

Environmental Stewardship, Social Responsibility & Responsible Governance (ESG) Policy

The Franklin Johnston Group is committed to promoting thoughtful and responsible business practices in relation to Environmental Stewardship, Social Responsibility, and Responsible Governance in the context of developing, owning, and managing multifamily apartment communities. That commitment is demonstrated in everything we do – from how we lead, how we serve our communities, how we treat our employees, and how we view and treat our planet. The Franklin Johnston Group understands that the relationships that we form are only as good as what we give back. We recognize that our actions have a direct impact on the environment, our residents, and the communities we serve.

Therefore, we pledge to continuously enhance our ESG efforts to create meaningful change.



Environmental Stewardship



Our vision for environmental stewardship starts with the communities and properties that we develop, manage, and own. Our core commitment in this space is centered on our mission of housing affordability and accessibility. We strive to ensure that the needs of the customers we serve are met, while also doing our part to make a positive impact on the environment and mitigate harm from climate change. We support the sustainability of the affordable housing communities that comprise more than 75% of our total portfolio. We will continue to develop properties in underserved communities that help to address a glaring need in the current housing markets.

We also understand the concerns of climate change and fully support the need to build and operate energy-efficient properties to help mitigate further harm to the environment. The Franklin Johnston Group will set as a priority for the coming years, as new properties are acquired, remodeled, or built to ensure that they meet all recommended standards for energy efficiency, including with respect to HVAC units, energy-efficient windows, plumbing, and water heaters to promote decreased water and energy usage. We will continue to seek out communities to invest in that would provide our residents with access to technologies such as broadband and 5G so that they can more easily stay connected with family, school, and work while at home. We will work to ensure that properties have convenient access to mass transit and ride-share services to further help to reduce the carbon footprint of our properties. Finally, we will continue to explore solar technologies for new and renovated facilities.

In addition to our central mission of housing affordability and accessibility, we strive to minimize our environmental footprint and mitigate climate change impacts through initiatives including, but not limited to, the following:

1. Incorporate energy-efficient design principles, such as HVAC units, energy-efficient windows, plumbing, and water heaters, to promote decreased water and energy usage in new properties, acquisitions, and remodels.
2. Explore opportunities to provide our residents with access to technologies like broadband and 5G to enhance connectivity while prioritizing sustainability.
3. Ensure our properties have access to mass transit and ride-share services to reduce carbon emissions.
4. Continuously explore and evaluate solar technologies for new and renovated facilities.
5. Foster green spaces, parks, and sustainable landscaping practices to enhance biodiversity and resident well-being.
6. Implement effective waste management systems and promote recycling programs within our communities.
7. Encourage water conservation through the use of water-efficient fixtures and educational campaigns.



Social Responsibility

Our commitment to social responsibility has two primary objectives: supporting our employees and serving our community. As reflected in our DEI Policy, as well as our EEO and Anti-Harassment Policies, The Franklin Johnston Group strives to ensure that all employees are valued, supported, and appreciated. At every level of the organization and with respect to every employment decision and business decision, we seek to ensure respectful communication and cooperation between all employees; teamwork and employee participation; work/life balance through flexible work schedules to accommodate employees' varying needs; contributions to the communities we serve to promote a greater understanding of, and respect for, diversity. We provide comprehensive benefits to our employees and their families, and we strive to promote a healthy work-life balance.



We are honored to have been recognized in 2020-2023 as one of the Best Places to Work in Multifamily® and the Best Places to Work in Multifamily for Women® and were recognized in 2020, 2022, and 2023 in Inside Business Top Work Places.

We are likewise extremely proud of our service to the communities we are fortunate enough to serve and be a part of. We strive to create a sense of home in the properties that we manage. The Franklin Johnston Group embodies a culture of caring that resonates throughout everything we do. Partnering with our team members to make meaningful, positive, and sustainable changes in the lives of others is central to our organizational culture and values. Giving back to the community financially and providing opportunities for our employees to give their time has been important to the company since it was founded and is something that will continue to be a part of who we are.

We are proud to have supported the JT Walk & Beach Party alongside the Virginia Gentlemen to fund research to find a cure for ALS, including raising nearly \$50,000 for the cause in 2020. For many years, the Franklin Johnston Group has hosted Operation School Supplies where our team members provide school supplies to children in our many affordable housing apartment communities. We also are proud of our continued support of the United Way and its fundraising initiatives. Indeed, because we raised over \$33,000 for the United Way in 2019, we won the Silver Trailblazer Award.



This is just the beginning. We will continue to find ways to support and give back to the communities that we serve and engage with them on sustainability-related issues.

Our commitment to social responsibility focuses on supporting our employees, valuing diversity, equity, and inclusion, and serving the communities we operate in. Based upon these objectives, we aim to make a positive impact by:

1. Engaging in regular community outreach programs and events that foster connectivity and strengthen community bonds.
2. Promoting health and well-being by offering wellness initiatives and resources that support physical and mental health for residents and employees.
3. Supporting affordable housing preservation, development, and programs that address housing affordability challenges.
4. Ensuring accessibility within our properties through adherence to accessibility standards and the implementation of universal design principles.

5. Partnering with suppliers and contractors who align with sustainable practices and ethical standards.
6. Encouraging employees to actively participate in volunteering and community service initiatives.
7. Monitoring and addressing social impact metrics to drive continuous improvement in our efforts.

Governance

Our policy regarding governance is simple – be honest; be fair; and be respectful. We recognize the need of strong oversight, transparency, and risk management across the organization. Our group of company leaders acutely understand that each of them has a commitment to each other, to our team members, and to the communities that we serve. We are proud of our team and the diversity of thought, backgrounds, experiences, and skills that they bring to the organization.



We are dedicated to upholding high standards of governance, transparency, and accountability. We value truthfulness, authenticity, and respectfulness in all our interactions. Our governance framework includes:

1. Maintaining strong corporate governance led by our CEO, President, and General Counsel as the core governance committee.
2. Upholding the highest ethical standards and promoting a culture of integrity and accountability.
3. Complying with all policies and standards set by the organization as outlined in our Code of Conduct.
4. Regularly reviewing and updating this ESG Policy to align with evolving best practices and stakeholder expectations.
5. Encouraging open communication, teamwork, and employee participation at all levels of the organization.



SOCIAL RESPONSIBILITY



By integrating these principles into our business, we strive to make a positive and lasting impact on our environment, our communities, and the well-being of our residents, team members, clients, and other stakeholders. The Franklin Johnston Group understands that just as our world changes, so does the need to continually review and update this ESG Policy. As such, it is subject to modification or rescission at any time. Further, nothing about this Policy is intended to create a contract of employment. If you have any questions about this ESG Policy, or your responsibilities under it, please contact Human Resources.