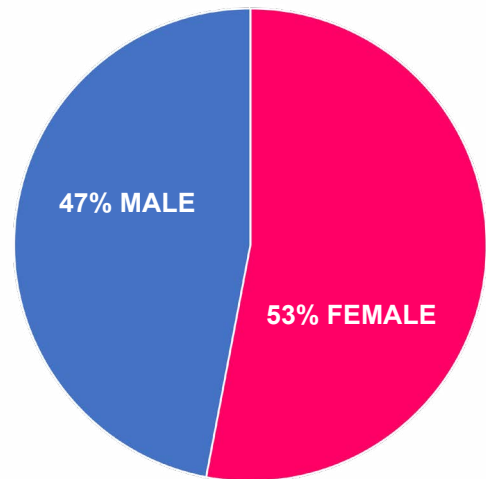
Pennrose is committed to furthering our broad view of diversity, equity, and inclusion in the workplace and the communities we serve. We are dedicated to hiring diverse talent and ensuring that team members, residents, and partners are treated with respect and supported in the roles they serve.

2022 EMPLOYEE DEMOGRAPHICS

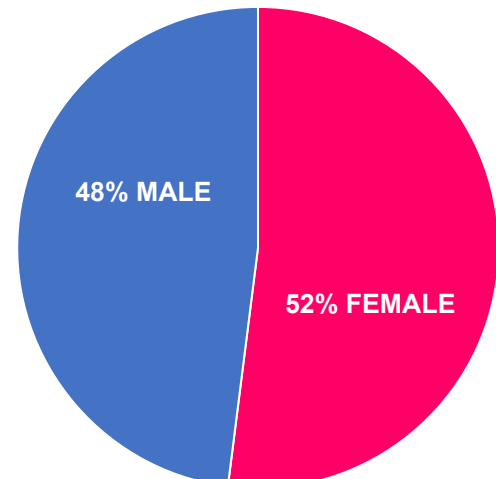
EMPLOYEE GENDER



SITE EMPLOYEE GENDER

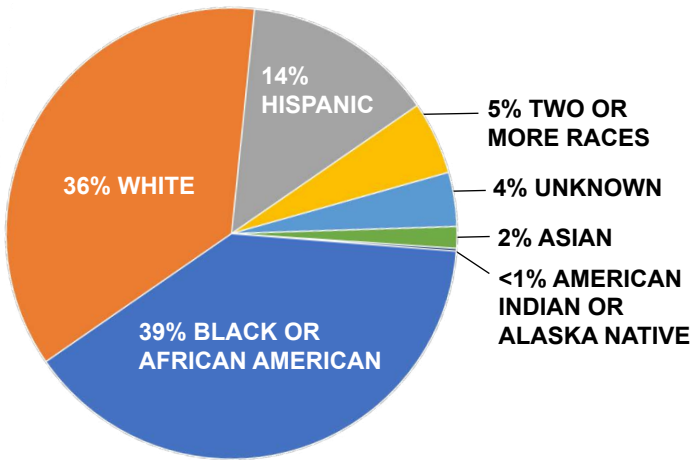


NON-SITE EMPLOYEE GENDER

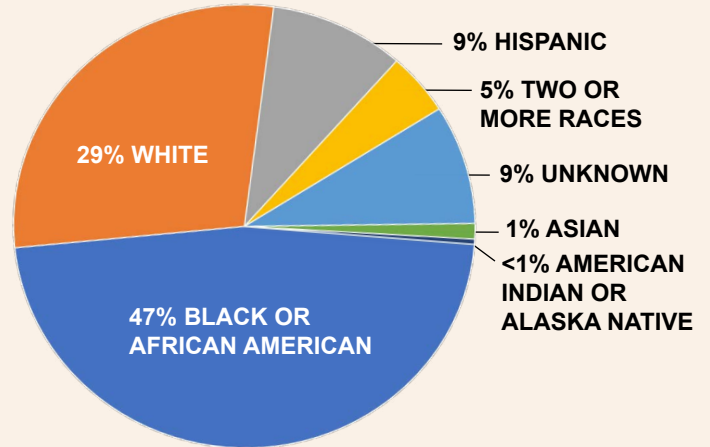


2022 EMPLOYEE DEMOGRAPHICS

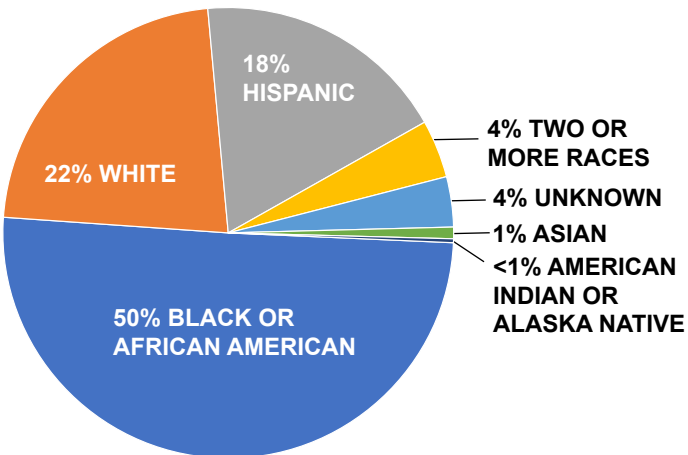
EMPLOYEE RACE



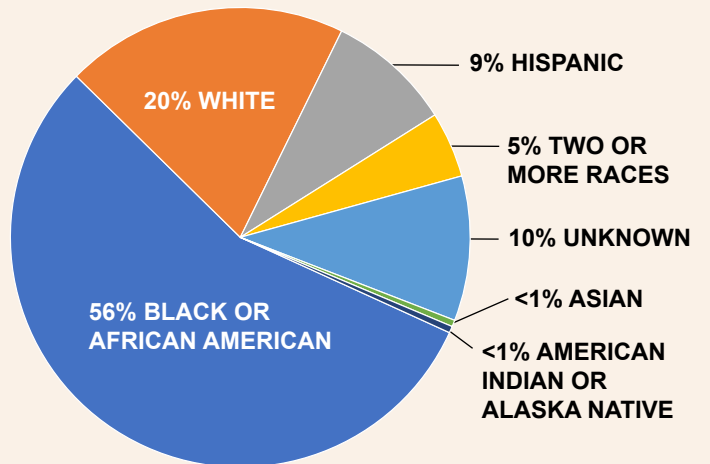
NEW HIRE RACE



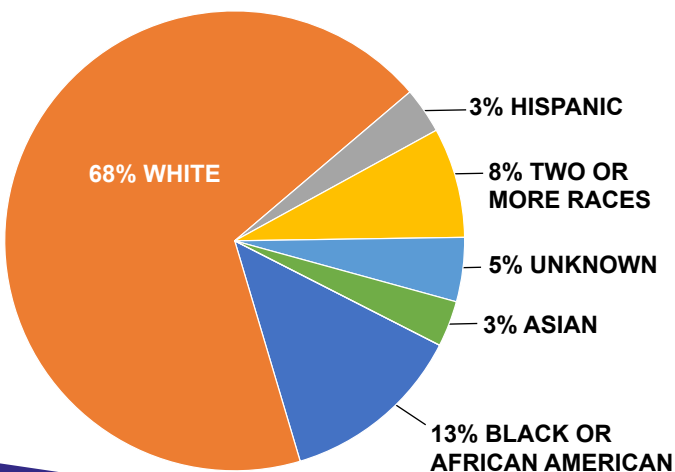
SITE EMPLOYEE RACE



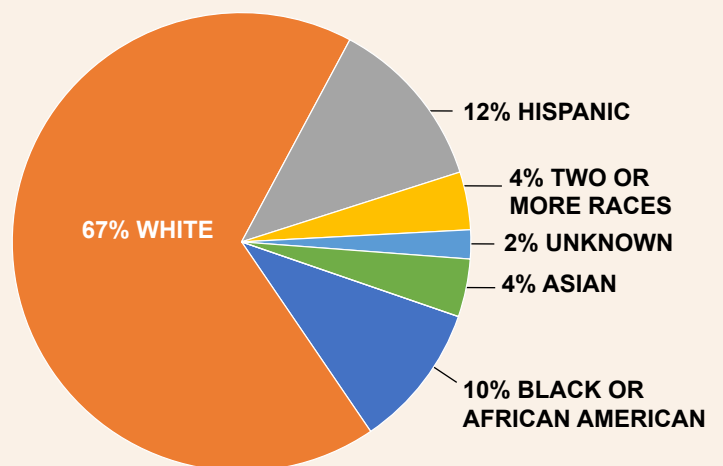
SITE NEW HIRE RACE



NON-SITE EMPLOYEE RACE

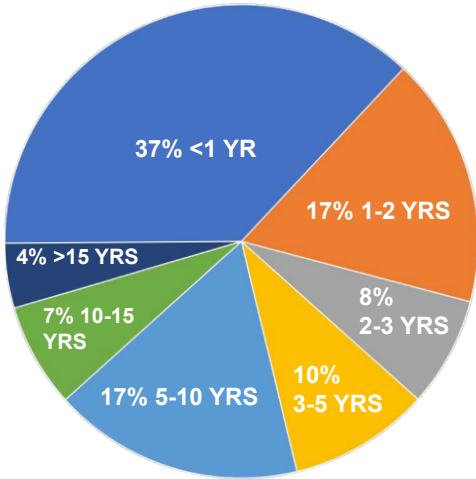


NON-SITE NEW HIRE RACE

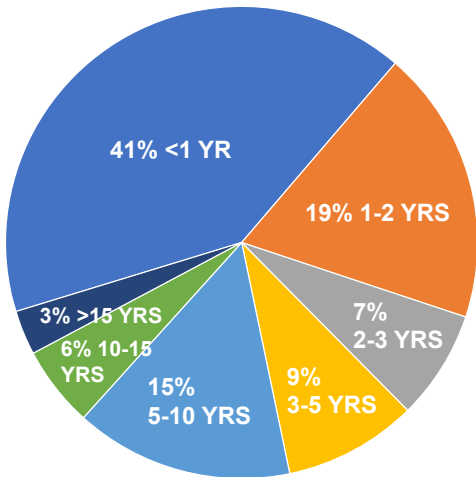


2022 EMPLOYEE DEMOGRAPHICS

EMPLOYEE TENURE



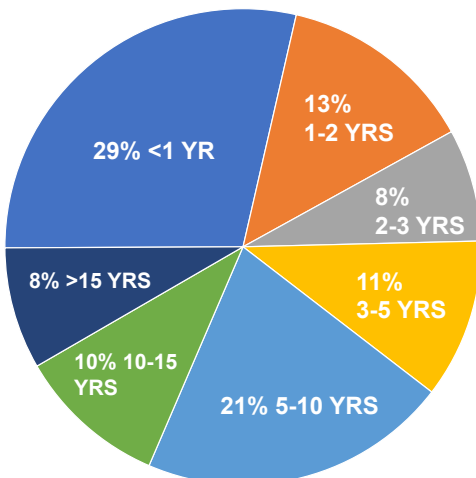
SITE EMPLOYEE TENURE



2022 TRAINING



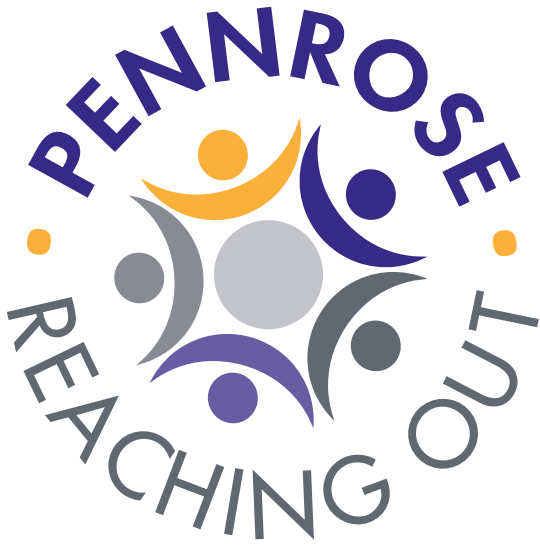
NON-SITE EMPLOYEE TENURE



TOTAL TRAINING TIME

2,915 Hours
and **45 Minutes**

SOCIAL



SOCIAL

CHARITABLE GIVING & VOLUNTEERING IN THE COMMUNITIES WE SERVE

VOLUNTEERING AT CAMP COURANT

Members from the New England property management team volunteer each year at Camp Courant, located close to The Jefferson, New Britain, Connecticut property. The team works together to prepare the campgrounds and classrooms for the kids for the upcoming summer.

“Because we are a company that volunteers and has helped in the past, the camp volunteer section director recently sent me an email and has also invited us back for opening day June 20 for their open day ceremony and to welcome the kids on their first day.”

- Julie Velazquez, Property Manager, The Jefferson



TRELLIS FOR TOMORROW AT DON COPPEDGE VILLAGE

Our partnership at Don Coppedge Village grew out of a relationship between Trellis for Tomorrow and the Chester County Food Bank (CCFB). CCFB had partnered with the Housing Authority and Pennrose to install a community garden. In Spring 2020, Trellis formed a youth cohort to manage, maintain, and enlarge the Don Coppedge Village garden site. In Summer 2020, the teens more than doubled the size of the garden, which includes some plots that are designated for resident households. The food grown is donated to local food banks and agencies.

The Penrose Foundation was established in 2018 to enhance Penrose's mission of transforming communities by supporting charitable organizations and events that benefit our residents and the communities surrounding Penrose locations across the company's footprint.



52%

Over 52% of Penrose employees pledged to contribute to the Penrose Foundation Employee Fundraising Drive. This was our highest employee participation rate since starting the Employee Fundraising Drive in 2021. The impact of the drive is crucial in supporting the initiatives of the Foundation and creating positive outcomes in 2023.



ACADEMIC SCHOLARSHIPS

Over \$27,000 in academic scholarships was awarded to 11 residents of Penrose communities. The awardees are pursuing education in a variety of disciplines, including nursing, paralegal studies, business, and electrical engineering technology. Three (3) scholarship recipients in 2022 were repeat recipients having received a Penrose scholarship in prior years.

CHARITABLE GRANTS

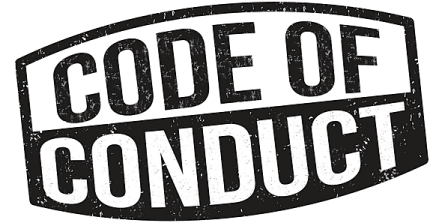
The Foundation made grants to three charitable organizations to fund events and activities with a shared mission. The Foundation looks forward to increasing its support to amplify the work being done by fellow not-for-profit organizations.



SOCIAL

GOVERNANCE

Pennrose maintains and communicates a formal companywide Code of Conduct, covering ethical business practices of employees, vendors, contractors, and partners.



COMPLIANCE & TRAINING

CHIEF COMPLIANCE OFFICER

Pennrose employs an in-house attorney, whose role is Chief Compliance Officer, with oversight for federal and state regulations including the Davis-Bacon Act regarding fair wages, HUD's Section 3 local hiring practices, and more.

COMPLIANCE DEPARTMENT

Pennrose employs a formal Compliance Department focused on ensuring adherence to all federal, state, and local funding and housing laws and regulation.

TRAINING DEPARTMENT

Pennrose employs a formal Training Department that oversees ongoing employee training surrounding risk areas, such as Fair Housing Laws, non-discrimination, sexual harassment, and more.



INFORMATION TECHNOLOGY

Formalized IT Privacy, Internet and Electronics Use policies are in place to protect Pennrose's information assets. This is a requirement and crucial in safeguarding its customers, intellectual property, and reputation.

