



Culture, Innovation, Execution
PROVEN SUCCESS



UDR
2018 Corporate
Responsibility Report

ABOUT THIS REPORT

Our Corporate Responsibility Report focuses on the 2018 reporting period. We have elected to prepare this report in accordance with the Global Reporting Initiative Standards (core) that results in the disclosure of the most relevant and material Environmental, Social, and Governance (ESG) metrics and goals for our internal and external stakeholders.

While we have developed this Corporate Responsibility Report using information currently available to us, we cannot guaranty that information or conditions that may impact such information will not change and we undertake no duty to update any information included herein or to publicize any change in such conditions.

For any questions about this Corporate Responsibility Report, please contact our Corporate Services Department at CR@UDR.com.



View 34, New York, NY



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ABOUT UDR, INC.

UDR is a multi-family REIT that owns, operates, develops, and redevelops a diversified portfolio of apartment homes in targeted U.S. markets. Our primary goals are to consistently generate above-peer average total shareholder return (“TSR”) while considering our stakeholders and the markets we operate in.



UDR'S BUSINESS STRATEGY

OPERATING EXCELLENCE

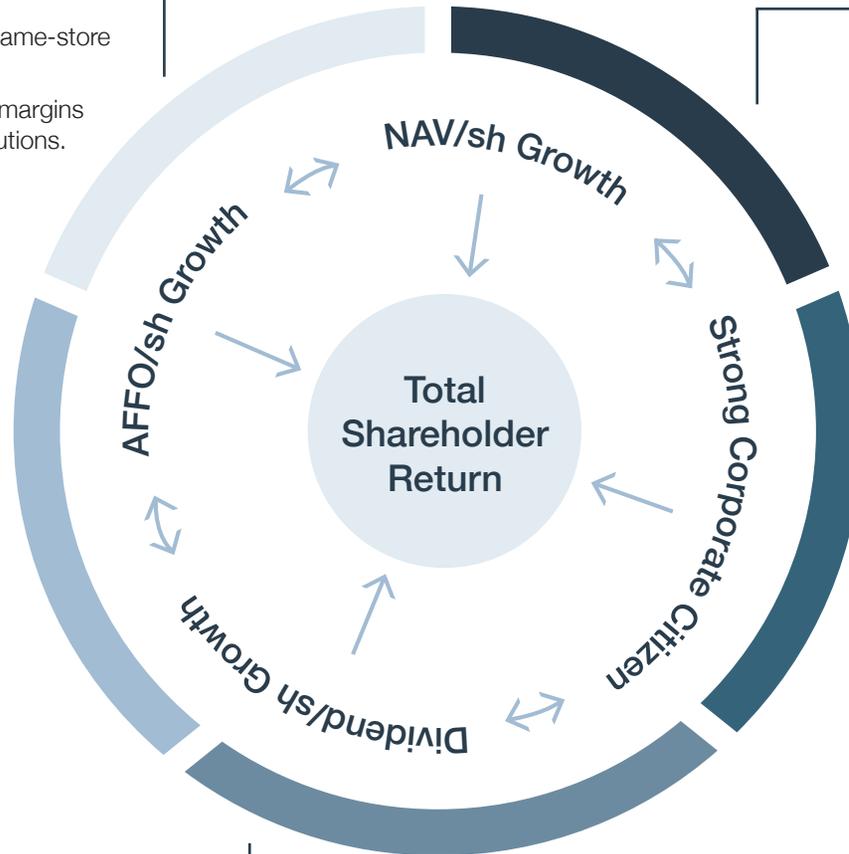
- Generate above-peer median same-store growth.
- Continually enhance operating margins via innovative technological solutions.
- Reduce operational costs and environmental impact.

BALANCE SHEET STRENGTH

- Maintain a safe, liquid, and flexible balance sheet that can fully fund our needs throughout real estate cycles.

CULTURE AND ESG

- Promote an innovative, inclusive culture where Associate engagement is high, sustainability is more than a catch phrase and top-notch customer service is a central focus.



PORTFOLIO DIVERSIFICATION

- A diverse portfolio (geographic mix, price point, and location within markets) appeals to a wide renter/investor audience.
- Maintain variety of investment opportunities.

ACCRETIVE CAPITAL ALLOCATION

- Invest in and pivot to the best risk-adjusted return growth opportunities.
- Predictive analytics influence investments.

FULL-CYCLE INVESTMENT

UDR has historically generated above-peer median same-store NOI growth due to its best-in class operations, with lower volatility resulting from its diversified portfolio. These, when combined with a wide variety of accretive capital deployment opportunities and an investment grade balance sheet to support growth, make UDR a full-cycle investment.



CHAIRMAN AND CHIEF EXECUTIVE OFFICER MESSAGE

WHY IS UDR FOCUSING ON ENVIRONMENTAL, GOVERNANCE AND SOCIAL (“ESG”) ISSUES NOW?

UDR has been keenly focused on ESG related issues for quite some time now, but we have not been as transparent in publicly reporting our pursuits and successes over the years. Being a good corporate citizen is important to our Board of Directors, management team, Associates and shareholders. We are proud of what we have accomplished to date with regard to ESG and we look forward to incremental improvements in the years to come.

In 2018, we put in place a framework that ensures that we can accurately track our ESG pursuits and report them in a timely fashion. As such, in 2019 we will participate in the Global Real Estate Sustainability Benchmark (“GRESB”) survey and we will publish our inaugural Corporate Responsibility Report formatted to Global Reporting Initiative (“GRI”) standards. Both of these efforts, and others that may arise in the years ahead will help to publicly showcase UDR’s ongoing commitment to improving the ESG-related aspects of our business.

In this Corporate Responsibility Report, we outline where UDR has come from with regard to ESG topics and set targets for where we expect to be in the years ahead. In addition, we address how we intend to minimize our environmental footprint, increase Associate engagement, improve the experiences of our workforce and residents, and make decisions that help to ensure an enduring governance framework.

HOW IS ESG INTEGRATED INTO UDR’S OVERARCHING STRATEGY?

ESG touches many aspects of UDR’s overarching strategy. It helps our operations grow and improves profitability, it influences how we grow our Enterprise through “green” development, and it drives our interactions with our Associates, residents, financial

stakeholders (i.e., shareholders and debt holders) and non-financial stakeholders (i.e., vendors, technology partners, etc.). Promoting a culture that keys in on innovation, accountability, and inclusivity is a core driver of our focus on ESG. A more engaged workforce that feels a sense of ownership in what they do and how they contribute to the whole drives better top-and bottom-line results, better service for our residents and better TSR for our shareholders.

An example of this, is the progress we have made over the past four years in limiting UDR’s utility expense growth, which has been one of the lowest in the multi-family space. Significant investments in energy reporting systems, Light Emitting Diode (“LED”) lighting retrofits, building management systems (“BMS”), and soon, solar, have helped us to better monitor real-time energy usage, reduced our per home carbon footprint, improved our margins and generated strong returns on the dollars invested.

At UDR, we have and will continue to incorporate ESG goals for the benefit of all of our stakeholders.

WHO BENEFITS FROM INCORPORATING ESG METRICS AND TARGETS IN TO THE COMPANY’S STRATEGY?

Our Associates, residents and financial and non-financial stakeholders benefit from UDR incorporating ESG principles into much that we do. UDR is a company that cares, it’s that simple. As a for-profit company, the bottom-line will always be a primary focus, but we are well aware that our bottom line is enhanced when we have buy-in from our Associates, a resident base that is provided the absolute best service, and a shareholder base that understands that having a profit motive and being a strong corporate citizen are not mutually exclusive.

HOW DO YOU MEASURE ESG PERFORMANCE?

In 2018, our Corporate Responsibility Committee, which is responsible for assessing and evaluating enhancements to our ESG efforts decided that greater focus was needed with regard to how we report on our past ESG successes and future goals. The Committee is comprised of key executives and senior management team members. Throughout the year, Committee members performed a “deep dive” across all aspects of UDR’s business to ensure that key ESG performance results were being met and that future targets conformed to and enhanced the Company’s strategic and financial goals. Many of these are reported on via the GRESB survey or in this Report.

Personally, I am heavily invested in the Committee’s continuing development of and subsequent reporting on ESG efforts and metrics. For UDR, “ESG” is not merely a catchphrase, but rather a framework that can improve what we do, how we do it, and why we do it. I am convinced that operating responsibly in conjunction with achieving our financial goals, is one way to create lasting success.

2018 ESG HIGHLIGHTS

NEW

Corporate Responsibility Committee to oversee key ESG performance metrics

41
LED lighting retrofit projects completed



19%

reduction in electric consumption where LED projects completed



94%

of Associates would recommend UDR as a **great** place to work



2018
Outstanding Employer Award Received

60,169

training hours provided for Associates



\$809M
completed LEED Silver developments

2,041
Associate community hours

43%
increase in resident loyalty scores

30%

Board of Directors are women

\$45M
of affordable homes completed



393

interactions with our investors representing

80%

of our ownership

UDR'S ESG METHODOLOGY

IMPORTANT TO CERTAIN STAKEHOLDERS

- Accessibility to transport and other services
- Waste management
- Providing affordable housing
- Resident energy consumption
- Responsible procurement
- Supporting local communities

HIGH IMPACT TO MULTIPLE STAKEHOLDERS

- Equal opportunities for all Associates
- Designing & constructing sustainable properties
- Training and developing Associates
- Resident and common area water conservation
- Common area energy consumption common areas
- Climate change
- Sustainable operations

ESSENTIAL TO OPERATE OUR BUSINESS

- Being an ethical and responsible company
- Resident engagement and satisfaction
- Resident health and safety
- Resident amenities and innovative technology solutions
- Associate engagement and satisfaction

At UDR, we understand the impact our business can have on the environment and upon our stakeholders. ESG assists us in identifying and managing our sustainability risks and opportunities. Our ESG improvements are designed to improve operational quality, improve Associate and resident retention, and reduce our impact on the environment.

In 2018, we performed an internal Materiality Assessment to gain an understanding of ESG issues important to UDR's business and strategic goals. In addition, feedback was obtained from investors, Associate and resident engagement surveys, and senior management to create an inventory of ESG-related topics for evaluation. Senior management was then asked to prioritize and weight the ESG issues that had the greatest impact on the Company and to assist with the development of long-term ESG targets and goals.

ESG GOVERNANCE

We will manage the ESG targets and goals through our Corporate Responsibility Committee. The Corporate Responsibility Committee consists of senior officers from across the Company. Our Chairman and CEO steers the Committee and is actively involved in the implementation of ESG initiatives. Our Chairman and CEO also ensures that our ESG initiatives reconcile with the Company's underlying strategic objectives.

“
**OUR ESG IMPROVEMENTS ARE
DESIGNED TO IMPROVE OPERATIONAL QUALITY,
IMPROVE ASSOCIATE AND RESIDENT RETENTION,
AND REDUCE OUR IMPACT ON THE ENVIRONMENT.**”

TRANSPARENT AND MEASURABLE ESG TARGETS

We have established ambitious yet realistic targets and goals to improve our ESG performance in the coming years and to create long-term value for our stakeholders. For each target and goal, we have developed performance metrics and reporting to the Corporate Responsibility Committee to monitor our progress.

ENVIRONMENTAL

- Reduce energy consumption by 15% between 2015 and 2025
- Procure 10% of common area electric load through renewable energy sources by 2025
- Reduce water consumption intensity by 10% between 2015 and 2025
- Obtain sustainability certification for new developments

SOCIAL

- Maintain an Associate Net Promoter Score greater than 90%
- Increase Associate volunteer hours by 10% between 2017 and 2020
- Install Smart Home Program across 50% of the portfolio by year end 2020
- Increase our average resident engagement score by 19% in 2019

GOVERNANCE

- Confirm 100% of Associates acknowledge the Company's Code of Ethics Policy
- Provide workplace harassment and information security awareness training annually to all Associates.
- Perform internal and external compliance screening for all new vendors
- Participate in the annual Global Real Estate Sustainability Benchmark (GRESB) survey
- Further evaluate the risk of climate change as part of our Enterprise Risk Management process

OUR COMMITMENT TO THE ENVIRONMENT



At UDR we're doing our part to reduce the impact we have on climate change; through implementing energy-efficient measures, we aim to reduce our direct carbon footprint (scope 1 and 2 carbon emissions). Collaboration with residents will result in reducing our indirect carbon impact (scope 3 carbon emissions relate to the impact our residents have on the environment).



SMART BUILDINGS

Smart Buildings utilize technology and smart sensors in conjunction with BMS to obtain and monitor real-time whole-building energy consumption (e.g., HVAC, boilers, common areas) to allow us to implement energy protocols (e.g., temperatures; usage, on-off, etc.). Real-time monitoring of building energy consumption required the installation of “smart” meters and thermostats and other wireless equipment. All building energy data, protocols, settings, and alert notifications are easily monitored through authorized access via a mobile device and/or computer.

In 2018, we successfully implemented the Smart Building technology across several communities in Boston and New York in conjunction with our participation in Demand Response Events. In 2019, we intend to expand our use of the Smart Building technology across the portfolio consistent with the rollout of our Smart Home program in San Francisco, Los Angeles, Seattle, and Metro D.C. The expansion of the Smart Building technology will allow us to improve our understanding of our community's energy consumption and to identify opportunities for reduced energy consumption.

COMMUNITY ENERGY AUDITS

Since 2015, we have performed community energy and water audits at over 90% of our communities. These audits resulted in more than 300 expense ROI projects being completed over the past four years with an investment of over \$8M and an average year-one IRR greater than 35%. Projects have included lighting retrofits, leak detection, trash optimization, and BMS.



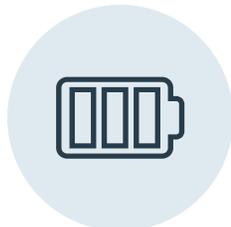
LED

We completed 41 LED lighting retrofit projects in 2018 covering 25% of our portfolio's common area lighting resulting in a 19% reduction in common area electric at these communities. Since 2015, we have completed 100 projects covering over 55% of our portfolio. These projects have resulted in annualized electric expense savings of \$1.4M and saved 10.7M kwh in annual electricity consumption.



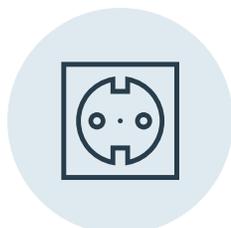
DEMAND RESPONSE

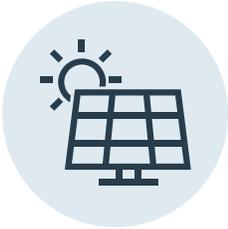
In New York and Boston, several of our communities participate in Demand Response Events designed to lower building consumption during high energy usage. In 2018, we participated in 12 different Demand Response Events resulting in 1,100KW of demand reduction and generating \$207K in net operating income (NOI).



ELECTRICAL PANEL UPGRADES

In 2018, we invested \$750K in community electrical panel upgrades to reduce building voltage inconsistencies during high electric demand periods. These inconsistencies result in electrical waste or inefficient consumption of electricity. Our 2019 actual results support an annual reduction of 1.1M kWh of electricity.





SOLAR

In 2019, we are investing in over 1M kwh of solar generation in California and Washington, D.C. This will reduce our annual common area electric consumption by 3 percent across our same store portfolio in 2020. As part of our Expense ROI strategy, we will expand our evaluation of solar and battery opportunities at other communities within our portfolio.



RENEWABLE ENERGY PROCUREMENT

We procure energy in deregulated markets and in 2019 we have incorporated renewable energy procurement into our overall strategy. In 2019, we will procure over 3M kwh of electricity through renewable energy credits. Our goal is to procure 10% of our total common area electric consumption through renewable energy sources by the end of 2025.



SMART IRRIGATION

We plan to expand our smart irrigation projects across our communities in the Sunbelt region, including upgrades to irrigation controls and the deployment of various sensors to create daily automation of irrigation schedules based on current weather conditions. Our goal is to conserve over 5 million gallons of water annually by the end of 2020.



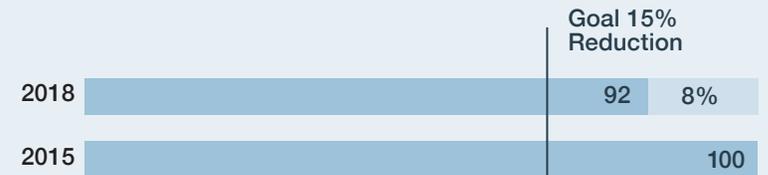
WASTE MONITORS

To reduce the volume of landfill-bound waste, we have invested in trash compactor monitors that measure the capacity of our existing compactors to reduce, by one on average, weekly service hauls at many of our communities. In addition, we have performed on-site community service-level audits for over 90% of our portfolio in order to optimize trash and recycling configurations and reduce the volume of landfill-bound waste and the environmental impact of excess service.

ENVIRONMENTAL IMPACT

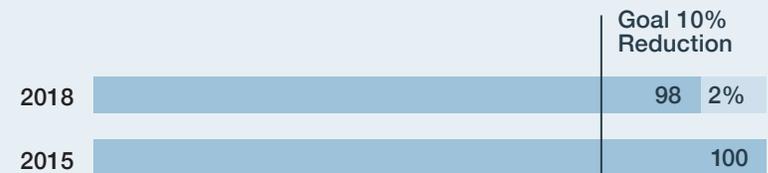
At UDR, we're doing our part to reduce impact on the environment. We actively track and aim to enhance this impact.

Energy Consumption: 15% cumulative reduction by 2025



We include year-to-date mature properties from 2018 and 2015 to calculate our like-for-like portfolio.

Water Consumption Intensity: 10% cumulative reduction by 2025



We include year-to-date mature properties from 2018 and 2015 to calculate our like-for-like portfolio. Consumption is divided by the mature unit count in the given year to calculate intensity.

*Bar charts are not drawn to scale.



Fiori, Addison, TX

ECO-FRIENDLY WAY OF LIVING

Part of our business strategy is to provide well-located communities across the United States that are near public transportation or in attractive neighborhoods with easy access to restaurants, nightlife, and other activities. Through providing responsible transportation facilities, like bike storage and electric car charging stations, we can offer our residents sustainable choices. Our goal is to make a measurable difference in saving energy, reducing costs, and improving our communities. Most of all, we're excited to see our residents embrace green initiatives.

Because it is essential to engage our residents and for them to participate in minimizing their individual environmental footprint, UDR has published *Living Current*, a guide with tips for residents to lower energy and water consumption within their home. We also provide instruction on waste reduction and recycling opportunities at selected communities.

Initiatives we take to promote an eco-friendly way of living also include:

- Installing energy efficient appliances during retro-fits
- Informing residents how they can reduce their environmental impact
- Introducing smart metering technology

ENERGY EFFICIENCY – A SMARTER WAY TO OPERATE

Each UDR community across the United States is different in its building type (garden style vs. high rise, suburban vs. urban) and this contributes to its energy consumption patterns. We identify the controlled areas for energy consumption, directly (common areas) versus indirectly (inside a residential home). We maintain an active approach to managing our directly controlled areas and an active educational approach toward our indirectly

controlled areas. Furthermore, we monitor energy consumption for our directly controlled areas on a monthly basis and confirm whether energy saving projects are effective. These projects include LED retrofits, common area electrical panel upgrades, and building management system installations to ensure our building systems operate at peak efficiency.

We're making significant investments in technology to more closely monitor our consumption in real time and to assist our public utilities during peak demand hours. Our increasing use of these technologies has the added benefit of significantly reducing our CO2 emissions.

WATER CONSERVATION

UDR lowers water consumption through individual metering, informing residents about their own consumption, and installing efficient appliances (dual flush toilets, efficient shower heads, drip irrigation) where possible. We aim to better understand each property's water consumption patterns through the introduction of sub meters and active monitors, finding and stopping leakages, and introducing a water conservation plan for every property by 2025.

WASTE MANAGEMENT

We offer recycling options at select communities throughout the portfolio. UDR evaluates the number of trash and recycling pickups per week and looks to reduce the number of pickups to lower the collectors' carbon footprint. In addition, UDR's corporate office building recycled 48 tons of material in 2018 which is equivalent to conserving 215 mature trees.

ENVIRONMENTAL MANAGEMENT AT UDR

We make business decisions that are financially responsible and environmentally friendly. Any investment in sustainability reconciles with our underlying business plan and objectives. Hence, every investment must meet internal financial criteria prior to the consideration of other non-financial outcomes. This mindset is critical in helping us build a Company that performs in the present, but is prepared for the future.

We have evolved our Environmental Management System (EMS) over time. Data monitoring helps us quickly identify unusual trends and determine which communities have the best opportunities to implement efficiency measures. This also allows us to see if our communities are tracking with our long-term environmental objectives. Internal reviews are performed to check that these objectives are compliant and to monitor if installations still work according to the original design.

The UDR Corporate Service Team collaborates closely with site teams to implement action plans and share best practices. When possible, with each new development we incorporate internationally accepted green building standards to ensure we add sustainable properties to our portfolio. Senior management reviews the process each year to update our policies and procedures to further understand and minimize the overall environmental impact of our business.

UDR's process to identify, environmental risk and/or opportunity is as follows:

- A community survey once every five years (minimum)
- Quarterly consumption reviews on all communities
- Quarterly reports to corporate (including compliance with reduction targets and internal benchmarking)
- Programs, actions, and results communication to senior management

UDR's Asset Quality Team conducts evaluations of every community using a standard checklist that covers building safety, contamination, energy efficiency, flooding, indoor environmental quality, natural hazards, regulations, water efficiency and waste management.

UDR's Transactions Team has a third party conduct an environmental assessment prior to any acquisition of a community. Our due diligence and third party assessments with respect to an acquisition also include review of other criteria including building safety and materials, contamination, natural hazards, transportation options and building efficiency.

SUSTAINABLE COMMUNITIES

Every new UDR community under development will meet the latest governmental building requirements. UDR chooses to go beyond basic requirements where possible. We embrace LEED or an equivalent green certification when possible for new developments, demonstrating our commitment to create innovative communities with minimal environmental impact. This includes making smart decisions during the design and development stages that can influence the property positively during operations. We have invested over \$1.5 billion in the last 5 years in creating sustainable apartment homes.

In 2018, we completed \$715M in new developments that have an affordable housing component. We now have 40 communities (over 2,400 homes) that offer municipal required rent stabilized housing or some form of affordable housing as measured by a comparison to market rates.

**ELECTRIC
VEHICLE
CHARGING
STATION**



RIGHT HERE!

Channel Mission Bay, San Francisco, CA | Electric Car Charging Stations



DEVELOPMENTS

Since 2010, UDR has developed, including redevelopment, 21 communities that have obtained sustainability certifications.

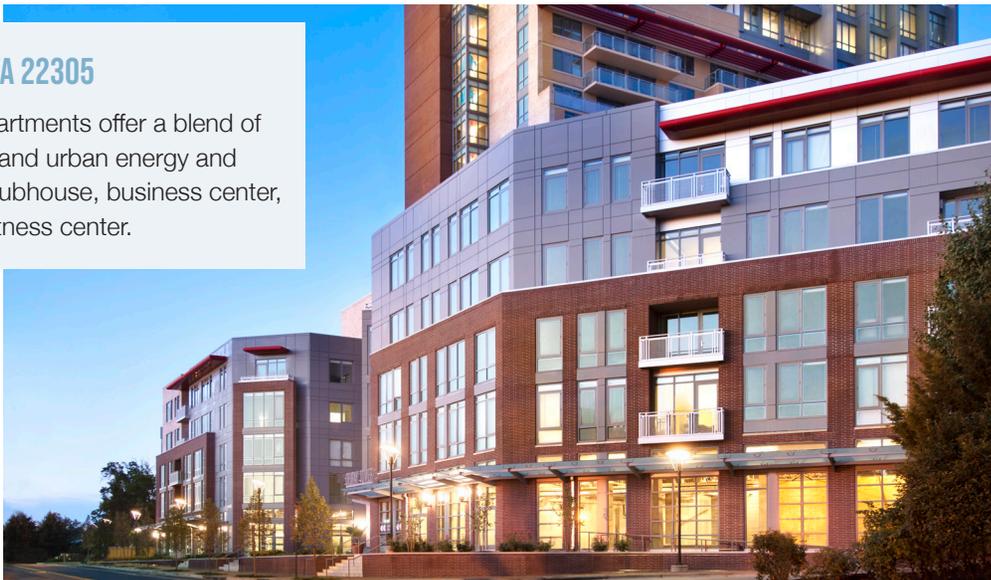


PACIFIC CITY CA 92648

The Residences at Pacific City is a one-of-a-kind luxury community complete with sophisticated amenities and modern conveniences.

DELRAY TOWER VA 22305

DelRay Tower apartments offer a blend of “Main Street” life and urban energy and includes a chic clubhouse, business center, and a premium fitness center.



OVERVIEW

Green Building Certifications (6,788 homes)

COMMUNITY NAME	CERTIFICATION
13th and Market	LEED Silver
3033 Wilshire	Green Globes
345 Harrison	LEED Silver
399 Fremont	LEED Silver
Beach and Ocean	NGBS - Silver
Channel Mission Bay	LEED Gold
CityLine	LEED Silver
CityLine II	LEED Silver
DelRay Tower	LEED Silver
Fiori on Vitruvian Park	LEED Silver
Los Alisos at Mission Viejo	LEED Silver
OLiVE DTLA	CalGreen
Parallel	CalGreen
Pier 4	LEED Silver
Savoye	LEED Silver
Savoye2	LEED Gold
The Residences at Pacific City	LEED Silver
The Residences on Jamboree	NGBS - Silver
Verve Mountain View	LEED Silver
Vision on Wilshire	LEED Silver
Vitruvian West	LEED Silver

TAKING THE LEAD IN SUSTAINABILITY

One of UDR's newest sustainable communities, 345 Harrison, in Boston, Massachusetts has been certified as LEED Silver by the U.S. Green Building Council. More than 20% of the building materials used were recycled materials. The project team prepared a Construction Waste Management Plan to successfully divert over 75% of the project's construction and demolition waste from landfills. This completely non-smoking community is healthy for both residents and Associates.

Here are some more facts about the 345 Harrison community:

- The community is equipped with more ventilation than is required for Acceptable Indoor Air Quality for the base building.
- 345 Harrison complies with the applicable volatile organic compound (VOC) requirements for all adhesives, sealants, and flooring installed within the building.
- To limit its carbon footprint, the community's building envelope was designed to improve energy efficiency and reduce the cost of energy.
- A commissioning agent performed fundamental commissioning activities of the building's energy systems, including the HVAC system and controls, domestic hot water system, lobby lighting systems, and controls.
- An energy simulation was performed throughout the entire building, demonstrating an improvement of 12% over the required standard.

HIGHLIGHTS

- LEED Silver certified by the U.S. Green Building Council
- 30% lower water consumption compared to applicable EPA baselines.



345 Harrison, Boston, MA



The following are the UDR Development team's strategies for evaluation during each phase of development.

PLANNING AND DESIGN

- We aim to use green building rating systems for each new development to ensure our projects are developed according to current environmental building standards (e.g. LEED, Green Globes, and National Green Building Standard or "NGBS").
- When evaluating potential development sites we consider access to multiple transportation options and the proximity of nearby existing developed areas.
- Projects are designed to fit the local context measured by community preferences and local market demands.
- We design building systems to be as efficient as possible and strive to exceed energy code standards when feasible to reduce our carbon footprint and impact on climate change.
- We evaluate the feasibility of using renewable energy at our communities and incorporate where possible.
- We install native and drought-tolerant landscaping and low flow irrigation systems where appropriate for the local climate.
- We incorporate sustainable building materials into the design of our new projects, and request disclosure of product data for evaluation of health and environmental attributes, when available.
- We attempt to emphasize health and safety by utilizing daylight and natural ventilation to reduce system loads and increase occupant health and satisfaction. We look to incorporate bicycle maintenance and storage facilities, electric car charging stations, and/or car sharing access for residents, where possible.

CONSTRUCTION

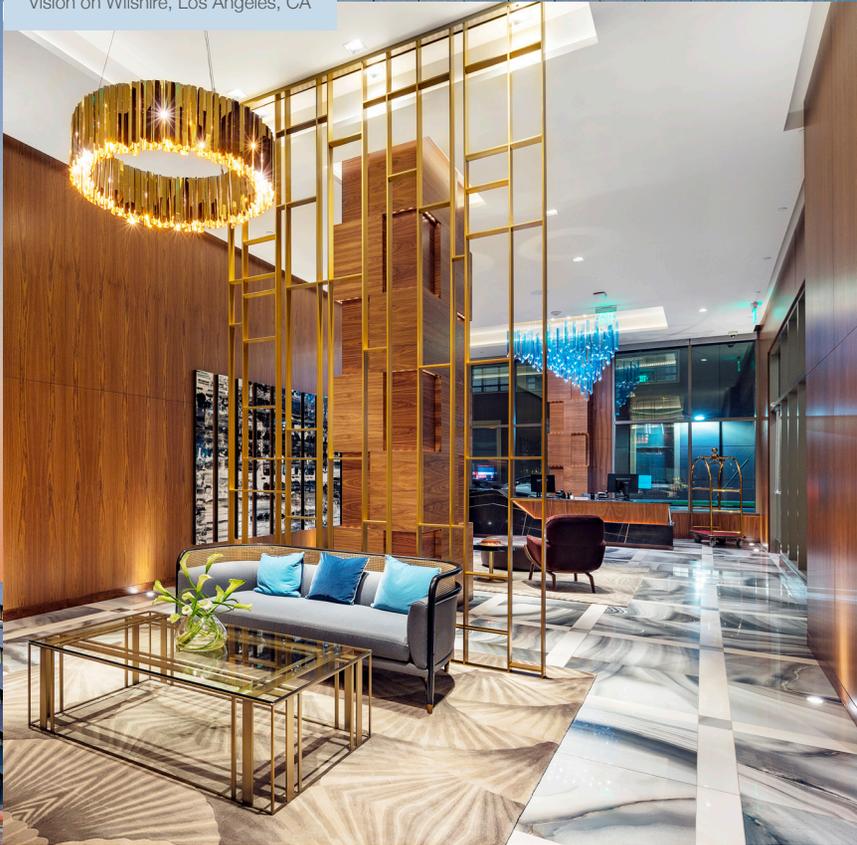
- When pursuing a green building certification, we assign a sustainability consultant to guide our contractors and ensure compliance with sustainability goals.
- We strive to reduce pollution and the negative impact on surrounding habitats and protect local biodiversity during construction by implementing best practices around construction activity and pollution prevention, including management of the quantity and quality of stormwater runoff during and after construction.
- We employ certified environmental professionals to manage hazardous waste remediation when applicable.
- We perform commissioning of building systems near construction completion, when possible, to ensure that HVAC and other building systems are running efficiently and as designed.
- We manage waste by diverting construction, demolition, and site materials away from landfills as much as possible.
- Our contractors must implement construction health and safety best practices; including communicating safety policies, demonstrating safety leadership, requiring on-site personnel protective and life saving equipment, and providing safety training. Our contractors monitor injuries, fatalities, and near misses that occur on site.
- We work to protect future residents, guests, and Associates by providing indoor air quality management and HVAC system protection during construction.
- We communicate with neighbors before and during construction to help manage any impact on the surrounding community.

OPERATIONS

- Energy efficiency is monitored monthly by our in-house team and by smart building systems like programmable thermostats and occupancy/vacancy lighting sensors.
- We manage waste by providing recycling services to our residents where available, and we reduce paper by the electronic processing of rent payments, service requests, and lease renewals.
- To conserve water we install leak sensors throughout select communities, provide residents their utility bill directly to encourage them to consume less water, and install native landscaping or irrigation controls where possible.



Vision on Wilshire, Los Angeles, CA



OUR COMMITMENT TO SOCIAL RESPONSIBILITY

UDR IS A COMPANY THAT CARES



OUR CULTURE

UDR has created a culture that fosters a sense of teamwork and support among its Associates. Living core values of: Respect, Integrity, Teamwork, Ownership, and Growth creates a framework for our culture that drives our success as a company.



RESPECT

Treating each other with courtesy and fairness, we will learn from a diversity of perspectives and accept that doing so is the way to greater balance in our lives.



INTEGRITY

We will use sincerity and honesty in both words and our actions, seeking to do the right thing, the right way, every time.



TEAMWORK

As we work together and share ideas, we will find better ways to develop effective solutions, challenge our thinking and overcome obstacles



OWNERSHIP

In order to succeed together, we will hold ourselves accountable when it comes to meeting our goals while we proudly share in our victories.



GROWTH

We will shape our own futures by increasing our skills, gaining more knowledge, trying new things, learning from our mistakes, and maintaining a positive outlook.

ASSOCIATE ENGAGEMENT MEASURED

UDR measures associate engagement at least once every three years through an independent third party survey and our Associate participation rate in the surveys has ranged between 94% and 96%. Our last survey in 2016 indicated 91% of our workforce takes pride in working for UDR. In fact, UDR outperformed the benchmarks in every aspect. 96% of our Associates participated in the survey and 89% of them think UDR is a great place to work. Key facts from the survey show:

- Engagement and Enablement results have improved year after year and score well above the High Performing Companies norm.
- Associates are motivated; they have pride in the organization and would recommend UDR as a good place to work.
- The majority of individuals feel like they are in the right role and that they have opportunities to do challenging and interesting work.
- Every UDR survey item (that could be normed) scored significantly above the High Performing Companies norm.
- UDR continues to move in the right direction. When compared to results from the last full census survey in 2014, positive improvement was achieved in nearly every topic area.

HIGHLIGHTS:

- UDR's survey results paint a picture of a workforce that is both highly engaged and highly enabled.
- 94% of our Associates would recommend UDR as a great place to work based on our 2018 Associate Net Promoter Score.
- We received an Outstanding Employer Award in 2018.

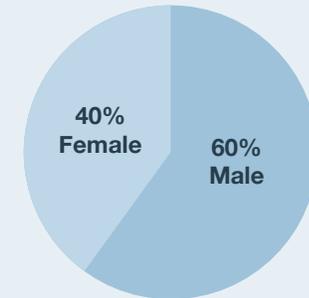
EFFORTS AND ACHIEVEMENTS REWARDED

Everyone likes to celebrate their achievements and those of their teammates. In recognition of this fact, we initiated the annual President's Club, which includes, among other awards, the Living the Values Award, Standing Ovation Award, and the 15 Year Tenure Recognition. Employees and teams that have shown outstanding performance in these areas are invited to the President's Club event to recognize their outstanding accomplishments.



UDR ASSOCIATES

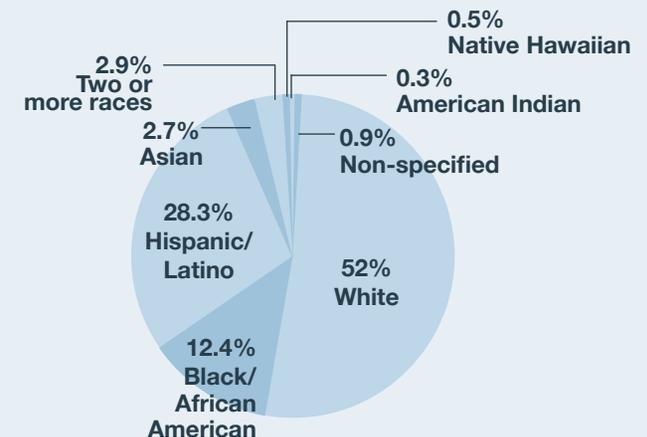
Associates by Gender



Associates by Age



Diverse Workforce



UDR WELLNESS

UDR takes wellness to the next level by offering Associates Yo-Fi Wellness, a program that helps Associates improve their health and live a healthier life. Yo-Fi provides a unique combination of video classes, personalized communications, activity trackers, and motivational wellness challenges which lead to healthy long-term behaviors that become a natural part of Associates' lives – both at work and at home.

Our Yo-Fi program includes the rollout of several Health and Wellness initiatives for associates in 2018. To communicate this program, we send out a regular newsletter regarding these initiatives and keeping Associates aware of the importance of maintaining a healthy lifestyle. Recent newsletter topics included best ways to manage stress and building awareness about breast cancer, immunization, cholesterol, and lung cancer.

WORK WELL, LIVE BETTER

Traditional benefits are offered to our Associates and health awareness emails encourage our Associates to live a healthy balanced lifestyle. We appreciate that our team works hard, and that's why we offer a comprehensive selection of benefits. When associates are happy, we all succeed.

Together we strive to provide each other with a safe and healthy work environment and we have policies to encourage this practice.



Vitruvian West, Addison, TX



GROW YOUR CAREER: UDR CAREER MOBILITY

Our UDR Career Mobility Program is designed to show Associates career path options. The learning opportunities in the program are designed to accelerate Associates' understanding of how to identify their next career goal. The Career Mobility Program prepares Associates for their next role, based on their training and learning needs.

During this self-directed program, Associates identify the core areas of development they need to strengthen to achieve their next career goal. Online training resources and on-the-job training are provided to supply a balanced mix of knowledge and practice. Through this program, our Associates develop a thorough understanding of what is needed to advance in their career at UDR.

The UDR Career Mobility Program is designed to be a "self-directed" experience and Associates are responsible for ensuring their own progress by obtaining what they need to be successful. In 2018, 424 Associates utilized the program and are expected to progress through the three-year program.

“**PROVIDING ONGOING DEVELOPMENT AND EDUCATION OPPORTUNITIES FOR OUR ASSOCIATES IS KEY PRIORITY AT UDR.**”

TRAINING OPPORTUNITIES

Providing ongoing development and education opportunities for our associates is important at UDR. We know that finding, developing, and retaining the most qualified and capable people are crucial keys to the success of our Company. Our growth opportunities include instructor-led management courses, professional certifications, and training courses.

UDR instructor-led management courses, called the "Certified Manager Program," train future managers on issues like interviewing and selection, performance management, HR policies, and a wide variety of other business topics. Associates are invited to join this program when their managers recognize they have the skills needed for the leadership and management of others.

Since certifications are important in our business, we encourage our Associates to become professionally certified in areas that interest them and are beneficial to the Company. Certifications range from master's degree programs to certified property manager programs, to technical licenses for HVAC systems which equip our associates with new knowledge and career expanding opportunities.

Aligned with the UDR Career Mobility Program, we offer a full curriculum of courses to our Associates to help them further their careers. Such courses assist Associates to expand their skill set and ready themselves for high-level performance. Program topics include leasing skills, fair housing, basic property maintenance, customer service, and systems applications.

In 2018, we provided our Associates a combined total of over 60,000 training hours with an average of 40 hours per Associate. This effort demonstrates our commitment to investing in our Associates so they can develop further both personally and professionally.

INTERNSHIP PROGRAM

UDR's internship program is designed to provide positive learning/working experience, supplying interns an opportunity to grow and sharpen their practical work skills while contributing to the success of the company. UDR offers internships in both corporate and operations positions. In 2018, we had over 25 interns supporting the teams in both our corporate office and communities.

“**OVER 60,000 TRAINING HOURS WERE PROVIDED TO ASSOCIATES IN 2018.**”

COMMUNITY SERVICE

UDR provides Associates opportunities to engage in their communities through community service. In 2018, UDR provided 2,041 hours of paid time off for Associates to volunteer in their communities. This was a 17% increase in volunteer hours over 2017.



RESIDENT LOYALTY

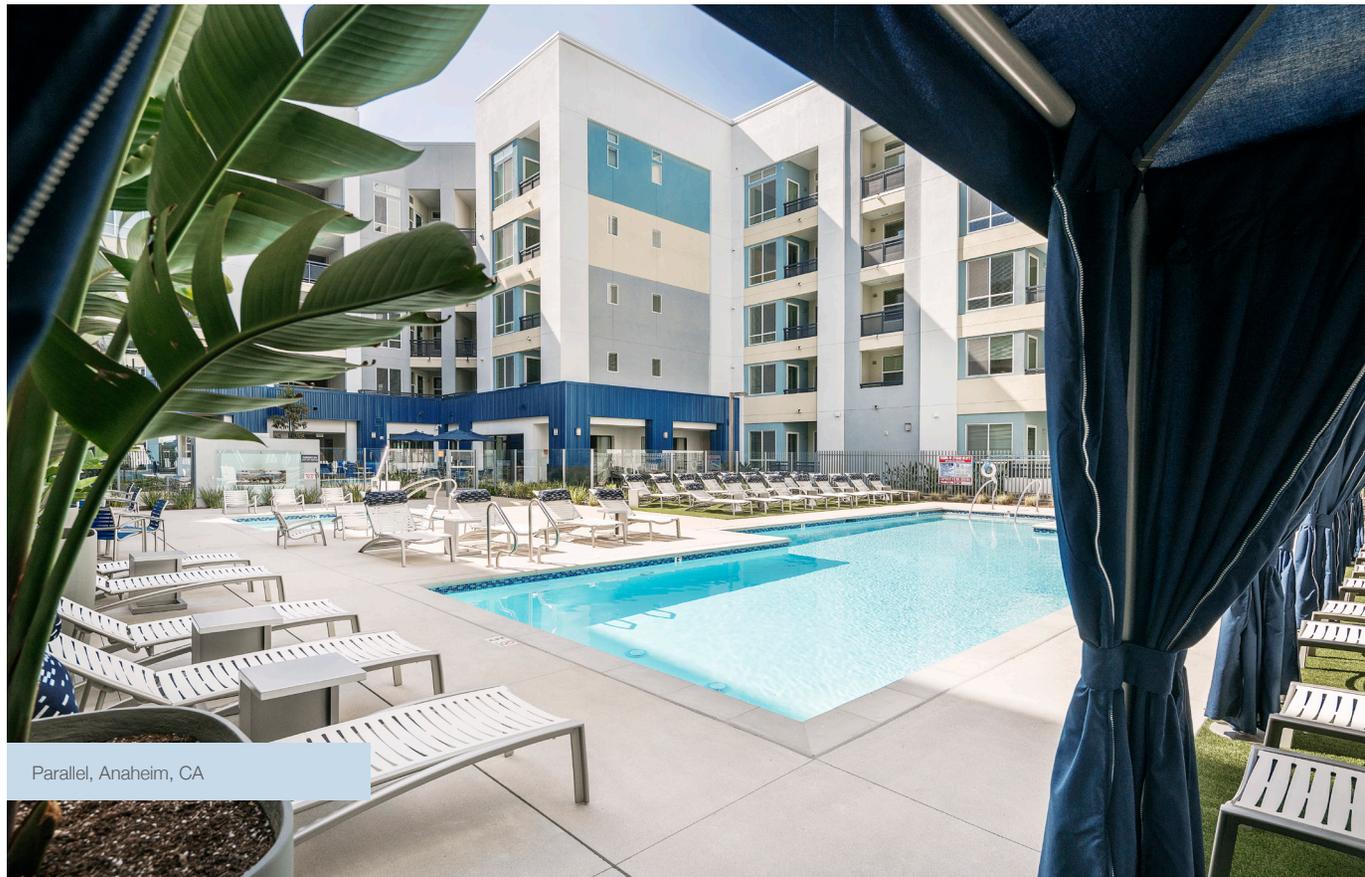
UDR uses a Net Promoter Score (NPS) to measure customer loyalty. We continuously request feedback from future, current, and past residents. We want to know what they honestly think about living in our communities. Our surveys aim to understand resident needs and identify how we can improve our operations. Surveys are taken when new prospects enter our communities, throughout the lease term, and following a resident's move out. Each month we obtain approximately 8,000 survey responses and 300 online reviews.

Data gets analyzed at the corporate level to identify opportunities for policy and procedure improvement. Feedback also directs potential amenity updates or additions. At UDR we are determined to improve our NPS scores and have set goals to increase our score annually. Over the past three years, we have raised our scores by 5 points every single year. We aim to increase our NPS score by 6 points over our 2018 score by the end of 2019.

“
**THROUGH OUR ONSITE
AMENITIES, WE AIM TO PROVIDE AN
EXPERIENCE THAT LETS INDIVIDUALS
AND FAMILIES RELAX, REFRESH, AND
RECONNECT.**”

YEAR	NET PROMOTER SCORE
2016 NPS	16
2017 NPS	22
2018 NPS	31
Target 2019	37

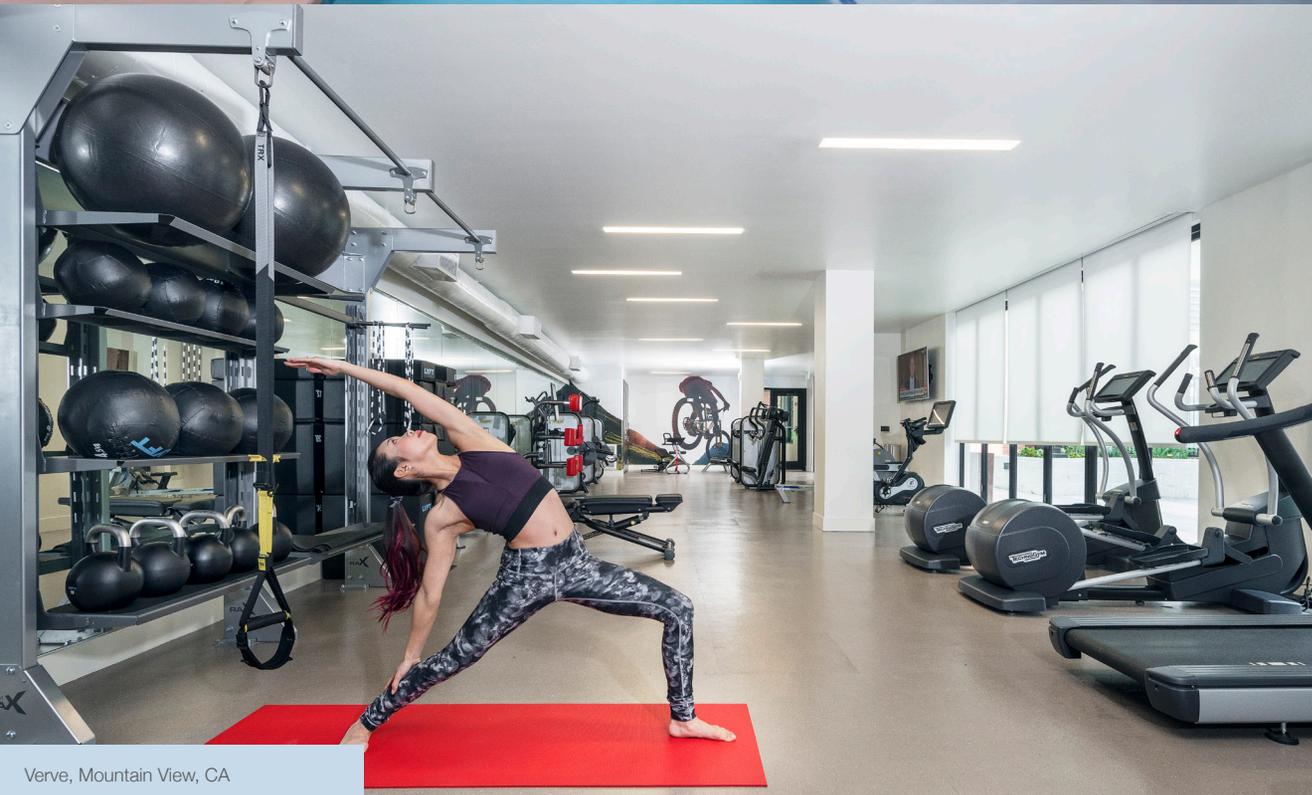
Scale: (100) to 100



Parallel, Anaheim, CA



Vitruvian West, Addison, TX



Verve, Mountain View, CA

DESIRABLE COMMUNITIES

96% of our communities offer some form of exercise facility including indoor gyms, swimming pools, and spin studios. By providing these facilities, we encourage our residents to live a healthy lifestyle. We aim to provide new services like package pick-up and drop-off, valet laundry, car sharing and much more. All of our communities are pet-friendly, and some communities offer specific facilities for dog washing.

AMENITIES

127 Swimming pools

Over 80% of our communities include a luxury swimming pool allowing residents to relax and work out.

+60% Storage facilities

The majority of our communities provide additional storage facilities; more and more properties have special lockers for receiving packages.

Over 100 Business centers

We have over 100 business centers, enabling our residents to work close to home. 20% have a community kitchen and over 70% have lounge areas where residents can meet their neighbors.

56 Dog parks

All our communities are pet-friendly and 56 communities include dog parks.

18% EV stations

UDR has expanded the number of EV charging ports in 2018 by 38% now spanning 27 communities where this amenity is provided to residents.

93% Fitness facilities

Over 140 communities provide exercise facilities to promote the residents' health and well-being.

HEALTH AND SAFETY

Our safety program focuses primarily on the personal health and safety of each UDR Associate and resident and our communities. We understand that certain resources are vital to the success of our collective safety efforts and that is why we're committed to providing both the leadership and resources necessary to continue a successful safety program.

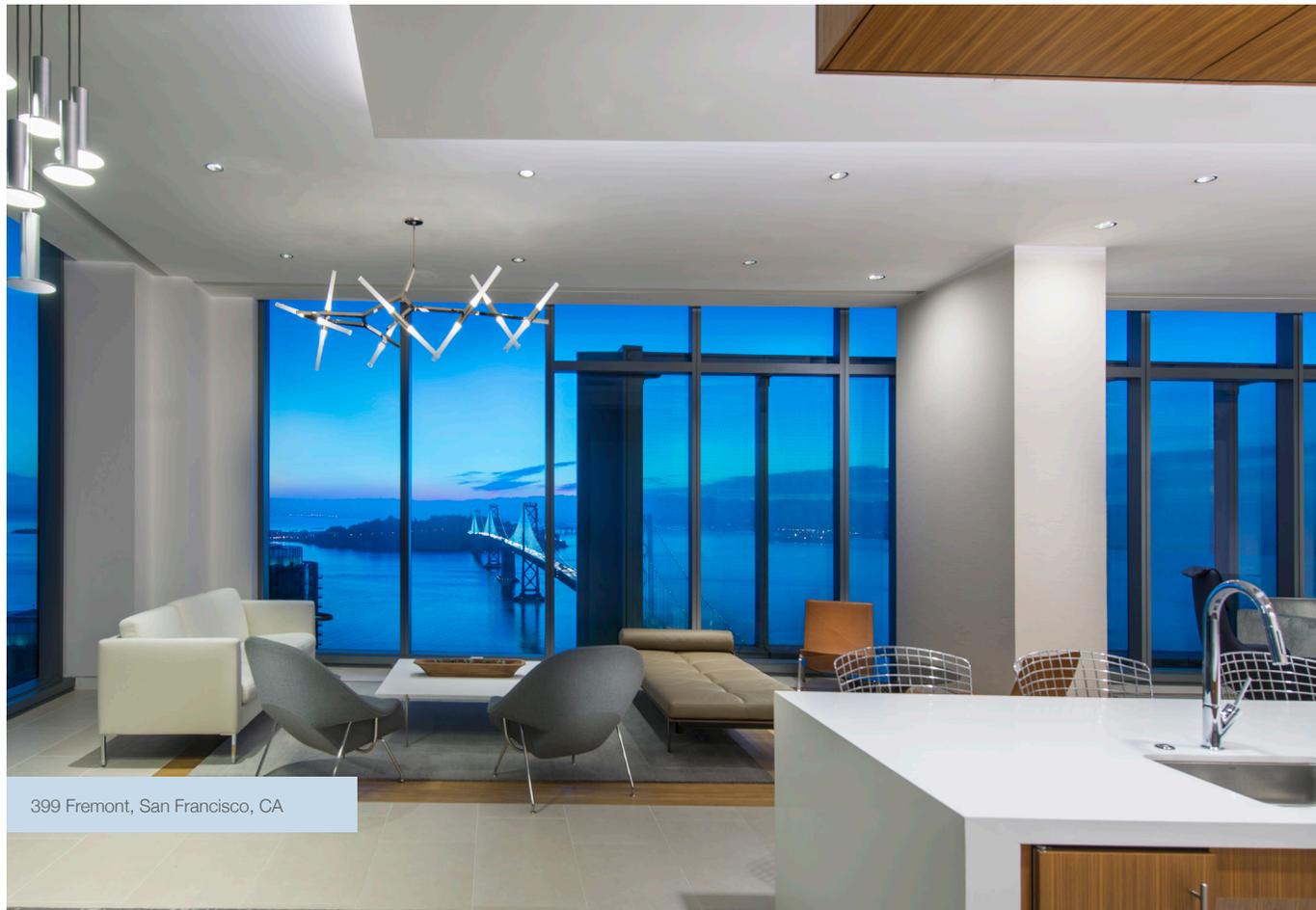
Safe operations depend on the behavior and practices of all our Associates, thus we call upon our Associates to make every possible effort to perform their jobs safely every day. Each Associate is encouraged to make a personal effort to either correct or bring to the attention of a supervisor any actions or conditions that could put our Associates, residents, or communities at risk.

Together, all UDR Associates work hard to support and improve our safety program. While no program can prevent every risk or safety problem, the consistent performance of our jobs combined with application of these guidelines in a "common sense" manner enhance health and safety.

Following are examples of the information included and topics addressed in our safety program:

- Extreme Weather Events
- Training & Education Programs
- Environmental Compliance
- Fall Protection
- Fire Prevention
- Crime and Terrorism Prevention
- Carbon Monoxide & Smoke Detector Placement
- Indoor Air Quality and Toxic Materials

“
**WE PROVIDE A SMARTER, BETTER
WAY TO LIVE IN OUR APARTMENTS.**”



399 Fremont, San Francisco, CA

SMART LIVING

Our residents enjoy the operating platform initiatives we have implemented and that appreciation shows with the over 80% utilization rates for our on-line services like rent payment, leasing, and service requests. The next version of our operating platform will go a step further to better leverage our innovative culture, position UDR proactively for ongoing success, and continue to provide residents with a better living environment. We put the newest technology to use to make apartment living easier. Across our communities, we provide the latest high-tech amenities: free Wi-Fi and high-speed internet access, extra USB ports in living spaces, and Nest thermostats.

In 2019, we have introduced SmartHome technology inside of our apartments, including smart locks, thermostats, light switches, and water leak detectors. As of June 30, 2019 we have installed SmartHome technology in 17,311 homes. Our investment in technology will continue in the future as part of our continued efforts to find ways to improve our operating platform and our resident's way of life.

MYUDR BENEFITS

Our residents can conduct apartment-related business conveniently through the MyUDR Resident Portal. This online portal allows residents to pay rent, renew their lease, schedule maintenance requests and connect socially with other residents. In 2018, 82% of our everyday resident interactions (lease renewal, service requests, and online payments) occurred online through the resident portal.



OUR COMMITMENT TO CORPORATE GOVERNANCE

We believe that effective and transparent corporate governance is critical to our long-term success, as well as to our ability to create shareholder value. At UDR, we review our corporate governance policies annually and monitor emerging developments in corporate governance to enhance our policies.

GOVERNANCE HIGHLIGHTS

SHAREHOLDER RIGHTS

- Annual election of all directors
- Majority voting in uncontested director elections
- Proxy access for eligible director candidates nominated by eligible shareholders
- No shareholder rights plan (Poison Pill)
- Confidential Voting
- No material restrictions on shareholders' right to call a special meeting
- Shareholder engagement with holders of approximately 80.4% of outstanding shares in 2018
- Ability for shareholders to propose binding bylaw amendments

INDEPENDENT OVERSIGHT

- Strong Lead Independent Director role with clearly articulated responsibilities
- Audit, Compensation, Governance and Nominating Committees consist entirely of independent directors
- All directors are independent, except the Chairman and Chief Executive Officer
- Independent directors meet regularly in executive session



GOOD GOVERNANCE

- Extensive board dialogue with formal processes for shareholder engagement
- Annual board and committee self-evaluations
- Annual individual director evaluation process
- Periodic continuing education for directors
- All Directors Attended at Least 75% of meetings held
- Annual advisory approval of named executive officer compensation
- Code of Business Conduct and Ethics, and Code of Ethics for Senior Financial Officers
- Stock Ownership Guidelines for Executive Officers and Directors
- Prohibition on Hedging Transactions
- Pledging Transactions Prohibited Without Prior Approval
- Policy on Recoupment of Performance-Based Incentives



BUSINESS INTEGRITY

The UDR Code of Business Conduct and Ethics encompasses a wide range of business practices and procedures. All our directors, officers, and Associates must follow these principles. This Code is published online for all of the Company's agents and representatives, including consultants, to review. Bribery and corruption practices are strictly forbidden, and all our Associates received training on these topics in 2018. Furthermore, no contributions to any political candidate were provided or financial assistance received from governments in 2018.

We also monitor our corporate governance policies and practices to maintain compliance with the provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), the rules of the SEC and the corporate governance rules of the NYSE. Our policies and practices meet, and in many cases exceed, the listing requirements of the NYSE, applicable SEC rules and the corporate governance requirements of the Sarbanes-Oxley Act and the Dodd-Frank Act.

We have a hotline with a 1-800 number and a third-party anonymous reporting system at www.mysafeworkplace.com available to all employees, and our Audit and Risk Management Committee has procedures in place for the anonymous submission of any employee complaint, including those relating to accounting, internal controls or auditing matters. Instructions for making a report are published in the Corporate Governance subsection of the Investor Relations page of the Company's website at ir.udr.com.

DIVERSITY AND EQUAL OPPORTUNITIES

UDR is an equal opportunity employer. We're committed to treating our associates in a non-discriminatory manner with regard to race, color, gender, age, sexual orientation, marital status, religion, national origin, physical or mental disability, genetic information, veteran status, or any other characteristic protected by law. All Associates received training in 2018 to increase awareness and to demonstrate that any kind of harassment is forbidden and, when it does occur, quickly identified and dealt with.

In 2018 and 2019, we were honored at the biennial Breakfast for Corporate Champions because at least 30% of our board seats are held by women.

DATA SECURITY

We recognize the threat associated with our Associates, residents and vendor's Personally Identifiable Information (PII). To secure this data we undertake periodic reviews of access controls, password controls, Sarbanes-Oxley information technology control testing, and vendor SOC1 compliance verification. Combined, each of these checks validates the process and security controls we have in place. The results of our testing, along with other risks, are frequently reported to and discussed with senior management and the Audit and Risk Management Committee.

We use a third-party application to identify potential risks to our IT infrastructure that scores our cybersecurity effectiveness and allows us to respond to any areas identified as a threat. Additionally, we annually provide IT security training to all Associates and we conduct periodic tests as reminders of the different avenues for potential infiltration of our network through phishing campaigns.

OUR COMMITMENT TO SHAREHOLDER ENGAGEMENT

We have an ongoing, proactive practice of meeting with and discussing corporate governance issues with significant shareholders. Throughout 2018, we again demonstrated our commitment to shareholder engagement, communication, and transparency. During the year, through meetings and property tours, our Company representatives interacted 393 times with investors, representing more than 80.4% of our outstanding common stock.

SUCCESSION PLANNING

One of the primary responsibilities of the board of directors is to ensure that the Company has the necessary senior management talent to pursue our strategies and to be successful. The Company's Statement on Corporate Governance states that the board is responsible for appointing the CEO, and planning for his succession, as well as the succession for other executive officers of the Company. The Compensation and Management Development Committee is responsible for annually reviewing the development and retention plans for the Company's key executive officers, including the CEO, reviewing and approving a succession plan for the CEO, and ensuring succession plans are in place for the Company's key executive officers reporting to the CEO.

Under the direction of the Compensation and Management Development Committee, the Chairman and CEO and our SVP-Human Resources have undertaken and continue to undertake a concentrated effort to identify and develop successors for key executive officers. This effort involves potential candidates working with third party consultants and completing a series of leadership assessment programs with the goal of determining skill sets and executive potential as potential successors for key executive officers. The Company has a proven track record of talent development and succession. For example, Jerry Davis was promoted to President and five Vice

Presidents were promoted to Senior Vice Presidents in 2019, and we had successful CFO and Chief Accounting Officer transitions in 2017.

RISK MANAGEMENT

The Audit and Risk Management Committee has oversight responsibility with respect to risk management but is not responsible for day-to-day management of risk, which is the responsibility of senior management. The Audit and Risk Management Committee's role in the Company's risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal, strategic, cybersecurity and reputational risks. In addition, the Audit and Risk Management Committee reviews and discusses our enterprise risk management and key risks, controls, and mitigants at each meeting. The Audit and Risk Management Committee reports to the board at each board meeting with respect to risk management.



GLOBAL REPORTING INITIATIVE CONTENT

THIS REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS: CORE OPTION.

GRI 102: GENERAL STANDARD DISCLOSURES

1. ORGANIZATIONAL PROFILE

GRI INDICATOR	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
102-1	Name of the organization	UDR, Inc
102-2	Activities, brands, products, and services	UDR is an S&P 500 company. UDR is a leading multifamily real estate investment trust that manages, buys, sells, develops and redevelops real estate properties primarily located in Boston, New York, Washington, D.C., Orlando, Tampa, Dallas, Orange County, Los Angeles, San Francisco, Seattle, and other markets. https://www.udr.com/search-apartments/
102-3	Location of headquarters	UDR's corporate headquarters is located in Highlands Ranch, Colorado.
102-4	Location of operations	UDR's operations are limited to the United States of America.
102-5	Ownership and legal form	UDR, Inc. (NYSE:UDR), a Maryland corporation, which is publicly traded on the NYSE under the ticker symbol of UDR. For a complete list of entities for which UDR, Inc. is the parent company see company's 10-K exhibit 21 2018 10K http://ir.udr.com/FinancialDocs
102-6	Markets served	November 2018 Investor Presentation, Page 3 http://ir.udr.com/Presentations 2018 10-K F-50 http://ir.udr.com/Docs
102-7	Scale of the organization	As of December 31, 2018 UDR had 1,471 FTEs. Refer to 102-8 for further breakdown of employees and employment type. Also refer to Page 35. 4th Quarter 2018 Earnings Release provides revenue from operations, debt, equity and other operational information. ://ir.udr.com/Docs

GRI INDICATOR

DESCRIPTION

PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE

102-8

Information on employees and other workers

Total Associates by Gender
 Female # / % 588 / 40%
 Male # / % 883 / 60%
 Total # / % 1,471 / 100%

Markets	ASSOCIATES BY REGION			FULL TIME		PART TIME		PERMANENT		TEMPORARY	
	Associates	Full Time	Part Time	Male	Female	Male	Female	Male	Female	Male	Female
Austin	34	32	2	16	16	2	0	18	16	0	0
Baltimore	30	30	0	14	16	0	0	14	16	0	0
Boston	83	81	2	46	35	1	1	46	36	1	0
Dallas, TX	84	81	3	56	25	1	2	57	27	0	0
Denver	205	204	1	107	97	0	1	107	98	0	0
LA County	52	51	1	31	20	1	0	32	20	0	0
Metro DC	213	202	11	121	81	2	9	123	90	0	0
Monterey (Salinas)	36	36	0	24	12	0	0	24	12	0	0
Nashville, TN	46	46	0	20	26	0	0	20	26	0	0
New York	145	144	1	130	14	0	1	129	15	1	0
Orange County	138	138	0	76	62	0	0	76	62	0	0
Orlando	63	61	2	40	21	1	1	41	22	0	0
Other FL	11	11	0	7	4	0	0	7	4	0	0
Other SoCal	13	12	0	6	7	0	0	6	7	0	0
Philadelphia	11	11	0	5	6	0	0	5	6	0	0
Portland, OR	22	22	0	11	11	0	0	11	11	0	0
Richmond	31	31	0	18	13	0	0	18	13	0	0
San Diego County	17	17	0	12	5	0	0	12	5	0	0
Seattle, WA	92	91	1	54	37	0	1	54	38	0	0
SF Bay Area	87	85	2	49	36	1	1	50	37	0	0
Tampa, FL	58	55	3	29	26	2	1	31	27	0	0
Total	1471	1442	29	872	570	11	18	881	588	2	0

GRI INDICATOR	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
102-9	Supply Chain	<p>UDR's operation and management of real estate includes a diverse supply chain that includes the use of a variety of vendors located across the United States to assist with the following activities:</p> <ul style="list-style-type: none"> • Resident services • Building maintenance and management, including utilities, insurance, real estate taxes, and other administrative services • Purchasing of building materials and supplies • Capital improvements, including renovations and development of new assets • Data gathering and analysis <p>The UDR Code of Business Conduct and Ethics encompasses a wide range of business practices and procedures. This Code is also published on the internet and available to the Company's agents and representatives, including consultants. Bribery and corruption practices are strictly forbidden by our policies and all our Associates received training on these topics in 2018.</p>
102-10	Significant changes to the organization and its supply chain	In 2018, there were no significant changes to UDR's size, structure, ownership, or supply chain that would significantly impact the economy, environment, or our communities.
102-11	Precautionary Principle or approach	UDR does not apply the Precautionary Principal at this time.
102-12	External initiatives	<p>In 2018, UDR completed the development of 1,634 homes with a total cost to construct of \$809M.</p> <p>Page 16-18. Further information regarding UDR's developments can be found at https://www.udr.com/new-developments/</p>
102-13	Membership of associations	Real Estate Round Table, Urban Land Institute, NAREIT, NMHC, NAA

2. STRATEGY

GRI INDICATOR	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
102-14	Statement from senior decision-maker	Message from the Chairman and CEO, Page 6-7

3. ETHNICS AND INTEGRITY

GRI INDICATOR	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
102-16	Values, principles, standards, and norms of behavior	UDR Code of Business Conduct and Ethics, Page 21.

4. GOVERNANCE

GRI INDICATOR	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
102-18	Governance structure	<p>Pages 31-33.</p> <p>Further information regarding UDR's governance structure can be found at http://ir.udr.com/govdocs, including Audit Committee Charter, Compensation Committee Charter, Governance Committee Charter, and Statement on Corporate Governance.</p>

5. STAKEHOLDER ENGAGEMENT

GRI INDICATOR	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
102-40	List of stakeholder groups	UDR's ESG Methodology, Page 8
102-41	Collective bargaining agreements	7.13%
102-42	Identifying and selecting stakeholders	<p>UDR's ESG Methodology, Page 8.</p> <p>Any interested party may contact UDR through our corporate website at UDR.com</p>
102-43	Approach to stakeholder engagement	Message from the Chairman and CEO, Page 6-7 and UDR's ESG Methodology, Page 8.
102-44	Key topics and concerns raised	Materiality Assessment, Page 8.

6. REPORTING PRACTICE

GRI INDICATOR	DESCRIPTION	PAGE NUMBER(S), URL(S), AND/OR DIRECT RESPONSE
102-45	Entities included in the consolidated financial statements	2018 10K: all entities included in our consolidated financial statements are covered by the report.
102-46	Defining report content and topic Boundaries	UDR's ESG Methodology, Material Assessment, ESG Governance, and ESG Targets are defined on Pages 8-9.
102-47	List of material topics	UDR's Corporate Responsibility Report includes material information for energy, resident and Associate engagement, workforce diversity, Associate training, developments, investor interactions, Associate community service, governance, and other material information. UDR's material topics include Environmental, Social, and Governance and how we management those topics, including defining, measure, and set future goals and targets.
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	Environmental, Social, and Governance data covers the 2018 calendar year. Financial data is current as the Q4 2018 Supplemental Report unless otherwise stated.
102-51	Date of most recent report	July 2019. This is our first report.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	CR@udr.com
102-54	Claims of reporting in accordance with the GRI standards	This report has been prepared in accordance with GRI Standards: Core Option
102-55	GRI content index	GRI Content Index, Pages 34-38
102-56	External assurance	UDR's management was responsible for preparing the 2018 Corporate Responsibility Report and for maintaining effective internal controls over the data and information disclosed. The internal controls surrounding the recording, reporting, and monitoring of key metrics outlined in this Report were effective during the reporting period based on internal reviews.

