



APRIL 2023

State of ESG



LETTER FROM THE CEO

TO OUR STAKEHOLDERS:

We are proud to publish our second annual *State of ESG* report. The past year featured milestones for Pretium and our operating companies' return-centric approach to environmental, social, and governance (ESG). Our approach aligns client value with mitigating risk and delivering on our commitments in every community in which we do business. It was also a tumultuous year for the world—including for our employees and the businesses, families, and communities our investments touch.

Our first report focused on our single-family residential (SFR) business. This report adds our credit strategies and related operating and portfolio companies. This is also the first year we have aligned our ESG reporting with the Global Reporting Initiative Standards and with the United Nations Sustainable Development Goals. Pretium became a signatory to the UN Principles for Responsible Investment (PRI) in 2022, and we intend to submit our first firm-wide PRI report later this year for our SFR business. In 2022, we also made our inaugural submissions to the Global Real Estate Sustainability Benchmark for select SFR funds reflecting approximately 30,000 homes across the United States.

Expanding on our goal of raising the bar as thought leaders for single-family housing, our Progress Residential teams put a priority on equitable resident engagement in 2022. Not only did we expand our Affordable Housing team to serve more families through the federal Housing Choice Voucher program, but we also engaged with policy makers at all levels to build awareness of policies that can advance the nation's affordable-housing goals. Pretium and Progress Residential made significant contributions to resident resilience and economic mobility, resulting in positive rent reporting for our residents, promoting affordable homeownership in our key markets, and a housing mobility program at below-market rental rates for vulnerable families. Finally, with the Forest Cove relocation, Pretium and Progress Residential partnered with the City of Atlanta to provide stable housing to dozens of vulnerable families in need.

June 2022 marked an exciting chapter for Pretium as we celebrated 10 years since our founding. Our first decade is a story of building our foundation and the evolution of our leadership across the firm that represents exceptional, diverse talent. Pretium's executive committee reflects diversity of gender, ethnicity, background, and experience. Over the course of the year, our diversity, equity, and inclusion leaders drove company-wide programming

that supported diverse hiring, retention, and education, including the launch of our first employee resource groups (ERGs): the Women's Resource Group and Pride at Pretium. We also recently launched the First-Generation College Student Fellowship Program. We observed Juneteenth as a paid holiday for the first time in 2022 as well as Veterans Day, encouraging employees to devote these days to service and reflection. Pretium's first multicultural ERG, launching in 2023, will build programming and educational opportunities to drive belonging and allyship across the firm.

Over the course of 2022, we also focused on increasing measures of energy efficiency in our existing single-family homes. In January 2022, we launched an environmental task force to develop Progress Residential's next generation of environmentally friendly homes. Working with ESG consultants, this task force is developing more rigorous standards for energy efficiency in single-family-home renovations and exploring opportunities to scale solar energy for the single-family-rental industry. Looking to make the "home of the future" accessible to all, Progress Residential also achieved the milestone of 50 percent of homes equipped with smart-home technology and set environmental targets related to programmable thermostats. Coupling utility data with the newly launched partnership with Measurabl, we are poised to move forward on measuring and monitoring, and we are reviewing an environmental management system for the future. The task force launched a pilot project with 40 homes in December and recently expanded it to 500 homes. The pilot is projected to save residents approximately 20+ percent of the energy they currently use.

As 2022 drew to a close, we surpassed 90,000 homes in single-family residential and \$50 billion in assets under management (AUM). We look forward to continuing to deploy our philosophy of integration, thinking forward, and building for longevity in all our investment strategies and the markets in which we operate.



DON MULLEN
Founder & CEO

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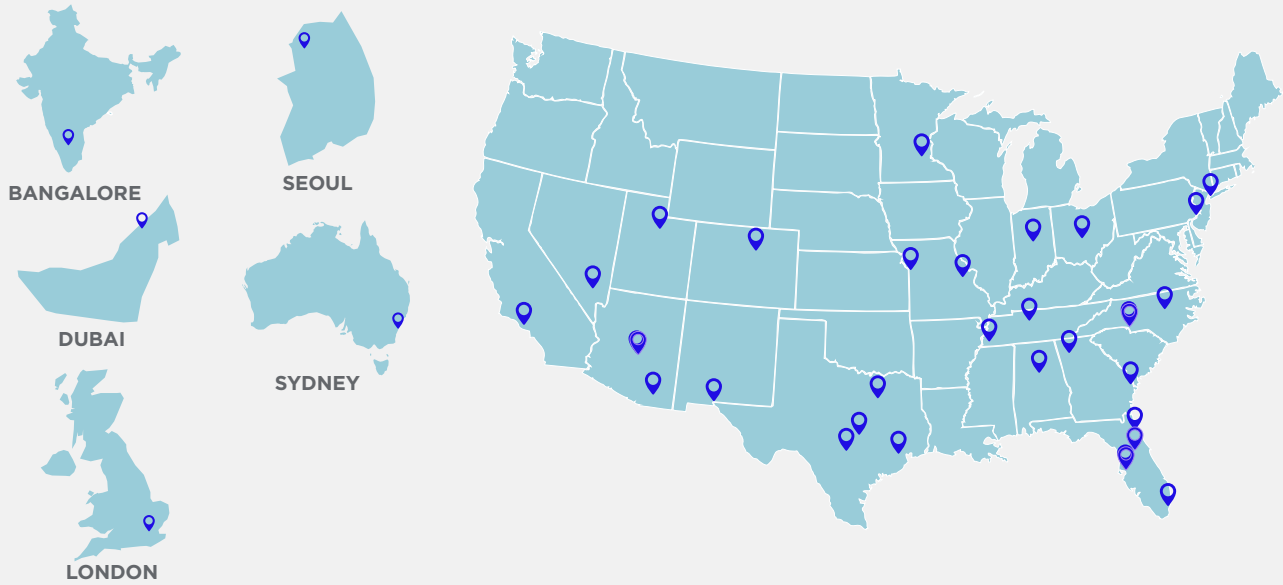
ABOUT US

(“pretium”—a Latin word for value)

Pretium is an alternative investment manager specializing in the creation of value through complex and operationally intensive real estate and credit assets in areas of economic dislocation. Pretium manages approximately \$51.8 billion¹ of assets across three core strategies and employs approximately 4,370 people across more than 50 offices globally.

Intro to Pretium

OFFICE LOCATIONS²

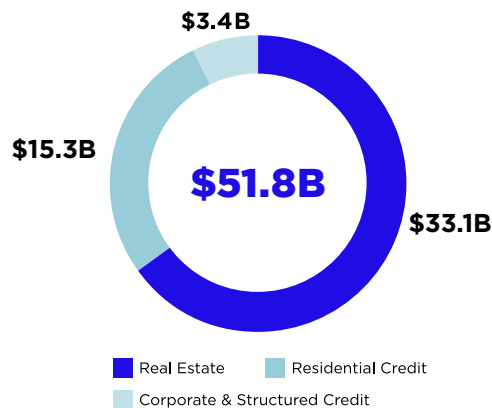


ABOUT THIS REPORT³

Our 2022 *State of ESG* covers the reporting period spanning January 1–December 31, 2022, unless otherwise stated. This is the first year the firm has sought to align the *State of ESG* to the Global Reporting Initiative (GRI) Standards and with the UN Sustainable Development Goals (SDGs). Please refer to the appendix for further information regarding our adherence to these frameworks.

For any questions regarding the 2022 *State of ESG*, please contact Tatiana E. Gutierrez, head of ESG, at esg@pretium.com.

ASSETS UNDER MANAGEMENT¹

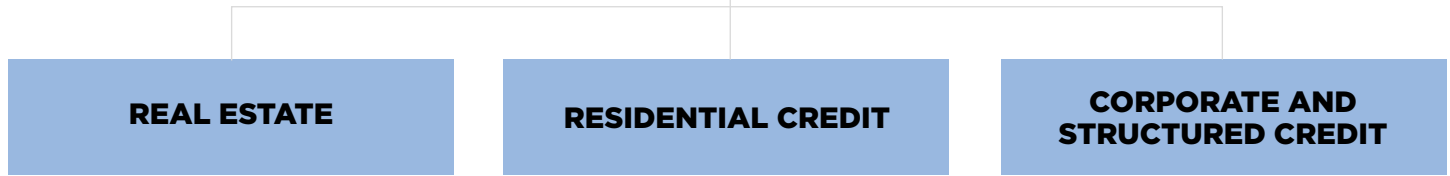


¹ As of December 31, 2022. Real estate assets under management (AUM) refers to the total gross assets (including asset-level and vehicle-level leverage) of the real estate funds, joint ventures, and separately managed accounts (SMAs). Residential credit AUM refers to the total gross assets (including asset-level and vehicle-leverage) of the residential credit funds and SMAs. Corporate and structured credit AUM is calculated on the basis of (i) net asset value for our draw-down funds, hedge funds, managed accounts and mutual fund sub-advisory mandates and (ii) total gross assets of the six outstanding Crown Point CLOs and Pretium Alternative Loan Funding Ltd. In most instances, AUM includes the remaining capital that Pretium is entitled to call from investors in the relevant funds, joint ventures, and SMAs. Figures are estimated and have not been reviewed or audited by an independent auditor and, as such, are subject to adjustment, which could be material.

² Includes operating and portfolio companies' offices and international representative offices.

³ Data as of December 31, 2022, unless otherwise noted. Numeric amounts should be viewed as approximations unless otherwise noted. The terms "Pretium," "we," and "our" used herein mean either Pretium individually or Pretium, together with one or more of its managed companies, as the context may imply. Certain logos, trade names, and trademarks included herein are strictly for identification and informational purposes and may be owned by companies or persons not affiliated with Pretium. No claim is made that any such company or person has sponsored or endorsed the use of such logo, trade name, or trademark herein.

The Pretium Ecosystem



REAL ESTATE

Pretium has been a pioneer in the single-family industry since 2012 and is the leading owner and operator of single-family residential in the United States.⁴

Progress Residential

Pretium's wholly owned affiliate, established in 2014 to support its residential real estate strategy by providing institutional-quality technology-enabled services across portfolio construction, renovation, leasing, and property management.

~90,000
NUMBER OF HOMES
IN REAL ESTATE STRATEGY⁵

RESIDENTIAL CREDIT

Investments in the mortgage whole-loan market, supported by an integrated asset management platform, delivering mortgage products that require more complex and operationally intensive underwriting and servicing strategies for individuals, families, and real estate company borrowers.



Deephaven

Wholly owned home-mortgage provider to homeowners and investors who do not fit within the traditional mortgage market.

\$10B

WORTH OF LOANS
UNDERWRITTEN SINCE 2012



Anchor Loans

Portfolio company and leading provider of financing to established residential real estate investors and entrepreneurs.

\$12B

LOANS ORIGINATED SINCE
ITS FOUNDING IN 1996



Selene

Wholly owned mortgage-servicing platform for Pretium and third parties. Built on a consumer-centric framework of high-touch special servicing.

\$16B

IN CURRENT LOANS

CORPORATE AND STRUCTURED CREDIT

Investments in corporate credit to businesses predominantly in the United States through different types of vehicles, including fundamental credit (issuer of CLOs⁶), structured credit (investments in CLOs), event-driven investing in corporate loans and public markets, and legal opportunities investments.

⁴Based on research provided by John Burns Real Estate Consulting (published September 2022) and Securities and Exchange Commission filings for public real estate investment trusts.

⁵Unless otherwise indicated, Progress home counts include homes managed by Progress Residential for third-party owners.

⁶Collateralized loan obligations.

Our Approach to Sustainability

We believe sound ESG principles and practices can help maximize returns to our investors by having a positive impact on our employees, our residents, our borrowers, the communities in which we operate, and the businesses we serve. The firm established an ESG committee in 2021 and adopted a formal ESG policy in 2022.

We apply the following principles to new investments and existing ownership with the intention of maximizing investor returns:



Regularly engage stakeholders: investors, employees, residents, communities, and policy makers



Assess material ESG factors across our strategies



Align ESG considerations into investments, ownership, and business operations



Routinely access strategy impact and drive continuous improvement



Embrace the opportunity to be an ESG leader within our relevant industries

Our ESG Framework

Affordable Housing and Vibrant Communities

Tech-Focused Environmental Impact

Diverse Teams, Strong Governance

NOW

- ✔ Resident co-created impact program to facilitate existing residents' economic mobility through housing choice
- ✔ Collaboration with HUD and localities to provide quality homes in higher-opportunity neighborhoods to vulnerable families
- ✔ Expansion of economic mobility and support programs for residents

- ✔ Conserve and Measure launched to measure and monitor utility usage
- ✔ Environmental Task Force launched energy reduction pilot program
- ✔ 30,000 homes submitted to Global Real Estate Sustainability Benchmark (GRESB) for inaugural submission

- ✔ Signatory to UN PRI (2022)
- ✔ Signatory to Chartered Financial Analyst Institute's Diversity, Equity, and Inclusion Code (CFA DEI Code)
- ✔ Established 1st firm-wide employee resource group

NEXT

- Increase Affordable Housing homes by 100%
- Expansion of economic mobility and support programs for residents

- Building certifications for existing single-family homes
- Complete asset-level utility data collection and monitoring

- Integration of ESG across the Pretium ecosystem
- Addition to firm-wide employee resource groups

“Taking environmental and social analysis into account in a cross-disciplinary and cross-functional manner can improve financial and reputational outcomes and uncover opportunities for natural alignment with social objectives, such as reducing inequalities, alleviating poverty, and partnering with all levels of government to make social programs work better.”

TATIANA E. GUTIERREZ | Managing Director and Head of ESG



There can be no assurance that the above will materialize.



ENVIRONMENTAL

GOALS	METHOD
<p>PHASE 1: Energy reduction</p> <p>PHASE 2: Integrate renewables</p> <p>PHASE 3: Democratizing the home of the future</p>	<p>MEASURE</p> <p>MONITOR</p> <p>INSIGHTS & INNOVATE</p>



SOCIAL

GOALS	METHOD
<p>PHASE 1: Residence resilience and economic mobility</p> <p>PHASE 2: Affordable-housing preservation and production at scale</p> <p>PHASE 3: Deployment of capital for community development</p>	<p>LISTEN</p> <p>ENGAGE</p> <p>PILOT</p>



GOVERNANCE

GOALS	VALUES
<p>BENCHMARKING</p> <p>REPORTING</p> <p>ESG INTEGRATION</p>	<p>EDUCATION</p> <p>TRANSPARENCY</p> <p>CONTINUOUS REVIEW & IMPROVEMENT</p>



DIVERSITY, EQUITY & INCLUSION

GOALS	VALUES
<p>BENCHMARKING</p> <p>REPORTING</p> <p>ENGAGING DEI INITIATIVES TO DRIVE PERFORMANCE</p>	<p>EDUCATION</p> <p>TRANSPARENCY</p> <p>CONTINUOUS REVIEW & IMPROVEMENT</p>

There can be no assurance that the above will materialize.

KEY HIGHLIGHTS

Maturing ESG integration into residential strategy and expansion into additional investment strategies and operations:



Inaugural submission to GRESB



Signatory to CFA DEI Code



Signatory to UN PRI

2022 Achievements:



Renovated **18,209** homes at **\$37,692** per home for total investment of **\$686.3M**^{7*}



Invested in **INNOVATIVE RESI-TECH COMPANIES**, including \$6.5M in minority- or women-owned startups^{**}



Invested over **\$300M** in build-to-rent assets and delivered **836** new-construction homes in **18 MARKETS**



Launched an **ENVIRONMENTAL TASK FORCE**^{**}



Partnered with **114** housing authorities to house **1,429** lower-income families⁸



Reported positive rent payments for **156,529** residents, establishing **147** first-time credit scores (Esusu)^{9*}



Launched **PRIDE AT PRETIUM**, an employee resource group^{**}



Expended **\$7.5M** in Hurricane Ian reconstruction^{10*}



Ethnic and Gender Diversity of Pretium fund manager **SENIOR LEADERSHIP** increased



Engaged in **22,650** minutes of diversity, equity, and inclusion (DEI) training in 2022 with Translator^{11*}



Launched **LEARNING & DEVELOPMENT DEPARTMENT** to serve the Pretium ecosystem^{**}



Won **MILITARY FRIENDLY® AWARD** for a second year in a row^{**}



Expanded **ESG TEAM AND ESG CONSULTANTS**^{**}



Provided **\$17.96M** in rent forgiveness to **3,000+** families*



Launched **FIRST-GENERATION COLLEGE STUDENT FELLOWSHIP PROGRAM**^{**}

⁷ *Progress Residential; ^{**}Pretium

⁸ Housing authorities number as of February 2023; lower-income families as of March 2023.

⁹ Esusu impact data as of January 2023.

¹⁰ As of February 2023.

¹¹ Translator is a DEI training and analytics company.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We are pleased to align our various programs and initiatives in 2022 with the United Nations Sustainable Development Goals.



DEI: First-Generation College Student Fellowship**
 Affordable Housing: Housing Choice Vouchers*
 Affordable Housing: Forest Cove*
 Affordable Housing: Opportunity Home*
 Economic Mobility: Esusu positive rent reporting*
 Resident Resilience: CARES*
 DEI: Workforce Development Program*
 Resident Resilience: Hurricane recovery*



Charitable & Volunteering: Deephaven Food Drive
 Charitable & Volunteering: Progress Food Drive
 Charitable & Volunteering: Bowery Mission**
 Resident Resilience: CARES*



Health & Wellness: Employee reproductive health access
 Health & Wellness: Low- or no-premium employee health insurance
 Health & Wellness: Progress Residential no-smoking lease policy*
 Health & Wellness: Progress Residential all-pet-friendly policy*



DEI: Girls Who Invest internship**
 DEI: Workforce Development Program*
 DEI: First-Generation College Student Fellowship*
 DEI programs and training**
 Affordable Housing: Housing Choice Vouchers*
 Affordable Housing: Opportunity Home*



DEI: Parental leave**
 DEI: Bright Horizons for employees**
 DEI: Accommodations for mothers**
 DEI: Pretium Women's Resource Group**
 DEI: Employee reproductive health support
 DEI: Kayo Women's Conference**



Environmental: Conserve for water utility usage*
 Environmental: Measurabl to allow monitoring and projections*
 Environmental: Reporting water utility usage for 30,000 homes under GRESB**



Environmental: Environmental Task Force working on solar by 2030**
 Environmental: Energy reduction components within existing home maintenance and renovation standards*
 Environmental: Energy reduction components in new-construction home acquisitions*



Governance: \$31.8M spent on technology across Pretium ecosystem
 DEI: Girls Who Invest internship**
 DEI: Publication of DEI statistics by gender**
 DEI: First-Generation College Student Fellowship**
 Economic Mobility: Esusu positive rent reporting*



Affordable Housing (all programs)*
 Economic Mobility: Esusu positive rent reporting*
 DEI: First-Generation College Student Fellowship**
 DEI: Workforce Development Program*
 DEI: Employee resource groups**



Affordable Housing (all programs)*
 Resident Resilience: Disaster recovery*



Environmental: Long-life components in existing and new homes*
 Governance: Publication of 2nd annual ESG report**



Environmental: Energy reduction components in existing-home maintenance and renovations and new-home acquisitions*
 Environmental: Conserve and Measurabl*
 Environmental Task Force energy-reduction 50-home pilot*
 Resident Resilience: Disaster recovery program*
 Environmental Task Force working on solar by 2030**



SOCIAL IMPACT

We strive to provide choice to families in the rental market and to support their journey of economic mobility and wealth building. Single-family homes are typically in less dense neighborhoods, with more accessible green space and more square footage to accommodate larger households, than other types of rental housing. We focus on the safety of our neighborhoods¹² and on providing working families and vulnerable families new opportunities in differentiated neighborhoods.¹³ Many of our homes are in a homeowners association subdivision¹⁴ and may have access to better schools¹⁵ than the local renter market options. By taking a social lens to our homes and seeking to drive capital to all areas of the housing market, we focus on improving resident experiences and promoting economic mobility, a concept we take very seriously.

OUR APPROACH, OUR HOMES

A family's home and the community around it are focal points for access to social capital and the delivery point for programs to promote upward social mobility.

Our Residents

We serve working families.



Our ESG approach to single-family residential is informed by the work of Harvard economist Raj Chetty that suggests that the neighborhood in which a child grows up has substantial causal effect on their prospect of upward mobility.¹⁶

~90,000¹⁷

HOMES ACROSS 30 MAJOR MARKETS

OUR TOP FOUR MARKETS

Percentage of homes with rents affordable to families at 100% of area median income¹⁸



ATLANTA

86%



PHOENIX

59%



DALLAS

91%



MEMPHIS

61%

¹² CoreLogic, a third-party provider of consumer, financial, and property information and analytics, provides a total risk score set by block group. Total risk score data is as of December 2022. The total risk score range is 0 to 1,000 and a score of 100 is the national average. As of the March 17, 2023 home count, Progress Residential's average is 95 for 85,507 homes for which total risk score is available, excluding 36 homes for which total risk score is unavailable and all third-party-managed homes. Results vary by market.

¹³ Using poverty rates by census tract averages for years 2019, 2020, and 2021, based on data for all homes as of January 30, 2023, the Progress Residential's homes average poverty rate is 10.5 percent. Results vary by market.

¹⁴ More than 50 percent of our homes are in homeowner association subdivisions.

¹⁵ The firm uses CoreLogic school scores by block group. School score data is as of August 2021. School scores range from 0 to 100. School scores average 46 for the 84,507 homes for which school scores are available for homes counted as of March 17, 2023, excluding 40 homes for which no scores are available and third-party-managed homes. Results vary by market.

¹⁶ Raj Chetty et al., "Where Is the Land of Opportunity: The Geography of Intergenerational Mobility in the United States," *Quarterly Journal of Economics* 129, no. 4 (2014): 1553-623.

¹⁷ Includes approximately 5,500 third-party-managed homes.

¹⁸ The 2022 area median income is published by the US Department of Housing and Urban Development (HUD) for each metro area on huduser.gov. HUD defines affordability to be 30 percent of area median income. The data presented is based on progress rent roll as of December 31, 2022, divided by 12 and multiplied by 30 percent to establish affordability.

WE STRIVE TO SERVE VULNERABLE FAMILIES

In 2021, a group of Housing Choice Voucher homes joined our portfolio. Since then, we have been working to expand our footprint in the federal program through engagement and partnership with the US Department of Housing and Urban Development (HUD) and the ~100 local public housing authority partners that administer the program.

Housing Choice serves primarily **very low-income and extremely low-income families**, who make up our vulnerable family residents.

In 2022, we also rolled out two unique programs, building on our expanding operational capacity at Progress Residential to service Housing Choice and to deliver high-touch, social work-informed resident and community engagement.

~85
VULNERABLE
FAMILIES

Served through Forest
Cove Relocation and
Opportunity Home

EQUITABLE HOUSING

Affordable housing for working families¹⁹ is our core business, and affordable housing for vulnerable families²⁰ is our next step. Providing housing options to working and vulnerable families in communities with different opportunity sets than other rental options is a model built on resident choice and is the purpose of our scale.²¹



Working families and
vulnerable families
constitute more than

60%

of the US population.²²

¹⁹ In 2022, our average home rent was ~\$1,800 per month, which is affordable to a family making \$72,000 per year, using the 30 percent of income calculation to define "affordability." In Atlanta, 80 percent of the median family household income, as published by HUD for 2022, was \$77,100, HUD's cap on qualifying a family as "low income" (data available at huduser.gov FY 2022 Income Limits Summary Atlanta-Sandy Springs-Roswell, GA HUD Metro FMR Area). Affordability varies by market.

²⁰ We define "vulnerable families" for purposes of this report in line with the following HUD definitions: low-income families (at or under 80 percent of area median income), very low-income families (at or under 50 percent of area median income) and extremely low-income families (at or under 30 percent of area median income).

²¹ In 2022, Progress Residential renovated ~18,000 homes at a scope of ~\$38,000 per home. Together with renovations, "turns," and maintenance, Progress Residential invested ~\$1 billion in the portfolio of homes, thereby modernizing, preserving, and extending the useful life of existing housing.

²² Rakesh Kochhar and Stella Sechopoulos, "How the American middle class has changed in the past five decades," Pew Research Center, April 20, 2022.



AFFORDABLE HOUSING

“Every stakeholder has a role to play in making more housing available and affordable across the country. Pretium is committed to investing and working side by side with policy makers and communities to expand affordable housing.”

DON MULLEN | FOUNDER AND CEO



Our Programs



HOUSING CHOICE PROGRAM²³

1,429

HOUSING CHOICE VOUCHER (HCV) HOMES

Working with public-housing authorities (PHAs) to reduce barriers to housing HCV families in neighborhoods of higher opportunity



OPPORTUNITY HOMES

44

OPPORTUNITY HOMES

Below-market rent program promoting housing choice and economic mobility



FOREST COVE

41

RELOCATED FAMILIES

Housing vulnerable residents displaced from a condemned multifamily project to homes in higher-opportunity areas with social supports

Our Team Leaders



ANDREA GIFT ALLAN

Managing Director,
Pretium



JENNIFER KEOGH

Vice President, Affordable
Housing Operations,
Progress Residential



DARRON MITCHELL

Senior Director,
Housing Choice, Progress
Residential

²³ Federal program funded by HUD, administered by more than 3,800 public-housing authorities (PHAs) across the country and serving predominantly very low-income residents (at 50 percent or less of the area's median income) and extremely low-income residents (at 30 percent or less of the area's median income).

Housing Choice Voucher Program²⁴

HCV HOMES:

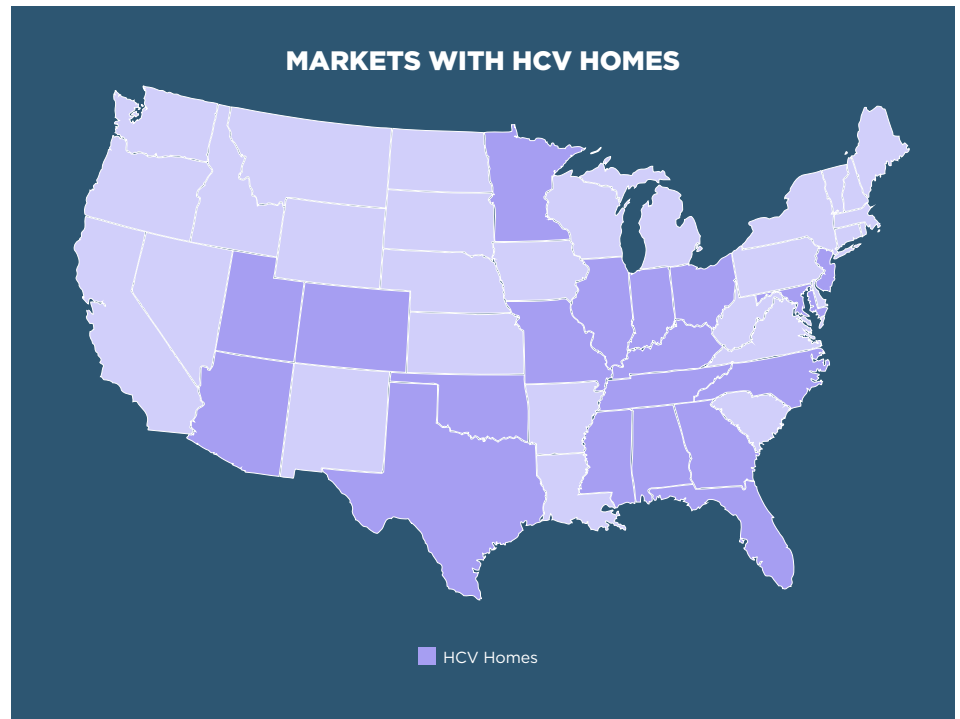
1,429

HCV HOME GROWTH FROM
2021 TO 2022:

25%

PHA PARTNERS:

114



“Progress Residential is expanding infrastructure and supports to ensure families who rely on Housing Choice Vouchers find a greater number of homes available—as well as staff guidance and connections to local supports.”

JENNIFER KEOGH | Vice President,
Affordable Housing Operations,
Progress Residential

Target: Increase Housing Choice Voucher homes by

100%

in 2023

Serving predominantly
**very low-income and
extremely low-income**
families

Partnering with
**100+ public-housing
authorities** across
the country

Providing options for larger homes for
multicultural and multigenerational
households

²⁴ As of March 2, 2023.



Opportunity Home Program

In 2022, Progress Residential and resident families co-created the Opportunity Home program to facilitate residents' desires to move to neighborhoods of choice at no out-of-pocket cost to them and with social supports.



PARTICIPANTS

44 families participated in Opportunity Home:

- 30%**
extremely low income
- 18%**
very low income
- 30%**
low income
- 9%**
moderate income
- 5%**
market rate



OPPORTUNITY HOME PRIVATE SUBSIDY

- \$250,000**
of annual rental subsidy
- \$75,000**
residential moving costs
- \$116,000**
relocation company supporting services



SOCIAL SUPPORTS

- Community and resident engagement specialist:** deep listening, frequent engagement through home selection, preparing to move, and post move
- Housing Opportunities Unlimited:** partner experienced in working within low-income communities to support families in coordinating logistics of the move, utility transfers, and supporting residents who needed extra help moving and packing

Forest Cove Relocation

Forest Cove is a federally assisted housing project that was condemned by the City of Atlanta in 2022. Many of the families in the complex were relocated, but no units were available for dozens of remaining families. With only six weeks left on the city's condemnation order deadline, we were brought in to help. Progress Residential was able to leverage its scale and skilled operations team to provide multiple options of safe, clean, and functional housing for families to best meet their social needs, in collaboration with on-the-ground partners, just in time for the deadline.

COMMUNITY-BASED PARTNERS



NEW PROGRESS RESIDENTIAL FAMILIES

41

FAMILIES RELOCATED TO PROGRESS RESIDENTIAL HOMES IN THE ATLANTA METRO AREA

100%

OF RESIDENTS WHO PARTICIPATED IN THE FOREST COVE PROGRAM MOVED TO NEIGHBORHOODS WITH LOWER CRIME SCORES, MORE MIXED INCOME RESIDENTS, AND LOWER POVERTY RATES.²⁵

68%

OF THESE RESIDENTS ALSO MOVED TO NEIGHBORHOODS WITH BETTER SCHOOL SCORES.²⁶

LOCALLY BASED ONGOING SOCIAL SUPPORT

To increase the success of these residents, a CARES representative and local organizations provided acute and intensive social support throughout the relocation engagement and continue to provide engagement and support.

“Pretium’s collaboration with public and private sector partners to relocate Forest Cove’s families to quality, safe, stable, and affordable housing is just one example of the possibilities created when we leverage private capital for public good.”

JOCELYN MOORE | Senior Managing Director, Pretium

A testament to the power of public-private partnerships, this program involved nonprofits, private capital, the city government, and HUD. We are excited to see what additional partnerships we can create in the future.



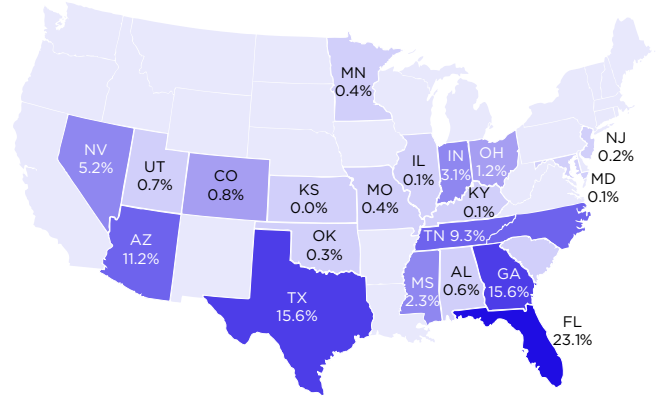
²⁵ Total risk score from CoreLogic as of August 2021; family median income by census tract as of October 2022; census tract poverty rate as of 2019.

²⁶ School score from CoreLogic as of August 2021.

PROMOTING RESIDENT ECONOMIC MOBILITY FOR ALL

Esusu: Positive Rent Reporting

In March 2022, Progress Residential partnered with Esusu to offer positive rent reporting to all credit bureaus for all residents free of charge with an opt-out feature to promote participation. This was the first large-scale partnership of its kind within single-family housing. In the eight months this program has been active, it has already had a positive impact on our residents:²⁷



Supporting residents who previously were credit invisible and facilitating credit score improvements for residents aligns with our goal of promoting equitable participation in financial-services markets. We contributed nearly \$1.1 million to this cause in 2022 and look forward to continuing to contribute in 2023.

Economic Mobility Impact Case Studies²⁸

OPPORTUNITY HOME PROGRAM:

The 44 families who participated in the Opportunity Home Program chose to move to neighborhoods with lower crime, lower poverty, better schools, and more mixed incomes.

97%

OF RESIDENTS WHO PARTICIPATED IN THE OPPORTUNITY HOME PROGRAM MOVED TO NEIGHBORHOODS WITH LOWER CRIME SCORES, MORE MIXED INCOMES, OR LOWER POVERTY RATES

91%

OF PARTICIPANTS MOVED TO NEIGHBORHOODS WITH LOWER CRIME SCORES

82%

OF PARTICIPANTS MOVED TO NEIGHBORHOODS WITH LOWER POVERTY RATES

55%

OF PARTICIPANTS MOVED TO NEIGHBORHOODS WITH BETTER SCHOOL SCORES

82%

OF PARTICIPANTS MOVED TO NEIGHBORHOODS WITH MORE MIXED INCOME

FOREST COVE RELOCATION PROGRAM:

The Forest Cove Opportunity Home Program involved 41 residents who were able to move to neighborhoods with different social indicators, indicating more increased opportunities.

100%

OF RESIDENTS WHO PARTICIPATED IN THE FOREST COVE PROGRAM MOVED TO NEIGHBORHOODS WITH LOWER CRIME SCORES, MORE MIXED INCOMES, AND LOWER POVERTY RATES

63%

DECREASE IN POVERTY RATE

68%

OF THESE RESIDENTS ALSO MOVED TO NEIGHBORHOODS WITH BETTER SCHOOL SCORES

66%

DECREASE IN CRIME SCORES

73%

INCREASE IN SCHOOL SCORES

²⁷ Based on Esusu's Impact Report as of January 31, 2023.

²⁸ Total risk scores are from CoreLogic, a third-party provider of consumer, financial, and property information and analytics, as of December 2022. For economic mobility impact case studies, sources are as follows:

- Total risk scores are set by block group.
- Poverty rate is as of 2019 and set by census tract.
- School scores are from CoreLogic and as of August 2021. They are set by block group.
- Family median income is by census tract and as of October 2022.

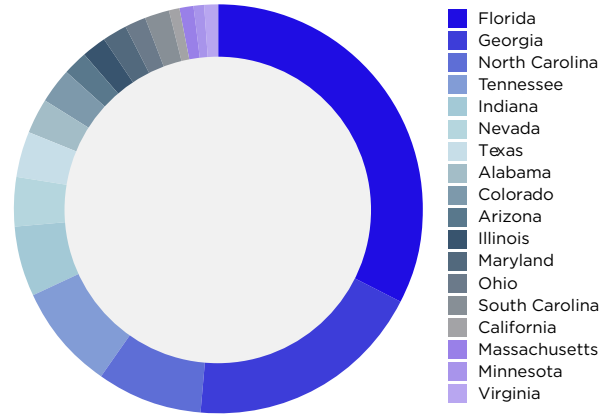
Our social-impact strategy extends to supporting communities and community-based groups in the markets in which we operate through charitable contributions, strategic partnerships, and industry group affiliations.

Homeownership

STRATEGIC PARTNERSHIPS

In 2022, we contributed \$500,000 to support affordable homeownership in partnership with local community-based nonprofits and consortia:

- Housing Partnership Network (HPN) works to increase homeownership access and affordability. Innovations include increasing the supply of affordable single-family homes through the Community Aggregators Group (CAG), designed to boost nonprofit participation in government-owned note sales. The Equitable Homeownership Collaborative is working to increase the velocity and volume of mortgage lending, particularly to low-wealth and borrowers of color.
- Atlanta Neighborhood Development Partnership, Inc., an HPN and NeighborWorks America affiliate, is working to add 750 single-family homeownership homes in Atlanta through its Closing the Gap campaign. Pretium supported the development of 75 affordable units in the Atlanta area in 2022.



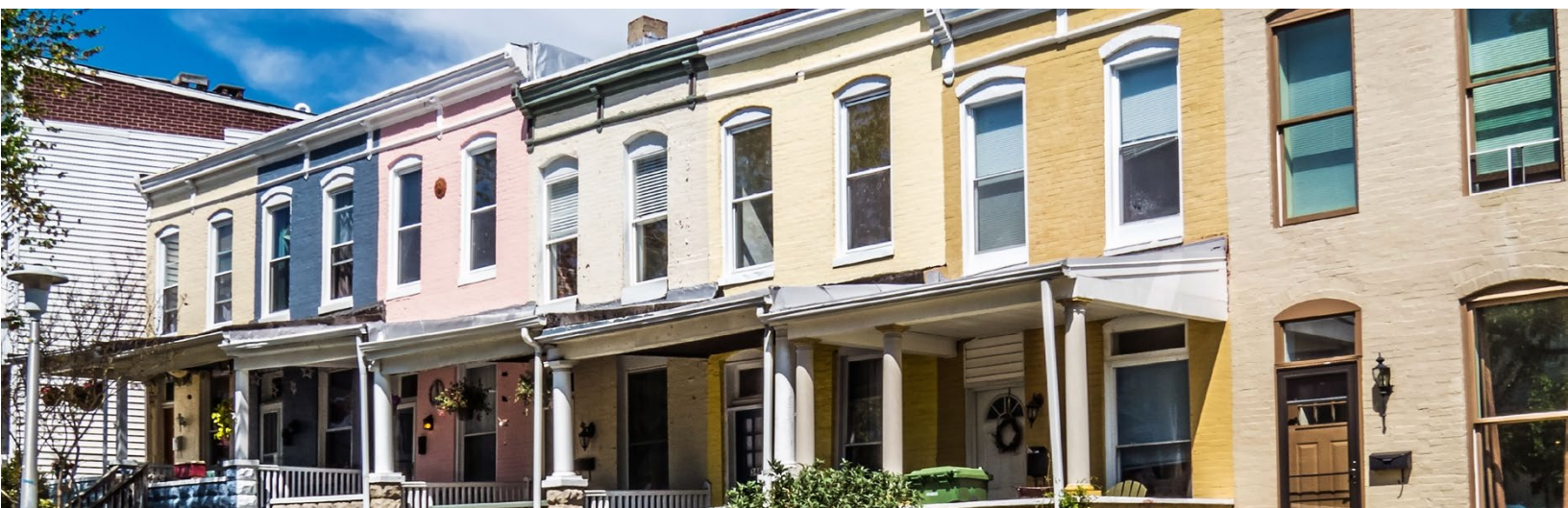
SALES TO HOMEOWNERS

In 2022, 64 percent of our single-family home sales on the MLS were purchases by owner-occupants at an average purchase price of \$325,000 per home.²⁹

Affiliations

We are members and active in the following affordable housing trade organizations:

- Urban Institute**
- National Housing Conference**
 - Moderated Community Reinvestment Act panel in fall 2021
 - Pretium ESG leader sits on the National Advisory Council
- National Association of Housing Redevelopment Officials*
 - Progress executive sits on the board
- National Leased Housing Association**
 - Sustaining member
 - Pretium and Progress leaders participated in tenant resilience panel in winter 2022



²⁹ Total of 168 home sales on the MLS in 2022. The median price of houses sold in 2022 is \$428,700, and the average sales price for 2022 is \$507,800, per Federal Reserve Economic Data, available at <https://fred.stlouisfed.org/series/MSPUS>. The Zillow Home Value Index sets the cost of a typical home at \$344,141, available at <https://www.zillow.com/home-values/102001/united-states/>.

SUPPORTING RESIDENT AND COMMUNITY RESILIENCE

Resident-Focused Solutions

PROGRESS CARES

In 2021, we established the community and resident engagement specialist (CARES) position to promote one-on-one engagement with our residents, particularly to support vulnerable families. Through deep listening and a knowledge of local nonprofit and public-sector ecosystems, our CARES representatives provide specialized support to residents with additional needs. Our CARES representatives in the Midwest and Atlanta have allowed us to provide enhanced support to Housing Choice residents, households with limited English proficiency, residents with digital-literacy limitations, and neighborhoods where our residents need more connections to local supportive-service organizations.

IN 2022, OUR CARES REPRESENTATIVES

- facilitated rental assistance for our residents through targeted and ongoing outreach
- helped residents access nonprofit resources, including children's beds, food support, and holiday toy drives
- removed barriers to energy assistance so that our lower-income residents can receive state and federal support on their utility bills
- attended community events to engage in person with residents and our communities

"I have never seen a company take such a hands-on approach as Progress Residential does with the CARES position. It has been a privilege to work with families this closely and support them during important changes in their lives."

JAMEICA LOLLIS | CARES Representative, Progress Residential

CUSTOMER ADVOCACY

In 2021, we created a new division focused on customer advocacy dedicated to addressing resident needs by setting up frameworks that nurture positive solutions-focused relationships with our residents. The program uses existing data platforms and technology to enable internal collaboration and tracking for a clear pathway to resolutions through consistent, straightforward, and individualized communication with our residents.

In 2022, we committed ourselves to growing this team to better serve our residents. We increased the customer advocacy division from three customer advocacy employees to 26.

26

**CUSTOMER ADVOCACY
TEAM MEMBERS**

20,482

RESIDENTS ASSISTED



Healthy Homes and Families

We understand that physical and emotional health is a key factor in our residents' well-being. Where possible, we implement policies such as the following to support healthy outcomes:

- no-smoking policies in all of our homes to promote physical health
- pet-friendly lease policies because we understand the positive impact pets can have in their owners' lives
 - pet friendly for almost all domestic pets
 - no dog breed restrictions
 - no limit on the number of pets



Michelson Found Animals

MICHELSON FOUND ANIMALS FOUNDATION'S

In 2022, Progress Residential won the Michelson Found Animals Foundation's "Most Innovative Pet Friendly Marketing Award" for its campaign to communicate its pet policies.³⁰

Supporting Residents in Times of Need

EMERGENCY RENTAL ASSISTANCE PROGRAM

In 2021, we realized that many of our residents were in a precarious situation. We launched rent-forgiveness programs and hired additional Progress Residential team members to facilitate emergency rental assistance (ERAP) for eligible residents.

In 2022, we continued this effort, worked with states and localities, and facilitated: \$52.8 million in ERAP for 5,605 residents (\$9,420 average per resident).

\$52.8M

IN ERAP

5,600

RESIDENTS

RENT FORGIVENESS

In addition to helping residents navigate the often complex and onerous processes associated with the ERAP, we introduced rent-forgiveness programs to assist our residents with outstanding balances. No program was capped on participation numbers, and we continue to develop creative methods to engage residents with rent-forgiveness programs.

- 1st and 10 Program: **\$1.55M**
(341 residents participated; \$4,545 average per resident)³¹
- Fresh Start Program: **\$3.33M**
(761 residents participated; \$4,375 average per resident)³²
- Pay Match Program: **\$5.90M**
(1,487 residents participated; \$3,967 average per resident)³³
- Helping Hands: **\$7.18M**
(539 residents participated; -\$13,000 average debt forgiveness per resident)³⁴

\$17.96M

IN RENT FORGIVENESS

3,000+

RESIDENTS

³⁰ Michelson Animal Foundation "Most Innovative Pet Friendly Award" required an application, but did not have an associated fee.

³¹ 1st and 10: For each consecutive monthly rent payment, 10 percent of the past due charges will be forgiven. After 10 timely payments, the resident's balance is forgiven in full.

³² Fresh Start: After three consecutive successful monthly rent payments, participating residents received an 80 percent reduction of total delinquent balance accrued by December 31, 2021. The remaining 20 percent balance was prorated and added to the next three months' rent.

³³ Pay Match Program ran spring and fall 2022. Payments made during a six-week period were matched up to four times the payment amount up to the total owed as of the previous month prior to participation.

³⁴ Helping Hands: A program designed to relocate residents with large delinquency and ongoing financial issues that rental assistance has not cured. In exchange for vacating home within 21 days of accepting relocation assistance agreement, entirety of delinquent balance is forgiven *and* a support payment. The support payment is not included in the calculation above.



RENT FLEXIBILITY

Partial payment plans offer participating residents flexibility in the timing of monthly payments during a one- to two-month period.

Progress Residential also piloted a new high-touch model delivered by CARES representatives to facilitate the participation of vulnerable residents in emergency rental assistance and rent-forgiveness programs, along with connections to local nonprofits providing budgeting services.

22,251

PARTIAL PAYMENT PLANS³⁵

8,625

RESIDENTS PARTICIPATED
IN PAYMENT PLAN³⁶

Local and State Impact

With operations in 30 major markets and 22 states, Progress is proud to have an impact at the state and local level by hiring in-state talent, paying state taxes, contributing to the renovation of homes that are an asset of our local communities, and investing in new-home construction. Below we summarize our impact in our top states; for additional information, see Progress Residential Highlights Contributions to Economy and Local Communities on our website as of year end 2021.

<p>FLORIDA: 318 IN-STATE EMPLOYEES, \$207M+ STATE TAXES PAID OVER PAST 5 YEARS</p>	<p>TEXAS: 254 IN-STATE EMPLOYEES, \$150M+ STATE TAXES PAID OVER PAST 5 YEARS</p>
<p>GEORGIA: 248 IN-STATE EMPLOYEES, \$116M+ STATE TAXES PAID OVER PAST 5 YEARS</p>	<p>ARIZONA: 1,037 IN-STATE EMPLOYEES, \$32.9M+ STATE TAXES PAID OVER PAST 5 YEARS</p>
<p>NORTH CAROLINA: 142 IN-STATE EMPLOYEES, \$50.8M+ STATE TAXES PAID OVER PAST 5 YEARS</p>	<p>TENNESSEE: 154 IN-STATE EMPLOYEES, \$46M+ STATE TAXES PAID OVER PAST 5 YEARS</p>
<p>INDIANA: 52 IN-STATE EMPLOYEES, \$31.6M+ STATE TAXES PAID OVER PAST 5 YEARS</p>	<p>NEVADA: 69 IN-STATE EMPLOYEES, \$16.5M+ STATE TAXES PAID OVER PAST 5 YEARS</p>
<p>MISSISSIPPI: 138 IN-STATE EMPLOYEES, \$15M+ STATE TAXES PAID OVER PAST 5 YEARS</p>	<p>MINNESOTA: 21 IN-STATE EMPLOYEES, \$8M+ STATE TAXES PAID OVER PAST 5 YEARS</p>
<p>OHIO: 17 IN-STATE EMPLOYEES, \$6.3M+ STATE TAXES PAID OVER PAST 5 YEARS</p>	

³⁵ Any resident with a balance over \$1,000 and not already on a payment or partial payment plan is eligible.

³⁶ Residents are eligible to enter into a subsequent partial payment plan once a partial payment plan is successfully completed.



ENVIRONMENTAL

We are committed to environmental sustainability practices in the home renovations, turns, and maintenance of our existing homes as well as in our investments in new-construction homes. We know that by focusing on durability and increasing energy efficiency, we are making a lasting investment in our business, delivering a higher-quality product to our residents, and building a sustainable future in the communities in which we operate. By renovating existing housing stock and investing in energy-efficient new single-family homes, we are providing durable, more environmentally efficient homes for our residents and communities over the long term and reducing our impact on climate change.

We issued our first environmental report last year. Today, we are pleased to report on year-over-year updates and to announce additional milestones.

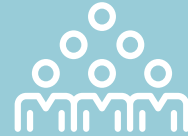
Key Environmental Highlights for 2022:



18,209 RENOVATIONS,
AVERAGING \$37,692 FOR
\$686.3 MILLION TOTAL
INVESTMENT



REACHED 50 PERCENT OF
PROGRESS HOMES FEATURING
SMART-HOME TECHNOLOGY,
REFLECTING MORE THAN
50,000 SMART HOMES



LAUNCHED ENVIRONMENTAL
TASK FORCE



\$913.2 MILLION SPENT
ON MAINTAINING,
REPAIRING, AND RENOVATING
OUR HOMES



ESTIMATED ENERGY SAVINGS
OF -11.7M KWH FROM
VERIFIED ENVIRONMENTALLY
FRIENDLY RENOVATION SCOPES



LAUNCHED 40-HOME
ENVIRONMENTAL PILOT
PROGRAM



EXPENDED \$7.5M IN
HURRICANE IAN
RECONSTRUCTION



G R E S B[®]

INAUGURAL SUBMISSION TO
GRESB FOR ~30,000 HOMES
IN SELECT FUNDS

m measurabl

PROGRESS LAUNCHES
PARTNERSHIP WITH
MEASURABL TO SUPPORT
UTILITY DATA MANAGEMENT
AND BENCHMARKING

ENVIRONMENTAL SUSTAINABILITY POLICIES

Progress has established policies that promote energy reduction, water conservation, and waste reduction for our existing homes as well as our new-construction homes.³⁷ Conservice ESG has verified our environmental policies and specifications as well as the 2022 and 2021 environmental data set forth in this section.³⁸

Renovation, Turn, and Maintenance Environmental Component Specifications:

ENERGY STAR-CERTIFIED DISHWASHERS AND REFRIGERATORS



ENERGY STAR-CERTIFIED HEAT PUMPS WITH A 14+ SEER³⁹



SMART-HOME TECH INCLUDING PROGRAMMABLE THERMOSTATS



DROUGHT-TOLERANT OR NATIVE LANDSCAPING⁴⁰



WATERSENSE-LABELED REPLACEMENT WATER COMPONENTS⁴¹



MAINTENANCE OF PLUMBING FIXTURES⁴²



AIR CONDITIONING SYSTEMS WITH 14+ SEASONAL ENERGY EFFICIENCY RATIO (SEER)⁴³



ENERGY-EFFICIENT LIGHTING⁴⁴



IRRIGATION SYSTEM REPAIRS AND REPLACEMENTS⁴⁵



CABINETS CERTIFIED BY THE KITCHEN CABINET MANUFACTURERS ASSOCIATION'S ENVIRONMENTAL STEWARDSHIP PROGRAM



SIDING MADE FROM SUSTAINABLE RAW MATERIALS⁴⁶



DURABLE COUNTERTOPS, FLOORING, SIDING, AND ROOFING⁴⁷

QUARTZ COUNTERTOPS ARE GREENGUARD CHILDREN & SCHOOLS AND GREENGUARD INDOOR AIR QUALITY CERTIFIED (GOLD)

GREENGUARD-CERTIFIED INDOOR PAINT⁴⁸

VINYL PLANK AND TILE FLOORING CERTIFIED BY FLOORSORE AND/OR GREENGUARD GOLD

CERAMIC FLOORING GREENGUARD GOLD CERTIFIED



CERTIFIED BY SCS Global Services



³⁷ For more information on environmental standards and adherence in 2022, please see the appendix.

³⁸ The appendix was prepared in part by Conservice ESG, an ESG management platform and environmental consultant.

³⁹ The appliance standards in 2022 required a minimum SEER of 13 for split-system central air conditioners in northern states and a minimum SEER of 14 in southern states. In 2022, approximately 97 percent of air conditioning systems purchased by Progress Residential had a 14 SEER rating or greater.

⁴⁰ We estimate that between 90 and 95 percent of our homes in naturally arid environments (Phoenix, Las Vegas, and Tucson) incorporate xeriscaping practices.

⁴¹ Renovation guidelines specify WaterSense-labeled bathroom faucets and tub and shower sets.

⁴² The renovation specifications specify maintenance and replacement of plumbing fixtures, appliances, and irrigation systems. This ensures that all systems operate efficiently and minimize water usage. More than \$46 million was spent on dishwasher, bath, toilet, sink, and faucet replacement and repairs in 2022.

⁴³ The appliance standards in 2022 required a minimum SEER of 14 for split-system central heat pumps. In 2022, approximately 99 percent of heat pumps purchased by Progress Residential had a SEER rating of 14 or greater, and 83 percent of the units had ENERGY STAR certification.

⁴⁴ Some, not all, of the specified light fixtures include integrated LEDs.

⁴⁵ In 2022, Progress Residential spent more than \$2.6 million on irrigation system replacements at more than 6,100 homes.

⁴⁶ Siding is made from sand, cellulose fiber, Portland cement, and water. More information is in the appendix.

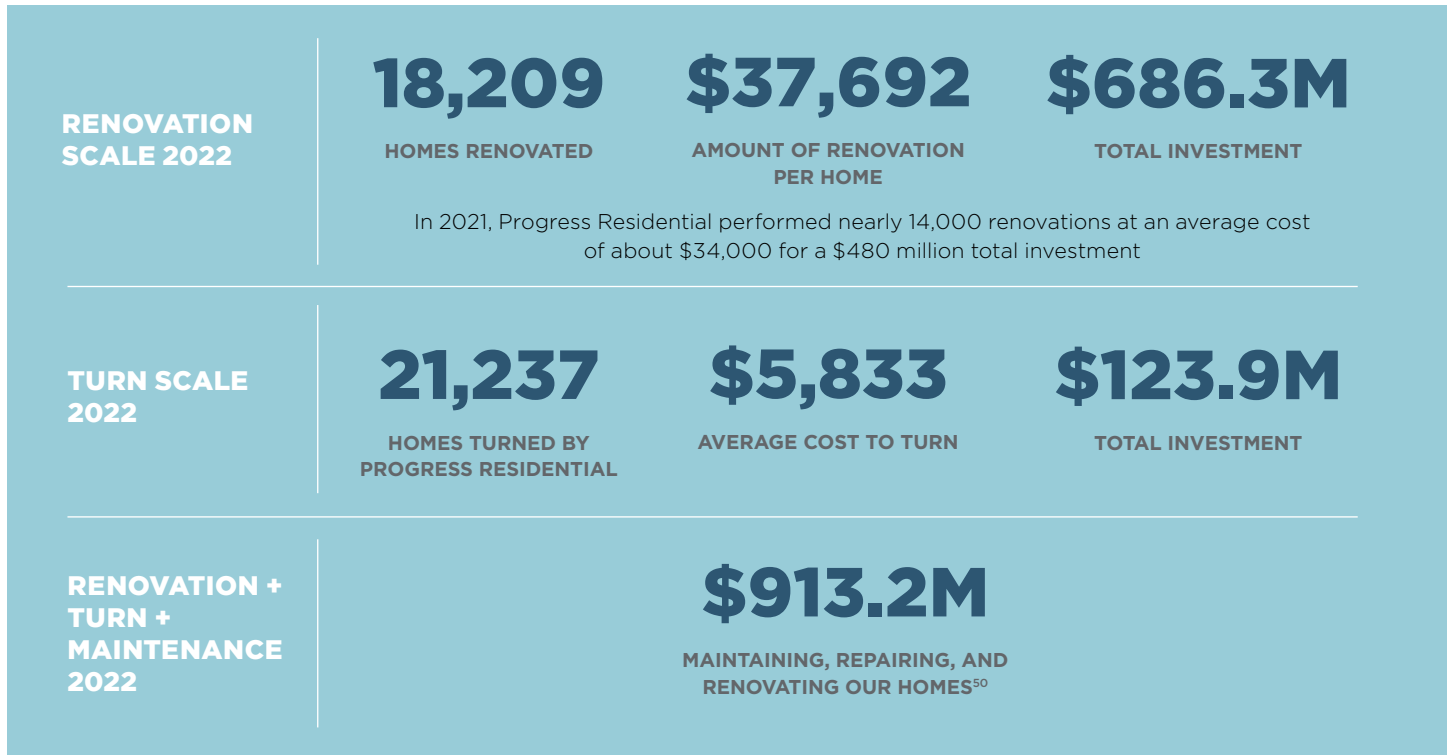
⁴⁷ Durable components include granite kitchen and bathroom countertops, hard-surface flooring, Hardie siding, and long-lived roof products. More information is in the appendix.

⁴⁸ All specified interior paints are GREENGUARD certified. Paint for ceilings, walls, trim, and doors is low-VOC (or volatile organic compounds), containing less than 50 g/L VOC.

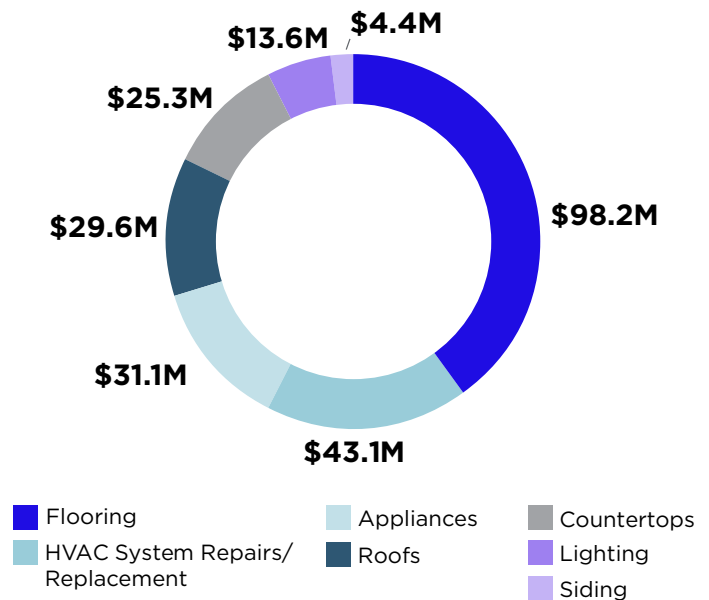
MEASURING ENVIRONMENTAL IMPACT

Capital Investment in Existing Homes⁴⁹

Investing in existing housing stock through thoughtful and sustainable renovation extends the life of each home and provides an opportunity for significant employment and capital spending in the local economy. We are committed to continue renovating existing housing stock in the United States.



Top Home Component Purchases (\$ in MM)

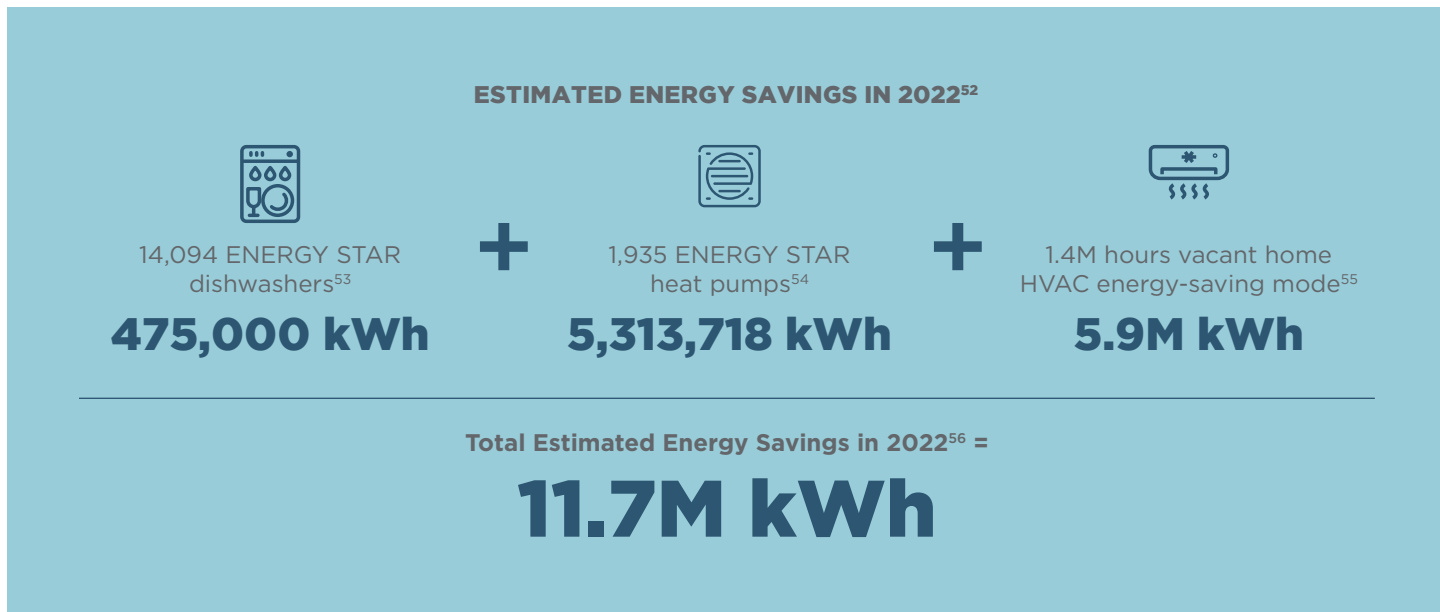


⁴⁹ Data includes approximately 3,000 homes managed by Progress Residential for third-party owners.

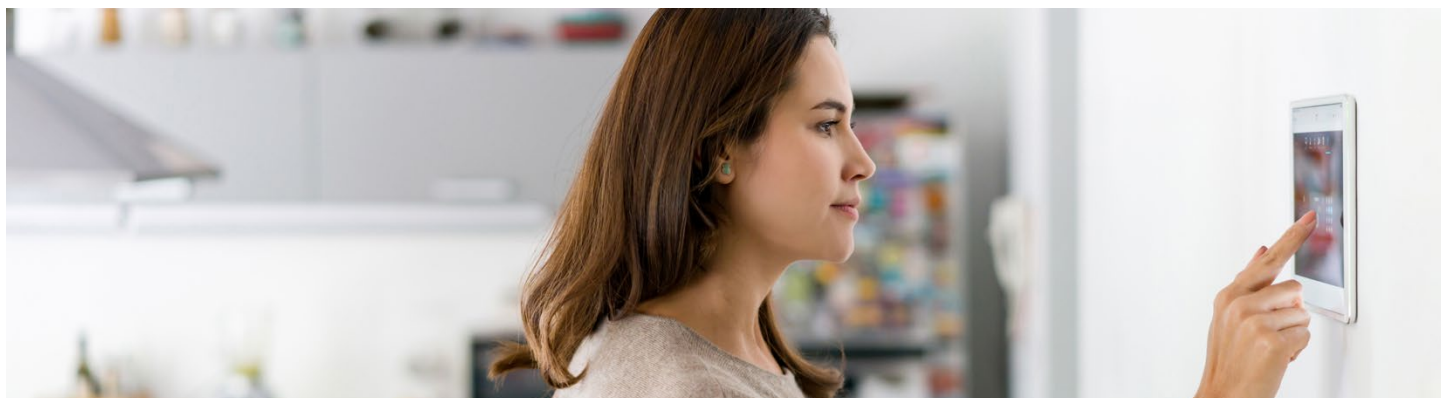
⁵⁰ Aggregating renovation scale, turn scale, and maintenance:

ENVIRONMENTAL IMPACT REDUCTION COMPONENTS⁵¹

Below, please find third-party-verified estimates of the energy reduction impact of our environmental sustainability home components in 2022.



We look forward to expanding our ability to measure our energy and water reduction each year.



⁵¹ We list environmentally friendly components purchased in 2022 to support Progress Residential's renovations, turns, and maintenance, along with comparison against our 2021 disclosures.

	2022	2021	Difference
Number of ENERGY STAR refrigerators purchased	14,294	16,444	(13)%
Number of ENERGY STAR dishwashers purchased	14,094	15,739	(10)%
Number of highly rated SEER air conditioning systems	2,864	1,115	39%
Number of highly rated SEER heat pumps purchased	2,340	1,004	43%
Amount spent on products with a long life cycle	\$151 million	\$48 million	42%

Progress Residential uses multiple purchasing systems because of the number of homes the company maintains, and not all purchasing systems are able to show historic information on ENERGY STAR designations. However, our environmental policies that contain ENERGY STAR appliance specifications for all replacements remain in place.

⁵² Conserve ESG reviewed and verified purchase order information and provided estimates of energy savings and water reduction for certain home components.

⁵³ Energy savings are calculated by comparing estimated yearly electricity use with that of a non-ENERGY STAR-certified dishwasher.

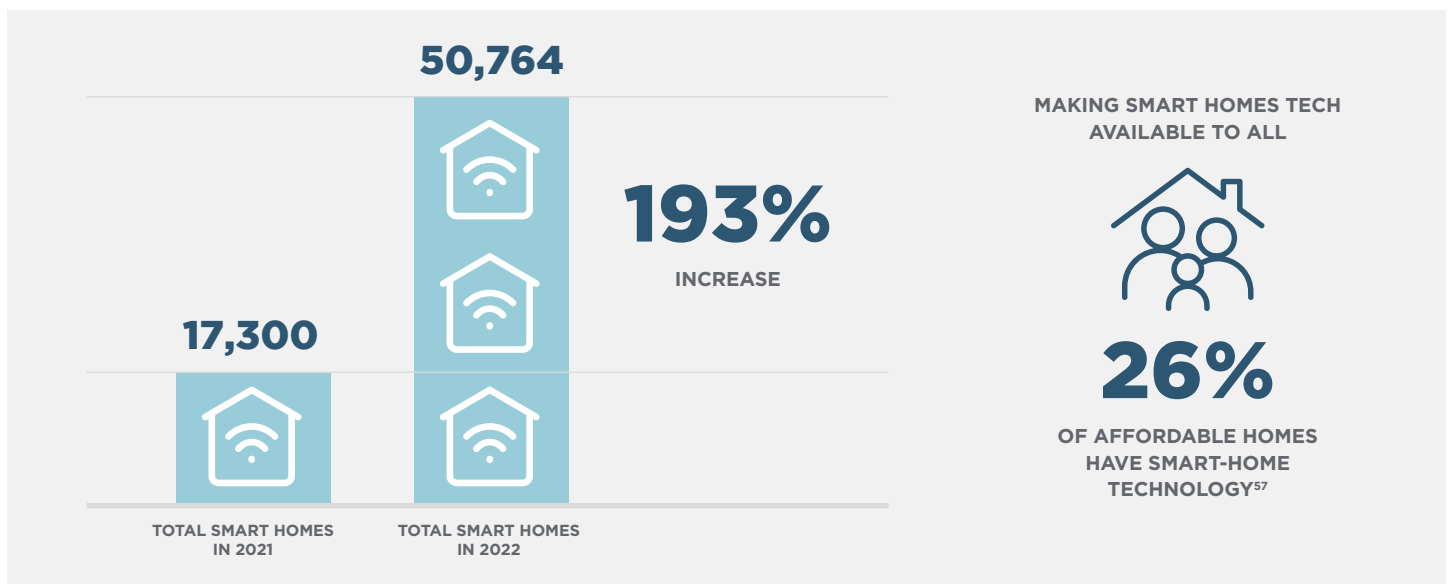
⁵⁴ A simple energy savings calculator was developed by the US EPA and US DOE to provide life cycle estimates of ENERGY STAR-qualified air-source heat pumps. Using default values and a location of Atlanta, Georgia (our largest market), the calculator provides an estimated annual energy savings of 5,313,718 kWh for 1,935 units.

⁵⁵ Progress Smart Homes include programmable or Smart Thermostats with the ability to remotely control the temperature, allowing us to capture energy savings during vacancy by enabling a preset temperature range. On average, the typical time a home is vacant from move-out to move-in is 45 days, while the average time a home is vacant for renovations is 70 days. During a typical four-week vacancy, the HVAC is set to an energy-saving mode, which reduces HVAC run time by 41 minutes per day compared with control properties. In 2022, more than 38,000 homes were enabled, resulting in savings of more than 1.4 million hours. Energy savings estimate assumes an average HVAC cooling system operates at 4.0 kW.

⁵⁶ Assuming 1,200 kWh of energy per home per month above the US Energy Information Administration's 2021 estimate of 886 kWh per month, in light of the pandemic and higher estimated energy usage in the Southeast and Texas, an estimated reduction of 11.9M kWh is equal to the energy usage of 826 homes.

PROGRESS SMART HOMES

In 2021, Progress Residential expanded its use of smart-home technology, which can reduce energy consumption, our homes' carbon footprint, and energy costs for our residents. Progress Residential met its internal target for 2022 of 50 percent of Progress homes featuring smart-home technology, reflecting more than 50,000 smart homes.



In December 2022, Progress Residential announced a target to expand homes equipped with smart-home technology to:

70%

OF HOMES BY THE END OF 2023

85%

OF HOMES BY THE END OF 2024

Progress looks forward to democratizing smart-home technology for all residents in the future.



“Access to cutting-edge ‘home of the future’ technology puts energy-saving efficiency in the hands of more families, expanding the benefits of cost savings and environmental impact to our residents.”

ADOLFO VILLAGOMEZ | Chief Executive Officer, Progress Residential

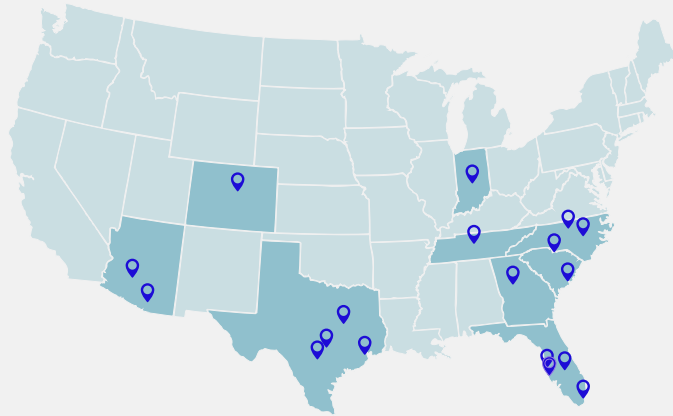
⁵⁷ “Affordable homes” refers to Housing Choice Voucher (-1,400), Forest Cove (41), and Opportunity Home homes (44). Please note -16 Opportunity Home homes are also Housing Choice Voucher.

MEASURING THE IMPACT OF NEW CONSTRUCTION

We believe under-building is a primary factor contributing to the current housing shortage. In 2021, the firm launched a strategy to drive capital to new-construction single-family homes through build-to-rent and related strategies. To fulfill this strategy, we have partnered with home builders that have established environmental and sustainability programs and practices.

NEW-CONSTRUCTION RENTAL HOMES 2022

In 2022, Pretium invested more than \$300 million in build-to-rent assets and the delivery of 836 new-construction homes in 18 markets across the United States.



ENVIRONMENTAL POLICIES OF BUILDER PARTNERS

We are proud to drive capital to this strategy. For more information, please see the appendix.

HOME AND PROCESS FEATURES



Energy reduction



Water conservation



Waste reduction



Energy and/or building certifications

KEY SUSTAINABILITY HIGHLIGHTS



12 NEW-CONSTRUCTION HOMES—6 RECEIVED NGBS IN 2022 AND 6 MORE ARE ANTICIPATED TO BE DELIVERED WITH NGBS IN 2023⁵⁸



46% OF NEW-CONSTRUCTION HAVE 100% ENERGY STAR RATING AND CERTIFICATION,⁵⁹ HERS INDEX CERTIFICATION, EPA INDOOR AIRPLUS CERTIFICATION, AND STORMWATER POLLUTION PREVENTION PROGRAM⁶⁰



100% OF NEW-CONSTRUCTION HOMES HAVE ENERGY-EFFICIENCY POLICIES ADOPTED BY OUR BUILDER PARTNERS⁶¹

⁵⁸ The National Green Building Standard (NGBS) is a green building rating system for homes and apartments approved by the American National Standards Institute (ANSI). An NGBS Green Certified home means the home meets the National Green Building Standard ICC-700. A home can attain one of four performance levels: Bronze, Silver, Gold, or Emerald. Every NGBS Green Certified home is inspected in person by NGBS. For more information on NGBS Bronze Certification and other details, please see [“The NGBS Green Promise.”](#)

⁵⁹ ENERGY STAR certification means a home is at least 10 percent more energy efficient than homes built to code, reducing both environmental and impact homeowner costs.

⁶⁰ Additional information about the greening policies of our home builder partners can be found in the appendix.

⁶¹ Additional information about environmental sustainability policies of our home builder partners can be found in the appendix.

Case Study: Energy Reduction Pilot

With more than 90,000 homes in the United States, we recognize that our energy usage makes a large impact. Our homes' energy consumption depends on our residents' personal use, but we still have room to make a difference.

Our Environmental Task Force worked with Tierra Resource Consultants to conduct an in-depth analysis of estimated asset-level home energy usage to develop:⁶²

UPDATED ENVIRONMENTALLY FORWARD RENOVATION SCOPE



Upgrading outdated HVACs to a 2022 SEER 16 model



Upgrading water heater



Increasing insulation and ductwork

20%+

Estimated energy savings per home

We expect this “green” renovation process to cost about 20 percent more than our existing scopes, but we see it as a critical step to help reduce our overall carbon footprint, especially as the grid becomes further strained.

We launched the Updated Environmentally Forward Renovation Scope as a pilot with **40** homes in January 2023 and plan to expand to about **500** more homes in eight markets during the first half of 2023.

In addition to this pilot, Progress Residential has installed energy monitoring in a subset of our homes to begin comprehensively tracking asset-level energy usage.

Our Environmental Task Force hopes the pilot has created a foundation for future opportunities that could include solar panels, batteries, virtual power plants, and more.

We are excited to expand these pilots and develop new and exciting initiatives to create more energy-efficient rental homes.



“Investing in home renovation is more than monetary. It entails respect and consideration for environmental impact and preservation of history and character through renovations and maintenance.”

HARISH RAMALINGAM | Chief Operating Officer, Progress Residential

ENVIRONMENTAL REPORTING

In 2022, the firm started to measure its alignment with the standards set forth by the Task Force on Climate-related Financial Disclosures (TCFD) through the TCFD alignment report prepared by Global Real Estate Sustainability Benchmark for the homes in the select funds submitted to GRESB. We look forward to continuing to grow in our alignment with TCFD. The firm also started to measure tenant-controlled carbon emissions in approximately 20,000 homes in our first fund. In conjunction with the Measurabl platform,⁶³ we look forward to continuing our efforts on carbon accounting disclosures.

⁶² Progress Residential does not have access to residents' electricity accounts. Electricity usage was estimated by geographical market and property type.

⁶³ Measurabl is an ESG technology platform for real estate.

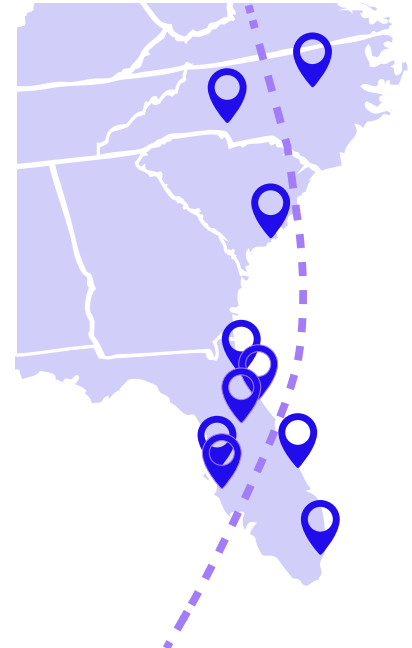
Case Study: Disaster Recovery

With thousands of homes across multiple markets, Progress Residential has developed the infrastructure needed to manage storm risk from inception to aftermath. A core team monitors weather patterns across our markets to ensure that our employees, residents, and homes are prepared before a disaster strikes. When a natural disaster does occur, Progress has created policies and procedures at the national and market level to ensure that the needs of our residents and market staff are met as quickly as possible.

HURRICANE IAN: DEPLOYING SCALE TO DELIVER IMPACT

When the National Hurricane Center began tracking a tropical disturbance several hundred miles east of the Windward Islands on September 19, 2022, the Progress Residential Disaster Response Team jumped into action.

DISASTER PREPARATION PLAN	
<p>Central Operations and Market Communication</p> <ul style="list-style-type: none"> Organizational meetings between Market leadership and Central Operation Continuous updates with Progress and Pretium leadership <p>Monitoring National and Local Disaster Preparation Needs</p> <ul style="list-style-type: none"> Market office preparedness Staff and leadership preparedness Communication backups Fleet operations Procurement Vendor management 	<p>Resident Communication</p> <p>An integral part of the disaster management (DM) plan is communicating with our residents on a variety of issues, including the following: storm preparation (both personal and property), impending likely damage, evacuation requirements, direction to follow local authorities' instructions, directions for accessing local aid, and updates on how to interact with Progress.</p>



As Hurricane Ian swept across the United States, Progress Residential markets experienced a variety of simultaneous impacts from the storm.



ASSESSING RESIDENT SAFETY

Immediately following Hurricane Ian, Progress Residential representatives began to engage with residents to understand the impact of the storm on individual residents and the assistance that was required.

The first step after the storm was to ensure there was appropriate staffing in the affected markets while allowing local staff to recover their own homes. Progress Residential's scale allowed the firm to send a full team of representatives to the Florida market to fill this need.

Company representatives visited homes in affected areas that had not responded to outreach efforts. Using a technology that geolocates all Progress properties and creates real-time mapping, Progress located homes that the firm knew were affected by storm damage and then identified nearby properties that were likely to also be damaged and where residents had not responded.

As a result, Progress teams visited 400 homes to ensure safety and habitability and identified 22 households with significant damage. The team relocated the residents of those households to vacant, undamaged Progress Residential homes. Rent concessions and expedited returns of security deposits were provided to reduce or eliminate financial hardship and ensure that residents were able to relocate as quickly as possible.

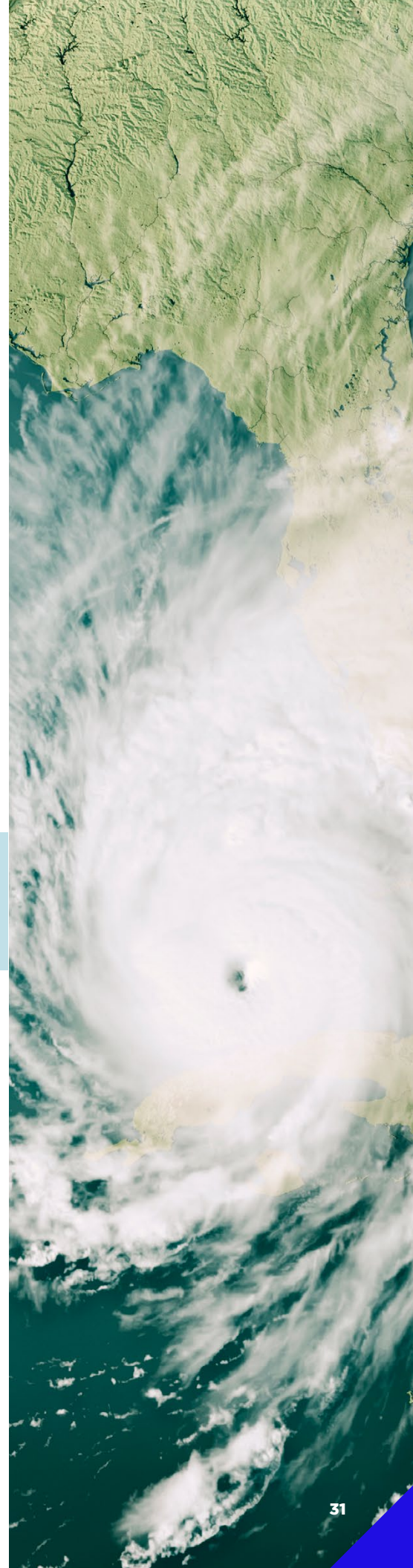
STORM REPAIRS

While actively addressing the immediate needs of our residents, Progress Residential was also repairing damaged homes as quickly as possible.

Using its scale and resources, Progress was able to manage:

9,388

WORK ORDERS AT A NET COST OF \$7.5M



CREDIT STRATEGIES

Increasing access to credit for individuals, families, and real estate entrepreneurs and companies, along with business interests in various sectors of the economy, including consumer, industrial, communications, and technology companies is the goal of our credit strategies.

Pretium's Residential Credit strategy focuses on driving capital to increase access to mortgage credit and to drive homeownership success. While the Corporate and Structured Credit strategy focuses on corporate borrowers.



RESIDENTIAL CREDIT

Increasing Access to Mortgage Credit

Established in 2014, Pretium’s Residential Credit strategy focuses on increasing access to mortgage credit by investing in:

- Mortgage loans to self-employed homeowners
- Mortgage loans to real estate entrepreneurs and companies acquiring and renovating homes

The investment strategy in Residential Credit is premised on driving access to credit by originating loans through Deephaven and Anchor Loans responsibly with bespoke underwriting to drive low defaults.

INVESTMENT LEADERS



JONATHAN BABKOW
Senior Managing Director,
Co-Head of Residential Credit



MATT NICHOLS
Senior Managing Director,
Co-Head of Residential Credit

Deephaven Mortgage

Founded in 2012, Deephaven focuses on increasing access to mortgage credit for self-employed borrowers and real estate entrepreneurs and companies who are underserved in the traditional mortgage market.

DEEPHAVEN TEAM LEAD



JOHN KERATSIS
President & CEO

“Deephaven has been a leader for over ten years in creating the Non-QM market to serve the millions of credit-worthy borrowers, who would otherwise have been excluded from the residential mortgage market.”

MATT NICHOLS | CHAIRMAN, DEEPHAVEN BOARD

Number of self-employed people in the US:
more than
~16M⁶⁴

Deephaven is licensed in
46 states
and the
District of Columbia

KEY STATS 2022

TOTAL NUMBER OF DEEPHAVEN BORROWERS:

4,600+
FOR
\$2.1B

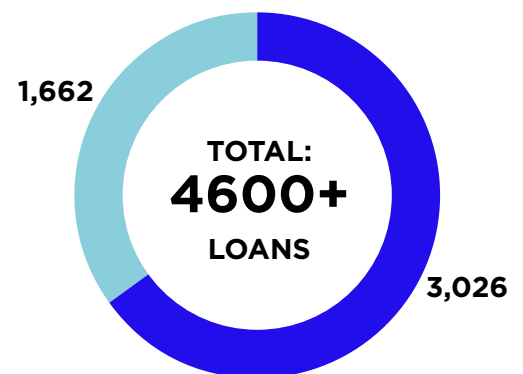
IN TOTAL LOAN VOLUME ORIGINATION

82%

OF DEEPHAVEN’S HOMEOWNERSHIP LOANS WERE TO SELF-EMPLOYED ENTREPRENEURS

LOANS TO BORROWERS

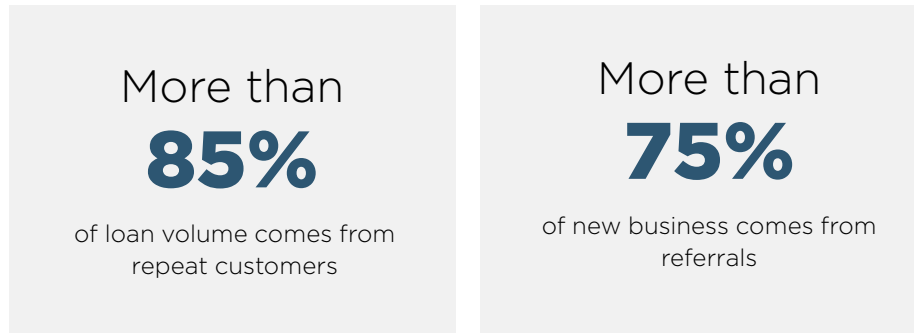
- Homeowner borrowers
- Business-purpose borrowers



⁶⁴Rakesh Kochhar, “The self-employed are back at work in pre-COVID-19 numbers, but their businesses have smaller payrolls,” Pew Research Center, November 3, 2021.

Anchor Loans

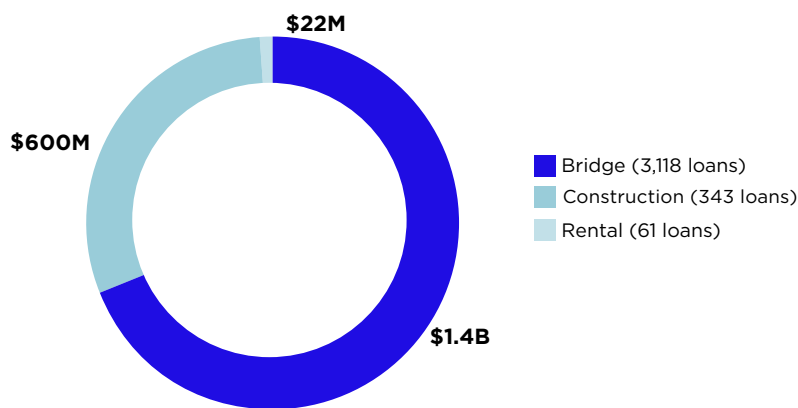
Established in 1998, Anchor Loans' mission is to provide competitive financing to help real estate investors upgrade aging homes, build new homes,⁶⁵ improve neighborhoods, and expand housing opportunities.⁶⁶ Anchor operates in 48 states.



Anchor Loans offers:

- Bridge loans for property purchase and rehab for single- and multifamily properties
- New-construction loans for single- and multifamily properties
- Rental loans for one- to four-family properties from \$100,000 to \$2 million

Anchor loan volume by loan type, %⁶⁷



Anchor lends to investors with three or more successfully completed projects in the past 18 months, though most of Anchor's borrowers have completed at least 30 projects.

"Twenty-five years ago, Anchor Loans founded the business of supplying capital to single-family real estate developers and entrepreneurs, enabling them to support communities with renovated homes. I am excited to execute on our ultimate mission of upgrading America's housing stock while closing the gap between demand and supply of move-in-ready homes."



RAY MATHODA | CEO, Anchor Loan

KEY HIGHLIGHTS 2022

TOTAL LOANS FUNDED:

3,592

TOTAL LOAN VOLUME:

\$1.96B

TOTAL REPAIRS SPENT:⁶⁸

\$466M

⁶⁵ With new housing construction depressed since the global financial crisis, the percentage of new home transactions has fallen to 13-15 percent in recent years from 24-29 percent in the 1990s and early 2000s. There has been a corresponding increase in the median age of homes purchased from 18 years in 2011 to 28 years in 2021. This has meaningful implications for the investment and upkeep requirements for home purchasing as operating expenses, because operating expenses tend to increase significantly as homes age after approximately year 25. See Jessica Lautz, "With an Aging Housing Stock, What Are Buyers Purchasing?" National Association of Realtors, February 8, 2022.

⁶⁶ Since its inception in 1998, Anchor Loans has made more than \$12.6 billion in loans and funded more than 32,000 loans.

⁶⁷ Data as of December 31, 2022.

⁶⁸ Including planned underwritten repairs.

Driving Borrower Stabilization

Pretium's Residential Credit strategy also focuses on acquiring loans originated and/or serviced by third parties where over time the borrower struggles with payments. This investment strategy aligns investor expectations with stabilization of borrowers and is driven through loan restructures to keep borrowers in their homes sustainably and affordably.

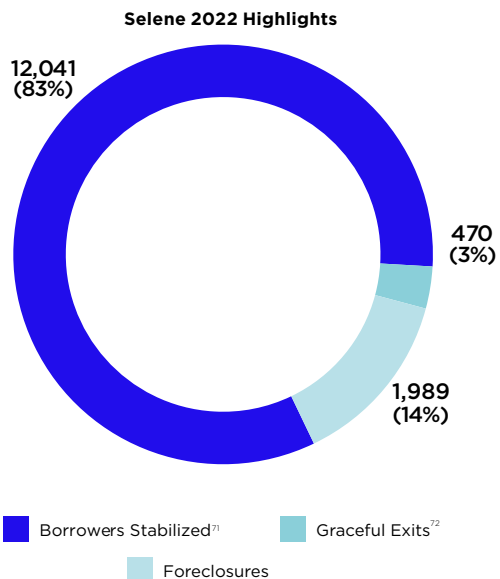
Selene Finance

Selene Finance is a specialty mortgage servicer that services Pretium and third-party mortgage loans. Selene also has expertise working with borrowers to cure defaulted loans through a high-touch specialty servicing model that includes:

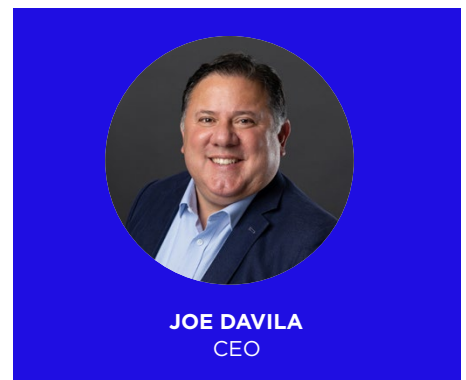
- Tailored solutions: Selene works with the borrower to create a tailored solution focused on driving re-performance and helping the borrower become stabilized.
- Affordability: Selene works to ensure affordability for borrowers, using retention options that target a debt-to-income ratio of 40 percent.
- Multiple retention options: Selene offers forbearance and loan modifications including forgiveness, rate adjustment, loan extension, and principal deferral.
- Graceful exits: When re-performance is not viable based on the borrower's financial situation, Selene works with the borrower to avoid foreclosure through a short sale or deed in lieu, or to provide relocation assistance.⁶⁹

KEY HIGHLIGHTS 2022⁷⁰

- 83 percent of borrowers were stabilized and retained their homes (-12K+ borrowers)



- Of the 12K+ stabilized homeowners, ~ 3K homeowners were supported by approximately:
 - \$36.8million in Federal Homeowner Assistance Fund support facilitated by multiple Selene teams
 - Supporting 2,906 homeowners



“Selene’s tailored loss mitigation solutions help borrowers reperform at high rates. We are proud to have created value for our investors by stabilizing such a high percentage of homeowners facing affordability issues and financial stress.”

JONATHAN BABKOW | CO-HEAD OF RESIDENTIAL CREDIT, PRETIUM

⁶⁹ None of the nonretention options include transfer to Pretium's SFR portfolio.

⁷⁰ Selene 2022 highlights are for Pretium Residential Credit Funds only; does not include loans to non-Pretium clients.

⁷¹ Total retention volume was up 197 percent from 2021.

⁷² Graceful exits include short sale, short payoff, deed-in-lieu, cash for keys, and consent judgment.

CORPORATE CREDIT

Established in 2017, the Corporate and Structured Credit strategy invests in credit to mostly US business through fundamental credit (issues of CLOs), structured credit (investments in CLOs), event-driven investing in corporate loans and public markets, as well as in legal opportunities. Pretium’s Fundamental Credit team is the entry point for integration of ESG into the strategy. In 2020, Fundamental Credit launched an ESG analysis and review framework that effectively “grades” all individual company loans within the corporate credit portfolio. In 2022, the team expanded its proprietary trading system, Pretium LATTICE, to further incorporate ESG considerations into its investment analysis.

Corporate credit ESG data is complex and has not been standardized across the industry. Continuous improvement and expansion of the ESG grading system is anticipated as ESG further integrates into the industry.

Our Credit Investment Strategy

PRETIUM CREDIT MANAGEMENT CURRENTLY MANAGES:

- six collateralized loan obligations
- a credit alternative fund

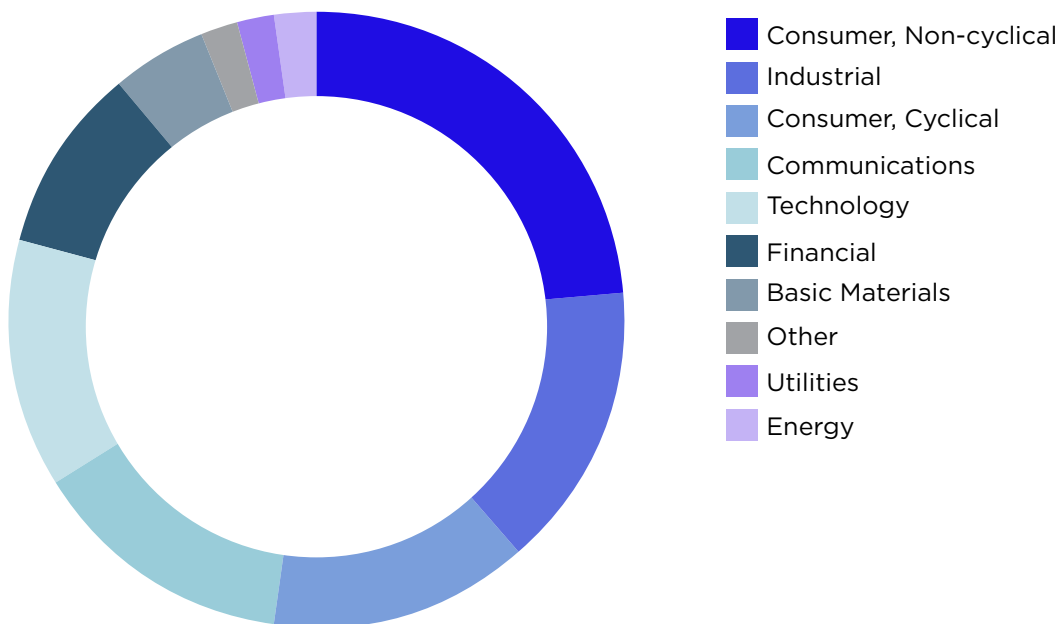
THE CORPORATE CREDIT TEAM INCLUDES:

- sector generalists focused on ideageneration and research
- distressed credit specialists
- credit traders

THE SELECTION PROCESS IS FOCUSED ON COMPANIES:

- with substantial asset values
- operating in businesses with high barriers to entry
- with sustainable competitive advantages

Corporate Sector Industry Exposure, %⁷³



⁷³ Represents all Fundamental Credit data as of December 31, 2022.

Integrating ESG

ESG RATING PROCESS

For each credit in the portfolio as well as credits reviewed in the primary and secondary markets:

Fundamental Credit team analysts assign a score from 1 (positive) through 5 (negative) to an environmental category (E), a social category (S), and a governance category (G).

ENVIRONMENTAL

- resource consumption
- waste generation
- climate impact

SOCIAL

- labor policies
- customer relations
- ethical considerations

GOVERNANCE

- financial strategy
- board composition
- compliance and reporting

Analysts then assign an overall ESG score to the credit based on E, S, and G subcategories. Pretium LATTICE, the firm's proprietary analytics platform, tracks the overall ESG score for each owned credit and aggregates scores for Pretium-managed portfolios.

OTHER ESG CONSIDERATIONS

Can accommodate companies with an "ESG pricing grid," where pricing on outstanding debt may increase or decrease depending on clear ESG targets.

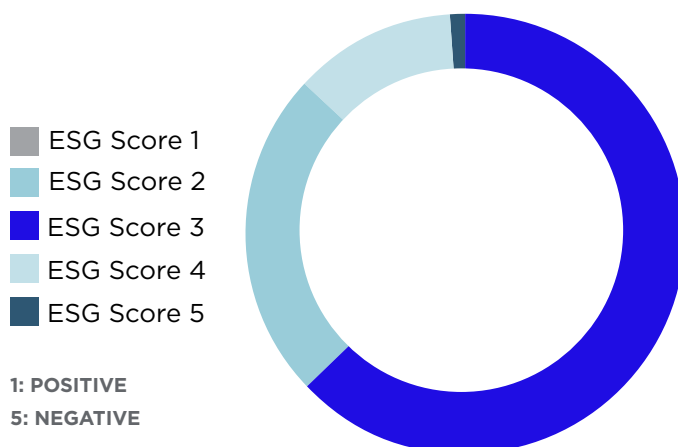
EXCLUSIONS

The Fundamental Credit team has adopted an exclusionary policy restricting investment in any company where a material part of the company's business activity (including the provision of key related products and services) is in certain identified sectors that we believe to be inconsistent with responsible approaches to environmental, social, and governance issues.

These sectors include adult entertainment; Arctic resource extraction; coal-fired electricity-generation plants; controversial military weapons; handguns, shotguns, sport rifles, semiautomatic weapons, and related ammunition; opioids; predatory lending; private prisons; production of radioactive materials; tobacco; trade of endangered or protected wildlife; and conflict minerals.

Pretium is committed to engaging with relevant parties (such as company management, syndicating banks, sponsors, and co-lenders) to improve and standardize ESG reporting to better assess risk and promote sustainable business practices for the benefit of all stakeholders.

Portfolio by ESG Score, %⁷⁴



MOST ESG SCORES
ARE SCORED A

3

TOTAL
NUMBER OF
BORROWERS:

392

"ESG has become an increasingly important and economically driven factor in corporate credit investing. Companies that do not work to make ESG a priority will see their cost of funding increase over time."

ROBERTA GOSS | Senior Managing Director and Head of Fundamental Credit

⁷⁴ Represents all Fundamental Credit data as of December 31, 2022.

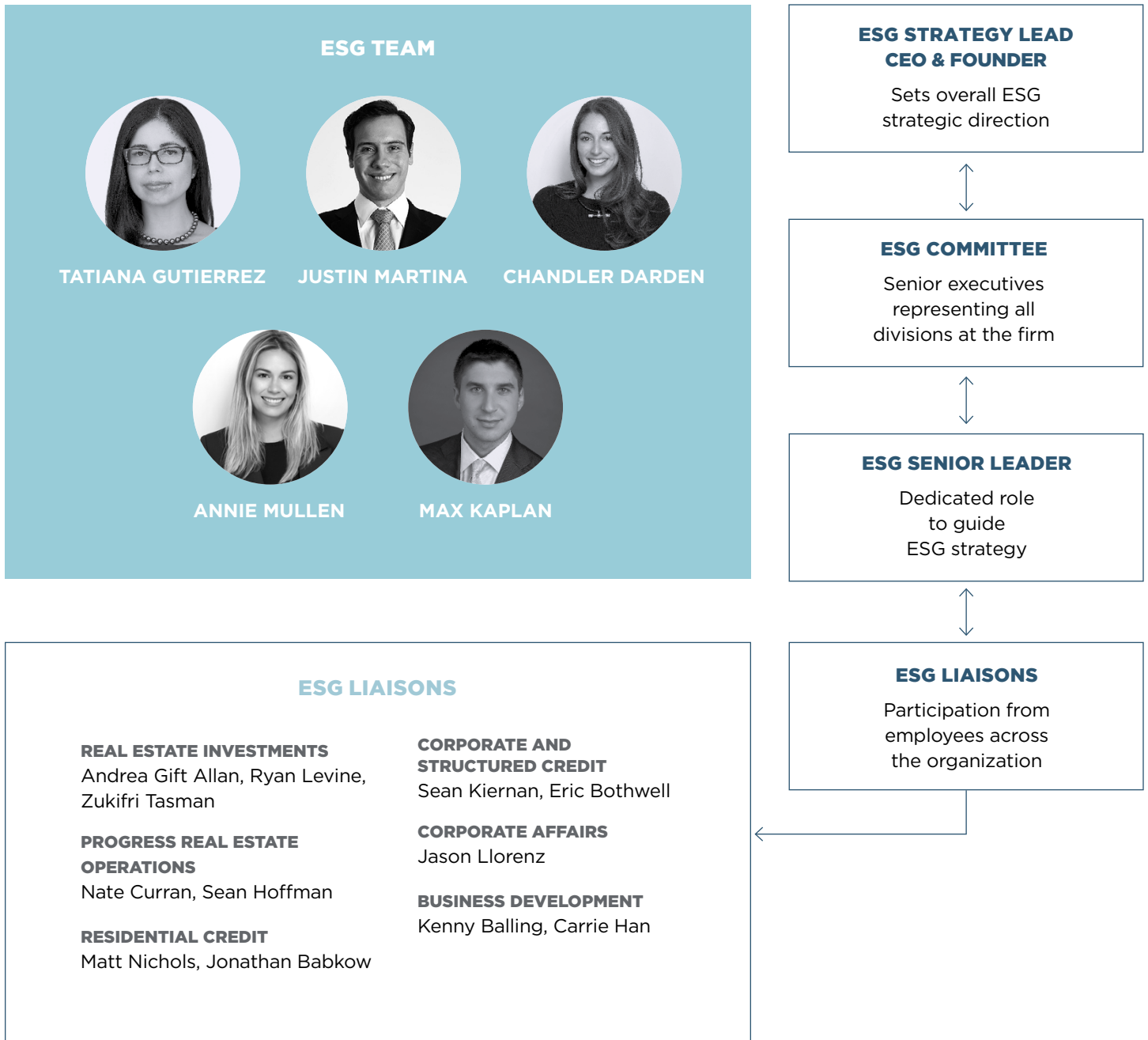


GOVERNANCE

Robust corporate governance supports informed decision-making, helps create a culture of compliance, and mitigates risk. The addition of the ESG perspective since 2021 has fostered a more transparent and enriched governance structure that enables firm-wide participation and draws upon the perspectives of a diverse pool of professionals in both background and experience. In 2022, we expanded our governance framework to include additional focus areas and benefit from the talent we added to the firm.

ESG Governance and Oversight

Pretium's ESG program is guided by our founder and chief executive officer, Don Mullen, who is responsible for setting Pretium's overall strategic direction, aligning ESG considerations with the delivery of value. We recognize the importance these factors play in investors' priorities and decision-making when selecting partners. The ESG program is overseen and implemented by an ESG committee, composed of senior executives representing Pretium's various business units. The ESG Committee is chaired by Tatiana E. Gutierrez, Pretium's head of ESG.



ESG LIAISONS

<p>REAL ESTATE INVESTMENTS Andrea Gift Allan, Ryan Levine, Zukifri Tasman</p> <p>PROGRESS REAL ESTATE OPERATIONS Nate Curran, Sean Hoffman</p> <p>RESIDENTIAL CREDIT Matt Nichols, Jonathan Babkow</p>	<p>CORPORATE AND STRUCTURED CREDIT Sean Kiernan, Eric Bothwell</p> <p>CORPORATE AFFAIRS Jason Llorenz</p> <p>BUSINESS DEVELOPMENT Kenny Balling, Carrie Han</p>
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History of ESG at Pretium

- | | | |
|--|---|--|
| <p>Q2</p> <ul style="list-style-type: none"> • ESG Committee established • Dedicated ESG leader hired | <p>Q1</p> <ul style="list-style-type: none"> • Environmental Task Force launched • Firm issues 1st Environmental Report for SFR • ESG Committee adopts ESG Policy | <p>Q3</p> <ul style="list-style-type: none"> • Launch of ESG integration into RE investments • Firm becomes signatory to UN PRI • Firm becomes signatory to CFA DEI Code |
|--|---|--|

2021	2022	
<p>Q4</p> <ul style="list-style-type: none"> • DEI Committee established • Head of ESG joins WELL Homes Advisory⁷⁵ 	<p>Q2</p> <ul style="list-style-type: none"> • Launch of ESG integration into RE operations • DEI Committee adopts DEI Statement • Firm issues 1st annual State of ESG • Inaugural GRESB submission for SFR 	<p>Q4</p> <ul style="list-style-type: none"> • Progress Residential issues 1st environmental target • Firm partners with Measurabl to manage ESG data • Firm launches First-Generation College Student Fellowship for 2023 summer internship program



“The strides we made in ESG this year have meaningfully furthered the ability of our governance to create lasting value for our stakeholders.”

JEFFREY MERIGGI | Chief Business Affairs and Legal Officer

⁷⁵ The WELL Homes Advisory was established to develop health and well-being standards in single-family homes. It was launched by the International WELL Building Institute (IWBI) to guide IWBI in expanding evidence-based, third-party-verified WELL offerings to address the design and construction of single-family homes.

ESG Integration

STAKEHOLDER ENGAGEMENT

OUR STAKEHOLDERS

INVESTORS

OUR RESIDENTS

OUR EMPLOYEES

COMMUNITIES
OUR INVESTMENTS
TOUCH

The Head of ESG liaises with corporate affairs, human capital, real estate research, and real estate operations to support stakeholder engagement.



JOCELYN MOORE

Senior Managing Director
and Head of Corporate
Affairs



LAURA CAPPIELLO

Chief Human Resources
Officer



NISHU SOOD

Head of Real Estate
Research



ADOLFO VILLAGOMEZ

CEO of Progress
Residential

“We strive to anchor strategy in data driven economic insights into the US residential landscape. This transparent approach aims to ‘get it right’ for all stakeholders, from investors to residents and communities.”

NISHU SOOD | MANAGING DIRECTOR AND HEAD OF REAL ESTATE RESEARCH, PRETIUM

“Always on” participation in national, state, and local conversations pertinent to the families and communities our investments touch:

- Producing and communicating data-driven economic insights into the US residential landscape for the benefit of all stakeholders
- Educating our stakeholders about our role in investing to address social issues such as the American housing supply shortage and housing affordability as well as the opportunity for partnership
- Regular meetings with our investors to discuss ESG
- New and innovative ways to engage with our real estate residents
- New programs, practices, and divisions to support our employees



19 ESG LINKEDIN POSTS



5 HOUSING INSIGHTS



6 PRESS RELEASES RELATED TO ESG OR DEI

MATERIALITY ASSESSMENTS

NOW Based on discussions about ESG with our investors, employees, residents, strategic nonprofit and community-based partners, ESG consultants, and other stakeholders in 2022, the following topics were recurring themes:

ENERGY EFFICIENCY	RESIDENT ENGAGEMENT	AFFORDABLE HOUSING	EMPLOYEE TRAINING AND EDUCATION

NEXT The firm intends to conduct a formal materiality assessment in 2023 with a third-party consultant.

ESG INTEGRATION INTO INVESTMENT AND OWNERSHIP

Investment Integration

The ESG team develops and deploys social analysis to inform investment acquisitions and promote deployment of capital across the spectrum of housing types and census tracts within real estate investments in accordance with our ESG policy.

Ownership and Operations Integration

The ESG team:

- informs social impact strategies to support the needs of residents managed through real estate (RE) operations
- advises RE operations in assessing deployment opportunities to promote strategies to expand and scale affordable housing
- supports the Environmental Task Force in deploying technology solutions and platforms to move forward with measuring, monitoring, target setting, and building certifications
- builds national, state, and local partnerships with nonprofit community-based organizations that align with our commitment to affordable housing and resident-centric community-informed strategies
- participates in national affordable-housing and environmental industry groups to promote the participation of single family in the landscape for affordable and workforce housing and climate change solutions

“The US housing market is one of the largest investable asset classes in the world. If we can lead the way on ESG in housing, we can have an enormous impact on people’s lives and improve financial results for our investor partners.”

JOSH PRISTAW | Head of Real Estate

KEY HIGHLIGHTS⁷⁶

1**

CONSULTANCY FOR COMMUNITY DEVELOPMENT



1,727**

ESG ANALYSES CONDUCTED IN 2022, COVERING 6 PORTFOLIOS



3**

AFFILIATIONS WITH ESG GROUPS



3***

AFFILIATIONS WITH AFFORDABLE HOUSING GROUPS



2***

CONSULTANCIES FOR ENVIRONMENTAL



\$2M

SPENT ON SOCIAL PROGRAMS



OPPORTUNITY HOME PROGRAM

⁷⁶ *Progress Residential;**Pretium.



“We are proud of the value Pretium delivers through integration of ESG across our products and portfolio. Our integrated approach meets clients’ growing demand for investments grounded in sustainability.”

GUY CLARK | Managing Director and Head of Client Relations, Pretium

REPORTING AND BENCHMARKING

NOW

- Annual State of ESG
- Investor ESG and DEI due diligence questionnaires (DDQs)
- GRESB
- United Nations Principles for Responsible Investing
- Chartered Financial Analyst Institute Diversity, Equity and Inclusion Code

NEXT

- Aligning with TCFD disclosures
- Climate scenarios
- Fund-level investor ESG reports

KEY Highlights

49

DUE-DILIGENCE QUESTIONNAIRES COMPLETED IN 2022 PERTAINING TO ESG AND DEI

ESG AND DEI DDQS ACCOUNTED FOR

26%

OF ALL DDQS

145%

YEAR-OVER-YEAR INCREASE IN ESG/DEI DDQS

There can be no assurance that the above will materialize.

PRETIUM GOVERNANCE STRUCTURES

The firm has established a variety of committees and processes to support sound decision-making:

EXECUTIVE COMMITTEE

Senior leaders and the CEO meet regularly to discuss the direction of the firm and ESG initiatives.

INVESTMENT COMMITTEES

Investment leaders in Real Estate, Residential Credit, and Corporate and Structured Credit oversee investments transactions, portfolio management, and compliance.

COMPLIANCE AND REGULATORY

Legal and compliance department monitoring conflict procedures, our code of ethics, and more.

ESG COMMITTEE

Convening senior leaders representing all aspects of the firm, this committee promotes the use of sound ESG business principles and practices to maximize stakeholder interests.

FINANCE COMMITTEE

This committee is responsible for overseeing all financing transactions and capital activities.

RISK MANAGEMENT COMMITTEE

This committee is responsible for overseeing enterprise risk management.

COMPENSATION COMMITTEE

The mission of this committee is to align firm culture and drivers with socially responsible oversight.

DEI COMMITTEE

Comprising diverse professionals at different levels of seniority, this committee oversees DEI initiatives.

CASH MANAGEMENT PROCESS

This process is a robust control framework across cash and capital activity as well as financial reporting.

VALUATION COMMITTEE

Senior professionals across the firm, not responsible for investments, who coordinate clear valuation policies and methodologies across investment strategies.

FINANCIAL CONTROLS COMMITTEE

This committee is responsible for overseeing implementation of relevant accounting standards, review of all financial statements, and related accounting mandates.

EXPENSE ALLOCATION COMMITTEE

Committee members are responsible for overseeing and instituting replicable frameworks for expense allocation to promote fairness and transparency.

PROJECT OVERSIGHT COMMITTEE

This committee approves and oversees new projects to ensure consistency, quality control, and transparency.

KEY GOVERNANCE HIGHLIGHTS

3

COMPLIANCE AND CYBERSECURITY TRAININGS

360

TOTAL HOURS OF COMPLIANCE TRAINING AT FUND MANAGER

\$31.8M

OF TECH SPEND IN 2022 ACROSS ALL PRETIUM ENTITIES⁷⁷

4

DEDICATED COMPLIANCE PROFESSIONALS, INCLUDING CHIEF COMPLIANCE OFFICER



CHERYL ZABALA
Chief Compliance Officer

TECHNOLOGY

Complex and operationally intensive asset management requires significant investment in technology across the Pretium ecosystem.



PRETIUM
RAMKI RAMASWAMY
Chief Technology Officer



PROGRESS
KEN BARNES
Chief Technology Officer



DEEPAVEN
MATT LEHNEN
Chief Technology Officer



SELENE
JAMIE VINCI
Chief Technology Officer



ANCHOR
ERIK KLEIN
Chief Technology Officer



PRETIUM
LAUREN CIPICCHIO
Head of Central Quantitative Strategies

⁷⁷ This figure represents estimated 2022 spend, not actual, and the figure may not include figures charged back to funds.

Introduction to Key Committees



DON MULLEN

CEO Don Mullen leads a team of more than 25 senior leaders on the Executive Committee. These leaders include the Senior Managing Directors of each investing vertical and discipline at the firm and the four CEOs of our Operating & Portfolio companies. These leaders are also represented within our ESG & DEI Committees—ensuring that leadership is represented to drive these strategies forward.



**LEE
ALEXANDER**



**RALPH
CANADA**



**LAURA
CAPIELLO**



**GUY
CLARK**



**FRANK
GARCIA**



**TATIANA
GUTIERREZ**



**TED
HUFFMAN**



**AJ
JACKOWSKA**



**SEAN
KIERNAN**



**SARAH
KONG**



**AMAR
KUCHINAD**



**ALEXANDRA
LUSTIG-ELGRABLY**



**JASON
LLORENZ**



**JUSTIN
MARTINA**



**JONATHAN
MELTZER**



**JEFFREY
MERIGGI**



**JOCELYN
MOORE**



**ANNIE
MULLEN**



**JOSHUA
PRISTAW**



**JENNIFER
STRICKAW**



■ Executive Committee ■ ESG Committee ■ DEI Committee



DIVERSITY, EQUITY, AND INCLUSION

Pretium is committed to developing a diverse and inclusive workforce at the firm and within our operating and portfolio companies. We are steadfast in our belief that a diverse and inclusive workforce will maximize not only the well-being of our employees but also the investment and operating performances of the firm and its operating companies.

In 2022, we adopted the following DEI Commitment.

OUR COMMITMENT

Pretium strives to have a diverse workforce reflective of the communities in which we operate. We believe this driving principle will make us a better firm—one that is better able to deliver value to our investors. We are committed to embracing and developing best practices in diversity, equity, and inclusion across our platforms through the following actions:

- Developing recruitment, retention, and promotion practices that focus on expanding our workforce to reflect the communities in which we operate
- Developing workforce policies that reflect awareness, inclusivity, respect, equitable opportunity, and a fulfilling work environment for employees of any race, ethnicity, religion, LGBTQ+, familial, and/or disability status
- Developing and promoting a network of diverse partners, consultants, suppliers, vendors, and third-party professionals
- Benchmarking, disclosing, reviewing, and improving on our DEI strategies year over year
- Educating ourselves regularly and engaging around unconscious bias, racial justice, and any other material DEI topics that affect our communities, our business, and/or our stakeholders
- Embracing a leadership role in DEI within our relevant industries

In 2022, we continued to take actions to promote diversity, equity, and inclusion at the firm and across the industries and communities in which we work.



DEI FRAMEWORK

DEI Action Plan

In 2022, the firm pushed forward on building out an actionable plan to implement our DEI Commitment.



RECRUITMENT, RETENTION, AND PROMOTION:

- Train all leaders in best practices to decrease bias.
- Monitor recruitment and promotion decisions.



WORKFORCE POLICIES AND ENVIRONMENT:

- Facilitate and sponsor the creation of employee resource groups.
- Implement engagement survey(s) to action for planning.



DIVERSE NETWORKS:

- Monitor broad diversity markers for outside consultants and partners.



BENCHMARKING AND REPORTING:

- Implement internal reporting to key stakeholders on diversity metrics across all categories.
- Benchmark with CFA DEI Code.
- Report diversity markers transparently in public annual report.



EDUCATION:

- Facilitate intensive DEI training to Pretium leaders.
- Facilitate ongoing DEI training to all Pretium employees.



LEADERSHIP ON DEI:

- Continually educate DEI leaders on evolving best practices.
- Maintain engagement with external organizations, employees, and resource groups to drive dynamic processes.

DEI Committee

This work was driven by the DEI Committee and its partners within Learning & Development and Recruiting. The DEI Committee was established in 2021 to help develop, implement, and maintain best practices within the firm and its operating companies with the primary intent of maximizing investment and operating performance.

RECRUITING, RETENTION, AND PROMOTION

A key piece of our business strategy is to develop recruitment, retention, and promotion practices that focus on expanding the firm's workforce to reflect the communities in which we operate.

Recruitment

GIRLS WHO INVEST

We are continuing our partnership with Girls Who Invest for a second year. Girls Who Invest focuses on increasing the representation of women in investment management roles. Our contributions to Girls Who Invest support the organization's robust training program, and in addition to our financial contributions, we host two interns each summer to help bring their classroom training to life.

PRETIUM FIRST-GENERATION COLLEGE STUDENT FELLOWSHIP PROGRAM

The fellows will be part of the internship class and will receive additional support in the form of scholarships, housing assistance, and senior mentorship. We had 246 applicants to the program and will select approximately five interns to participate in the summer program.

RIPPLE MATCH

We invested in a new diversity-focused sourcing tool that amplifies information regarding internship & career opportunities to students who identify as part of an underrepresented population. This has allowed us to expand the representation of diverse candidates in our applicant pool and to broaden awareness of our internship opportunities.

"Women are leading across Pretium's core business strategies. Our partnership with Girls Who Invest is near and dear to us, in ensuring that the future of finance includes many more women leaders."

SARAH KONG | Managing Director, Residential Credit, Pretium, on Girls Who Invest relationship

"By attracting, and investing in, a diverse talent pipeline, we ensure Pretium's long-term competitiveness."

AMY PERSSON | Senior Vice President, Talent Acquisition - Human Capital, Pretium, on First-Generation College Student Fellowship Program



INTERVIEW BEST PRACTICES

As part of our commitment to embracing and developing first-class business practices, the Pretium Enterprise Services Learning and Development team has launched training on best practices in interviewing. Provided to all of our people leaders, this training will teach participants the best practices for hiring and retaining the best diverse talent by:

- recognizing forms of unconscious bias and how it affects inclusion and decision-making
- enabling leaders to assess candidates regarding behaviors associated with organizational values
- using behavioral questions in interviews to uncover job-related skills and to minimize bias
- building skills to use an objective, consistent, and unbiased process for evaluating candidates

CANDIDATE EXPERIENCE AWARD

Progress Residential won the Global Candidate Experience Award for the second year in a row. This award reflects satisfaction levels of 200,000 job candidates based on competitive analysis by the Talent Board, a nonprofit research organization. Progress is proud of its commitment to creating an excellent experience for candidates who consider Progress in their job search.⁷⁸



WORKFORCE DEVELOPMENT PROGRAM

In 2021, Progress Residential launched the Workforce Development Program. A highly trained and skilled workforce is essential to successfully providing our services to our residents and communities. We recognized a lack of support and room for improvement in the advancement of the skilled-trades workforce and launched new technical-school and college partnerships to provide a platform to create new talent streams of trained skilled workers.

Through this program, we have partnered with 32 schools and hired 25 employees. We are continuing to build partnerships and expand this program across our markets.

32

PARTNER SCHOOLS

12

ACTIVE MARKETS

4,800

COURSES COMPLETED

94%

APPRENTICES WHO ACCEPT JOB OFFERS

25

HIRES

80%

HIRES WHO IDENTIFY AS ETHNICALLY DIVERSE

Five Most Active Partnership Schools



ADVANCED TRAINING INSTITUTE
(Nevada)



Summit Academy

SUMMIT ACADEMY
(Minneapolis)



Building Careers.
Changing Lives.

HOME BUILDERS INSTITUTE⁸⁵
(National)



NATIONAL TECHNICAL INSTITUTE
(Arizona/Nevada)



CRAFT & TRADE ACADEMY
(Charlotte)

⁷⁸ Built for veterans and their families, Home Builders Institute Skillbridge has 10 transition centers across the United States. All are participating in the Workforce Development Program.

VETERAN RECRUITMENT

The firm recognizes that the unique experiences and skill sets of the men and women of the US military can improve our companies. We remain strong in our belief that providing opportunities for veterans and service members will lead to improvements at the firm.

Progress Residential won a Military Friendly Award for a second year in a row.⁷⁹

181

VETERAN EMPLOYEES ACROSS
THE PRETIUM ECOSYSTEM



“Pretium values the dedication and sacrifices of veterans like myself. Pretium also recognizes the exceptional skill set that veterans possess and strives to provide us with meaningful employment opportunities. I could not be more grateful to be part of such an inclusive organization.”

KAEDY PUCKETT | Incoming Analyst and Veteran

Pretium participates with the recruiting and networking groups below:

TIDE

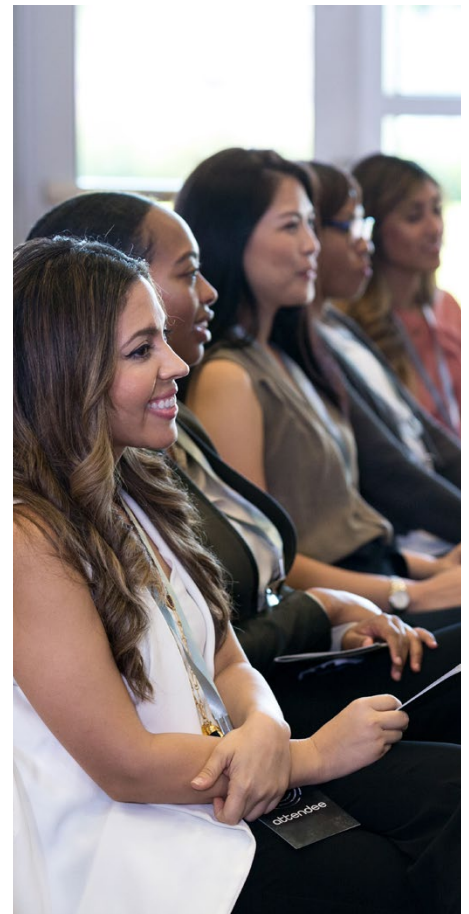
TIDE’s mission is to connect and engage movers and shakers to promote diversity and inclusion within the investment industry. Our CEO and Founder Don Mullen, as well as Loc Vukhac and our Head of ESG Tatiana Gutierrez, participated in TIDE panels in 2022.

KAYO

Kayo’s mission is to promote female leaders in the financial industry. Pretium’s Jennifer Strickland and Roberta Goss participated in Kayo’s June credit event as moderator and key speaker.

AAAIM

AAAIM is a 501(c)(3) nonprofit dedicated to ensuring that Asian Americans and Pacific Islanders (AAPIs) have a voice in the investment community. Pretium sponsored the AAAIM National Conference, which featured discussions on the impact to our industry of continuing global economic uncertainty, growing inflation, supply chain disruptions, and a tightening labor market.



“Through partnerships, we share more of what makes Pretium a dynamic, exceptional place to work with stakeholders.”

LOC VUKHAC, CFA | Managing Director, Business Development, on ongoing DEI partnerships

⁷⁹ Progress Residential completed an annual survey to be designated a Military Friendly Employer for 2022 and 2023. No compensation was paid to participate in the survey and additional information can be found at <https://www.militaryfriendly.com/is-progress-residential-military-friendly/>.

Retention and Promotion

We established a Learning & Development Division in 2022 to provide opportunities for employees to enhance their performance and grow their careers and to provide the right skills to achieve results and grow the business.

Pretium's Learning and Development Program



KEY METRICS:

24

PLATFORM-WIDE TRAINING SESSIONS

8,591

PARTICIPANTS TRAINED

19

LEARNING & DEVELOPMENT PROFESSIONALS

NOTEWORTHY

We are proud of our senior leaders who have been recognized in 2022.

ROBERTA GOSS

named one of the "Most Notable Women on Wall Street" by *Crain's New York Business*⁸¹

and

recognized by Kayo Conference Series as one of the "Top 22 in '22: Leaders in Credit and Debt Finance"⁸²

CRAIN'S NEW YORK BUSINESS 2022
NOTABLE
WOMEN ON WALL STREET

kayo
WOMEN'S PRIVATE EQUITY

JOCELYN MOORE

named one of Savoy magazine's "2022 Most Influential Black Executives in Corporate America"⁸³

SAVOY

⁸⁰ High-potential employee.

⁸¹ "Pretium Congratulates Roberta Goss for Recognition as One of the Most Notable Women on Wall Street by *Crain's New York Business*," Pretium, December 1, 2022.

⁸² "Congratulations to Roberta Goss," Pretium, LinkedIn.

⁸³ "Pretium's Jocelyn Moore Named Among Savoy Magazine's 2022 Most Influential Black Executives in Corporate America," Pretium, July 19, 2022.

OUR EMPLOYEES

Workforce Policies

At Pretium, supporting our employees extends beyond their career aspirations. We believe that the physical well-being of our employees is key to both their and our success.

AS PART OF THIS COMMITMENT, WE PROVIDE THE FOLLOWING BENEFITS TO ALL FULL-TIME EMPLOYEES:	
Health insurance with 100% employer-paid premium	Employee assistance program (EAP)
Reproductive health services	Extended 100% paid parental leave <ul style="list-style-type: none"> • primary parent: four months • non-primary parent: four weeks includes birth and adoption
Bright Horizons Enhanced Family Supports for backup child- and eldercare options	Milk Stork breast milk shipping coverage
Retained physician from Weill Cornell Medicine for pandemic-era medical education and support to employees	Matching gifts program through CyberGrants to support the 501(C)(3)S that mean the most to our employees <ul style="list-style-type: none"> • In 2022, we matched employee donations to 60 501(C)(3)S • Two days off per year for employee volunteering

Employee Resource Groups

Our employee resource groups create opportunities to drive engagement, inclusivity, and creative problem-solving at the firm. They create a community for employees to network, discuss key initiatives, and support our continued DEI commitments.

WOMEN'S RESOURCE GROUP

In 2022, the Pretium Women's Resource Group hosted eight in-person and hybrid events.

CO-LEADS

Laura Capiello, SMD

Roberta Goss, SMD

Giovanna Loiotile, MD

- Speaker event series featuring senior female leaders
- Women and financial wellness seminar
- Volunteering event with the Bowery Mission
- Networking events for female employees and senior leadership



PRIDE AT PRETIUM

Launched a cross-company LGBTQIA+ resource group, Pride at Pretium

- Steering committee meetings: 7
- Pride group members attended Human Rights Campaign (HRC) annual meeting in Washington, DC
- Spirit day celebration
- LGBTQIA+ History Month tool kit
- Membership meeting featuring Ellen Kahn, HRC



Selene celebrated Spirit Day in October 20, pictured here.



“As a member of the LGBTQIA+ community and a leader of Pride at Pretium, it is important to me to facilitate experiences, education, and resources to employees across our operating companies through the investments Pretium has made to support and retain LGBTQIA+ employees.”

KARA FRANSEN | Director, Pretium Shared Services; Co-Chair of Pride at Pretium Steering Committee

CAPACITY BUILDING & TRAINING

Translator Training

To build and strengthen team engagement among new and existing employees, Pretium has integrated focused training into our onboarding and annual training processes.

22,650

MINUTES OF TRAINING
(~5 HOURS OF TRAINING
PER EMPLOYEE)

3

TRAINING MODULES
WITH TRANSLATOR

WALK OF PRIVILEGE:
SELF AWARENESS
& EMPATHY WORKSHOP

STEREOTYPE MASK: ANTI-BIAS &
MICRO-INCLUSION WORKSHOP

COMFORT ZONE: UNCONSCIOUS
BIAS WORKSHOP

Foundations of Leading Inclusively

In 2023, the people leaders of our operating company are being trained on the foundations of leading inclusively to maximize team performance.

869

POTENTIAL LEADERS
TO BE TRAINED



DEI MEASUREMENT & REPORTING

Pretium has nearly 4,370 employees globally.⁸⁴ In 2021, we started tracking gender and ethnic diversity statistics across our workforce. In 2022, we expanded this tracking and began monitoring gender and ethnic diversity by position type across the entire firm. In 2023, we started tracking voluntary employee disclosures for additional diversity identifiers.⁸⁵

CFA DEI Code

In 2022, Pretium became a signatory of the CFA Institute’s Diversity, Equity, and Inclusion Code for the Investment Profession in the United States and Canada (the CFA DEI Code). The CFA DEI Code is a principles-based framework for organizations to facilitate measurement, support transparency, and drive measurable change.



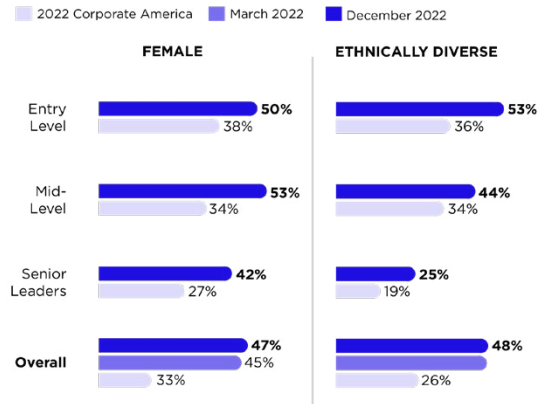
Diversity Reporting⁸⁶

In our inaugural ESG report in 2022, we reported on gender and ethnic diversity across the Pretium ecosystem and on gender and ethnic diversity by position within the Fund Manager. This year, we are reporting by position as well within our operating companies. We are proud of the progress we have made in a number of markers, including observing increasing gender diversity across the firm and increasing gender and ethnic diversity at the Fund Manager and senior leadership levels.

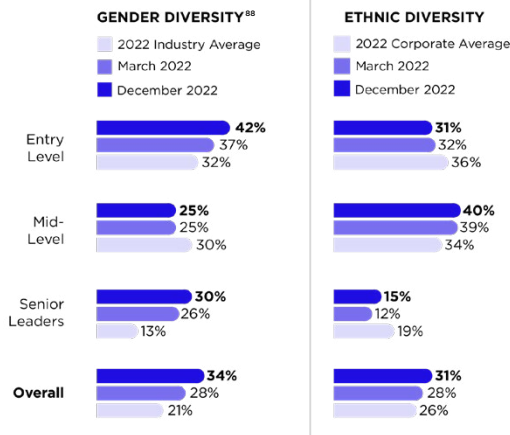
Firm-Wide Gender and Ethnic Diversity⁸⁷



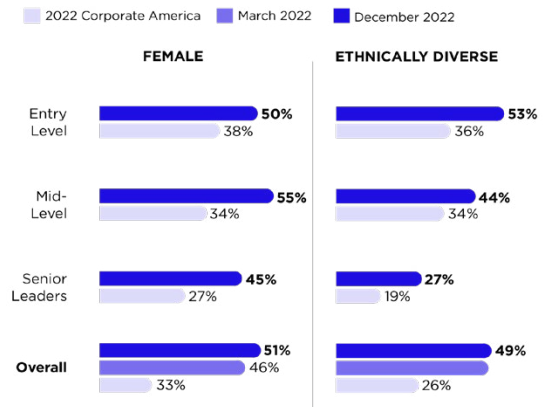
Firm-Wide Gender and Ethnic Diversity by Position



Fund Manager Gender and Ethnic Diversity by Position



Operating Company Diversity Statistics by Position



⁸⁴ Compared with end of year 2021, this reflects a 33 percent increase in the workforce.

⁸⁵ The firm commenced tracking voluntary annual employment identification of LGBTQ+, immigrant and first generation, Middle Eastern North African, and first-generation college in January of 2023.

⁸⁶ Data as of December 31, 2022.

⁸⁷ 2022 Corporate America Gender & Ethnic Diversity numbers sourced from “Women in the Workplace,” McKinsey & Company and LeanIn.Org, 2022.

⁸⁸ Compared to industry average of 32.1 percent for entry level, 30 percent for mid-level, and 12.9 percent for senior leaders. Based on “Women in Alternatives 2022,” Prequin, March 8, 2022.

NURTURING A DIVERSE NETWORK

Committing to gender and racial equity extends beyond our hiring practices and includes developing and promoting a network of diverse nonprofit organizations, partners, consultants, suppliers, vendors, and third-party professionals.



“Our mandate is to invest in emerging companies that provide return-enhancing technology platforms or tech-enabled services to Pretium and its ecosystem. We are pleased that through the rigorous sourcing and selection process, we invested in businesses founded or led by people who identify with groups historically underrepresented among VC-backed companies.”

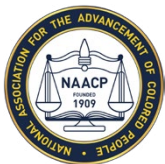
AMAR KUCHINAD | Senior Managing Director, Strategic Venture Investing

\$385,000

CHARITABLE CONTRIBUTIONS TO
501(C)(3)S PROMOTING SOCIAL
JUSTICE AND RACIAL & GENDER EQUITY

\$6.5M

INVESTING IN STARTUPS FOUNDED OR LED BY
PERSONS WHO IDENTIFY WITH HISTORICALLY
UNDERREPRESENTED GROUPS















CHARITABLE GIVING









Pretium believes that a robust philanthropic program is an important part of supporting our communities, employees, and residents.

In 2022, Pretium and its operating and portfolio companies donated to more than 25 organizations that serve a diverse range of missions.

EMERGENCY ASSISTANCE, DISASTER RELIEF	MEDICAL SUPPORT	NONPROFITS SERVING FAMILIES AND COMMUNITIES
		
		
		
		

We also understand that donations can come in the form of time, and we support corporate-sponsored and employee-driven volunteering efforts.

2022 VOLUNTEERING EVENTS		
		
		

⁸⁹ The National Compassion Fund (NCF) is a safe, transparent way for the public to give directly to the victims of mass casualty crimes, including shootings and terrorist attacks.

⁹⁰ Robin Hood is New York City's largest poverty-fighting organization and supports low-income families by building and fueling the most impactful nonprofits across all five boroughs that are elevating people from poverty.

⁹¹ The Bowery Mission promotes the flourishing of New Yorkers overcoming homelessness and marginalization.

⁹² Operation Gratitude provides opportunities for the American people to express their gratitude and show military members and first responders that what they do matters.



APPENDIX

Conservice ESG Environmental Appendix

ENVIRONMENTAL REPORT METRICS (2022 DATA) – PREPARED BY CONSERVICE ESG

Environmental Performance: Energy

Below are examples of various initiatives implemented by Pretium to reduce energy consumption.

Energy-Efficient Equipment and Appliances

Products that earn the ENERGY STAR label meet strict energy-efficiency specifications set by the US Environmental Protection Agency (EPA), helping to save energy and money while protecting our climate. ENERGY STAR-certified products reduce air pollution and greenhouse gases caused by burning fossil fuels.

In 2022, Pretium purchased more than 28,000 ENERGY STAR-certified refrigerators and dishwashers. The energy savings from dishwashers alone is estimated at more than 475,000 kWh/year.

HVAC Equipment Efficiency

The efficiency of central air conditioners and central heat pumps is rated by a seasonal energy efficiency ratio (SEER). According to the US Department of Energy, SEER is the ratio of the total heat removed from the conditioned space during the annual cooling season divided by the total electrical energy consumed during the same season. In general, the higher the SEER, the less electricity the system needs to do its job.

Air Conditioners

Appliance standards in 2022 required a minimum SEER of 13 for split-system central air conditioners in Northern states and a minimum SEER of 14 in Southern states.

In 2022, approximately 97 percent of the air conditioning systems purchased by Pretium had a 14 SEER rating or greater.

Heat Pumps

Appliance standards in 2022 required a minimum SEER of 14 for split-system central heat pumps.

In 2022, Pretium purchased 2,340 heat pumps, approximately 99 percent of which had a 14 SEER rating or greater. Of those units, 1,935 (83 percent) had ENERGY STAR certification.

A simple energy savings calculator was developed by the US EPA and US Department of Energy (DOE) to provide life-cycle estimates of ENERGY STAR-qualified air-source heat pumps. Using default values and a location of Atlanta, Georgia, the calculator estimates Pretium's annual energy savings to be 5,313,718 kWh for 1,935 units.

Smart Home Technologies

According to ENERGY STAR, heating and cooling systems consume more energy than any other appliance in the home, making smart thermostats an important tool in saving energy within the household. These devices offer the ability to monitor and adjust your home's temperature even when you are away. More importantly, they can be used to create schedules that automatically turn down heating or cooling when it's not needed.

Pretium's Smart Home program includes a smart hub, smart thermostat, smart lock, and motion sensor. The Smart Home program is currently in more than 50,000 homes, representing more than 58 percent of total homes. For continued growth, Pretium has set a target to install smart-home technology in 75 percent of homes by the end of 2023 and 85 percent of homes by 2024.

Vacant Properties

On average, Pretium homes are vacant from move-out to move-in for 45 days, while the average time a Pretium home is vacant for renovations is 70 days. During this time, there is a fine balance between keeping the home comfortable for future tenants, employees, and vendors and reducing utility use. Homes that are equipped with smart thermostats allow Pretium to set an energy-saving mode for HVAC systems. This mode has allowed Pretium to reduce HVAC run time by 41 minutes per day compared to control properties. In 2022, 38,223 homes that experienced vacancy were enabled with smart thermostats, resulting in a savings of 1,484,326 hours of run time. If we assume an average HVAC cooling system operates at 4.0 kW, Pretium saved 5,937,306 kWh of electricity.

Energy-Efficient Lighting

According to the US Department of Energy, the light-emitting diode (LED) is today's most energy-efficient and rapidly developing lighting technology. Quality LED light bulbs last longer, are more durable, and offer light quality comparable to or better than other types of lighting.

Residential LEDs, especially ENERGY STAR-rated products, use at least 75 percent less energy and last up to 25 times longer than incandescent lighting.

Pretium has established lighting product specifications that include LED lighting as a part of the standard renovation process.

Environmental Performance: Water

Below are examples of various initiatives implemented by Pretium to reduce water consumption.

Low-Flow Plumbing Fixtures and Appliances

A standard-sized ENERGY STAR-certified dishwasher can save about 3,800 gallons of water over its lifetime. In 2022, Pretium purchased more than 14,000 dishwashers that earned ENERGY STAR certification.

According to the EPA, replacing old, inefficient faucets and aerators with WaterSense-labeled models can save the average family 700 gallons of water per year, equal to the amount of water needed to take 45 showers. Pretium has established product specifications that include WaterSense-labeled bathroom faucets and tub and shower sets as a part of the standard renovation process.

Drought-Tolerant or Native Landscaping

In drought-prone markets, Pretium has incorporated various xeriscaping practices in the landscape design of homes. The firm has selected rocks, pavers, and other hardscape features as well as native, drought-tolerant vegetation, which minimizes the need for irrigation. An estimated 90 to 95 percent of Pretium properties in naturally arid environments (Phoenix, Las Vegas, and Tucson) incorporate xeriscaping practices.

Programmable Irrigation

Pretium has installed programmable irrigation controls in various properties to allow users to select irrigation only when it is necessary. A video on the resident section of the firm's website explains how to use the controls to regulate water usage and mitigate waste.

Maintenance and Replacement of Fixtures

Pretium performs regular maintenance and replacement of plumbing fixtures, appliances, and irrigation systems. This ensures that all systems are operating efficiently and are minimizing waste.

In 2022, Pretium spent more than \$2.6 million on irrigation system replacements at more than 6,100 properties and an additional \$250,000 on irrigation repairs.

In addition, Pretium spent more than \$46 million on dishwasher, bath, toilet, sink, and faucet replacement and repairs.

Environmental Performance: Waste

According to the US EPA, reducing waste can not only prevent pollution, save energy, and reduce greenhouse-gas emissions but can generally help sustain the environment for future generations. With the goal of reducing waste, Pretium employs a variety of programs focused on choosing products with long life cycles.

Product Life Cycle

Products with a long life cycle need to be replaced less frequently. Accordingly, less waste is generated, and environmental impacts associated with product replacements are reduced.

The Pretium property renovation program includes various long life cycle products:

- a. quartz countertops in kitchens and bathrooms in lieu of laminate countertops
- b. hard-surface flooring to replace carpet in certain areas, eliminating waste from repeated carpet replacements
- c. longer-lived (30-year) roof products
- d. Hardie® siding, which is built to last, requiring fewer resources for replacement while also helping to reduce maintenance and repair costs and better protecting homes from severe weather and disasters

In 2022, Pretium spent more than \$150 million on long life cycle products.

Material Selection

In addition to selecting products with a long life cycle, Pretium gives preference to materials with additional environmental benefits. Below are a few examples of materials specified for use in renovations:

- a. Cabinets specified for renovations meet or exceed the stringent performance requirements established by the Kitchen Cabinet Manufacturers Association's (KCMA) Environmental Stewardship Program.
- b. Quartz countertops are GREENGUARD Children & Schools and GREENGUARD Indoor Air Quality Certified (Gold).
- c. Paint for ceilings, walls, trim, and doors is low-VOC, containing less than 50 g/L VOC. All specified interior paints are GREENGUARD certified.
- d. Vinyl plank and tile flooring certifications include FloorScore and GREENGUARD Gold.
- e. Ceramic tile flooring is GREENGUARD Gold certified.
- f. Siding is made from sustainable raw materials consisting of sand, cellulose fiber, Portland cement, and water (which is recycled up to four times during the manufacturing process).

New Construction Partner Environmental Policies

- Crescent Communities: [Stewardship Policies](#)
- Meritage Homes: [ESG Reporting](#)⁹³
- Starlight Homes: [How Starlight Homes are Built with Energy Efficiency in Mind](#)⁹⁴
- Pulte Homes: [2018 Responsible Strategy Report](#); [2021 ESG Report](#); [Environmental Policy](#); [Sustainability statement](#)⁹⁵
- Oakwood Homes: [Energy-efficiency statement](#)⁹⁶
- Lennar: [2022 Social Responsibility Report, Energy-efficiency, water efficiency, air quality, and green building statement](#)⁹⁷

⁹³ ENERGY STAR Appliances, spray foam insulation, smart-home tech, GREENGUARD Gold-certified products, 100 percent ENERGY STAR Certification, HERS Index Certification, EPA Indoor airPLUS Certification, Stormwater Pollution Prevention Program.

⁹⁴ Energy-efficient appliances and windows, improved insulation systems, programmable thermostats, HVACs sized specifically for each home.

⁹⁵ Energy-efficient features to reduce waste and control energy usage, systems and procedures to minimize the generation of waste and enable the recycling and reuse of materials.

⁹⁶ 100 percent of homes tested by independent third party to ensure each home meets or exceeds high-performance Oakwood EnergySmart standards, WaterSense-certified low-flow water fixtures.

⁹⁷ Home insulated air ducts; superior exterior walls and ceiling insulation; dual-gazed vinyl windows with energy-efficient low-e glass; exterior-door weather stripping; eco-friendly flooring; low-VOC interior paint; programmable thermostats; energy-efficiency appliances; smart home tech; energy-efficient LED lighting; and water-conserving toilets, faucets, and shower heads. Some percentages refer to ENERGY STAR.

Global Reporting Initiative Content Index⁹⁸

Statement of use		
Pretium Partners, LLC and its affiliates has reported the information cited in this GRI content index for the period January 1, 2022–December 31, 2022 with reference to the GRI Standards.		
GRI 1 used		
GRI 1: Foundation 2021		
GRI STANDARD	DISCLOSURE	LOCATION TOC
GRI 2: General Disclosures 2021	2-1 Organizational details	CEO Letter, About Us: Introduction to Pretium
	2-2 Entities included in the organization's sustainability reporting	About Us: Pretium Ecosystem
	2-3 Reporting period, frequency and contact point	About Us: About This Report
	2-6 Activities, value chain and other business relationships	About Us
	2-7 Employees	DEI
	2-9 Governance structure and composition	Governance
	2-11 Chair of the highest governance body	Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance, ESG
	2-13 Delegation of responsibility for managing impacts	Governance, ESG
	2-14 Role of the highest governance body in sustainability reporting	Governance, ESG
	2-15 Conflicts of interest	Code of Ethics @ https://adviserinfo.sec.gov/firm/summary/154057 (Pretium Credit Management, LLC) Code of Ethics @ https://adviserinfo.sec.gov/firm/summary/171026 (Pretium Residential Credit Management, LLC) Code of Ethics @ https://adviserinfo.sec.gov/firm/summary/304443 (Pretium Single-Family Rental Manager III, LLC)
	2-16 Communication of critical concerns	Code of Ethics
	2-22 Statement on sustainable development strategy	CEO Letter
	2-23 Policy commitments	About Us: Our Approach
	2-24 Embedding policy commitments	Governance: ESG Governance
	2-26 Mechanisms for seeking advice and raising concerns	Codes of Ethics
2-27 Compliance with laws and regulations	Codes of Ethics	
2-28 Membership associations	DEI: Recruiting, Social Impact: Economic Mobility, Governance: ESG Integration	
2-29 Approach to stakeholder engagement	Governance: ESG Integration	
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Environmental: Environmental Impact
	302-3 Energy intensity	Environmental: Environmental Impact
	302-4 Reduction of energy consumption	Environmental: Policies
	302-5 Reductions in energy requirements of products and services	Environmental: Policies
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental: Policies re water
	303-5 Water consumption	Environmental: Policies re water
GRI STANDARD	DISCLOSURE	LOCATION TOC
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	DEI: Benchmarking and Reporting
	401-3 Parental leave	DEI: Workforce Policies
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	DEI: Retention and Promotion
	404-2 Programs for upgrading employee skills and transition assistance programs	DEI: Retention and Promotion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	DEI: Benchmarking and Reporting

⁹⁸ Conserve ESG reviewed and verified the below GRI and UN SDG indexes.

United Nations (UN) Sustainable Development Goal (SDG) Index

We support the UN SDGs as a collection of objectives designed to serve as a shared blueprint for peace and prosperity for people and the planet. Below we align Pretium and/or affiliate programs and practices with 12 of the 17 SDGs and also indicate the relevant non-state target as set out by the UN at <https://sdgs.un.org/goals>

SDG	How We Support SDG	SDG Target	Location in Report
SDG #1: No Poverty: End poverty in all its forms everywhere	First-Generation College Student Fellowship	Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	DEI
	Housing Choice Program	Target 1.4	Social Impact: Affordable Housing
	Forest Cove Relocation	Target 1.4 and Target 1.5: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	Social Impact: Affordable Housing
	Opportunity Home	Targets 1.4 and 1.5	Social Impact: Affordable Housing
	Esusu Positive Rent Credit Reporting	Target 1.4	Social Impact: Economic Mobility
	Progress CARES	Targets 1.4 and 1.5	Social Impact: Resident Resilience
	Workforce Development Program	Target 1.4	DEI
	Hurricane Recovery	Targets 1.4 and 1.5	Environmental: Hurricane Recovery
SDG #2: Zero Hunger: Achieve food security	Progress CARES	Target 2.1: End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	Social Impact: Resident Resilience
	Food insecurity charitable volunteering	Target 2.1	Charitable Efforts
SDG #3 Good Health and Well-Being	Reproductive health access for female employees	Target 3.7: Ensure universal access to sexual and reproductive health-care services, including for family planning, information and education and the integration of reproductive health into national strategies and programs	DEI
	Low- or no-cost health insurance for employees	Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	DEI
	No-smoking policy in Progress Residential leases	Target 3.4: Reduce premature mortality from noncommunicable diseases through prevention and treatment and promote mental health and well-being	DEI
	All-pets-friendly Progress Residential policy to promote emotional well-being	Target 3.4	DEI
SDG	How We Support SDG	SDG Target	Location in Report
SDG #4: Quality Education: Inclusive and equitable quality education and promotion of lifelong learning	Housing Choice Vouchers	Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Social Impact: Affordable Housing
	Opportunity Home	Target 4.1	Social Impact: Affordable Housing
	Workforce Development Program	Target 4.1	DEI
	Girls Who Invest Internship	Target 4.4: Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	DEI
	First-Generation College Student Fellowship	Target 4.4	DEI
	DEI Programs and Training	Target 4.7: Ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including through education for sustainable development and sustainable lifestyle, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	DEI

SDG #5: Gender Equality: Achieve gender equality and empower all women and girls	HR policies and benefits programs support and protect women	Target 5.1: End all forms of discrimination against all women and girls everywhere (whether or not legal frameworks are in place)	DEI
	Our Progress Residential lease policies protect women in domestic violence situations by incorporating specific state addenda requiring domestic violence protection.	Target 5.2: Eliminate all forms of violence against all women and girls in the public and private spheres	N/A
	Participation in Kayo, Girls Who Invest internship program; support of our Women's Resource Group	Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	DEI
	Our benefits and health insurance programs protect women's reproductive rights	Target 5.6: Ensure universal access to sexual and reproductive health and rights	DEI
SDG #6: Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all	Conserve to centralize water utility usage in conjunction with Measurabl, launched at the end of 2022, allows the measurement and monitoring of water usage, the first step in developing a resident engagement program around water usage. + GRESB	Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Environmental: Timeline, Environmental Policies
SDG #7: Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all	Environmental Task Force is working on solar in SFR starting 2023	Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix	Environmental: Pilot
	Greening components within existing-home renovation standards and acquisition of new-construction homes	Target 7.3: By 2030, double the global rate of improvement in energy efficiency	Environmental: Sustainable Policies, Measuring Impact
SDG #8: Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Tech investment firm-wide	Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors	Governance
	Girls Who Invest Internship	Target 8.5: by 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	DEI
	DEI statistics by gender	Target 8.5	DEI
	Workforce Development Program	Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training	DEI
	Early Talent Program	Target 8.6	DEI
	Esusu Positive Rent Credit Reporting	Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	Social Impact: Economic Mobility
SDG	How We Support SDG	SDG Target	Location in Report
SDG #10: Reduced Inequalities	Affordable Housing (All Programs)	Target 10.1: By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average. And Target 10.2	Social Impact: Affordable Housing
	Esusu Positive Rent Credit Reporting	Target 10.2: by 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Social Impact: Economic Mobility
	Early Talent Program	Target 10.1 and 10.2	DEI
	Workforce Development Program	Target 10.1 and 10.2	DEI
	Employee resource groups	Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	DEI
SDG #11: Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient and sustainable	Affordable Housing (All)	Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Social Impact: Affordable Housing
	Disaster Recovery	Target 11.5: By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global GDP caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations	Environmental: Disaster Recovery
SDG #12: Responsible Consumption and Production	Greening components of renovations, turns, and BTR homes: sustainable roofing, flooring, siding products	Target 12.5: By 2030: substantially reduce waste generation through prevention, reduction, recycling and reuse	Environmental
	2nd year publishing environmental initiatives report	Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Report
SDG #13: Climate Action	Disaster Recovery	Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Environmental: Disaster Recovery
	Greening components, measurement with Measurabl, action with Evo	Target 13.2: Integrate climate change measures into national policies, strategies and planning	Environmental: Environmental Impact, Environmental Pilot
	Solar	Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Environmental: Pilot