



2019 CORPORATE RESPONSIBILITY REPORT

A MESSAGE FROM OUR CEO

JULY 30, 2019

NEW YORK STOCK EXCHANGE

NYSE OPENING BELL®

AIV
LISTED
NYSE

Aimco 25
YEARS OF BUILDING COMMUNITY
APARTMENT HOMES

AIV
LISTED
NYSE



AIMCO RINGS THE OPENING BELL® AT THE NEW YORK STOCK EXCHANGE ON JULY 30, 2019.

A Message From Our CEO

We live in times when we are asked about Aimco accountability: to whom? And for what?

Aimco has explicit policies and, more importantly, an intentional culture that embraces accountability. We are proud of what we do and quick to own our inevitable mistakes. This annual report is intended to reflect another Aimco value: transparency.

While this and any report are necessarily summary, we are committed to a more thorough review by an independent, third-party that will be made available to you next year when we publish our GRESB rating. Here's what we can report today:

Aimco is accountable:

- To our shareholders and partners in return for their investment;
- To our teammates in return for their hard work;
- To our residents in return for rent; and
- Where doing so enables us to satisfy more completely, the commitments made above, to others, including the broader communities where we do business.



OUR MISSION

To consistently provide quality apartment homes in a respectful environment delivered by a team of people who care.



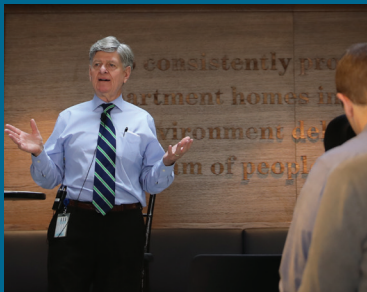
OUR VISION

To be the best owner and operator of apartment communities, inspired by a talented team committed to exceptional customer service, strong financial performance, and outstanding corporate citizenship.

Aimco is Accountable to Shareholders

Aimco is accountable to its owners, our shareholders and partners, for financial results, measured over time. Aimco is responsible to provide value that considers risk and endures, by making warranted re-investment in people and properties, and appropriate adjustments to changing technologies, demographics, and legal requirements.

Aimco is accountable directly to shareholders at our Annual Meeting. Aimco is transparent to shareholders and partners with regular financial reporting, quarterly earnings calls, numerous investor presentations, direct access to management and directors, and an annual canvass of those who together hold more than 70% of Aimco ownership.



CEO TERRY CONSIDINE HOSTS A QUARTERLY ALL-TEAM TOWN HALL AT THE COMPANY'S HEADQUARTERS IN DENVER, CO.



BOARD DIRECTOR ANN SPERLING CONNECTS WITH TEAMMATES DURING THE 25TH ANNIVERSARY EVENT AT THE NEW YORK STOCK EXCHANGE.



EXECUTIVE VICE PRESIDENT KEITH KIMMEL LEADS THE ANNUAL OPERATIONS KICK-OFF MEETING IN FORT LAUDERDALE, FL.



\$230M

INVESTED IN REDEVELOPMENT IN 2019

ENGAGEMENT WITH STAKEHOLDERS
HOLDING APPROXIMATELY

70%

OF OUTSTANDING SHARES

Board of Directors

Aimco is also accountable to our Board of Directors, elected by shareholders, and responsible for the determination of Policy; approval of Strategy, Annual Plan, Capital Structure, and Talent Management... including selection of the CEO and succession planning. In addition to what is provided to shareholders, Aimco provides further information in such detail as the Board may require, including monthly written reports, quarterly (or more frequent) meetings, numerous calls, and the direct engagement by individual directors with management and projects of their special interest.

The Aimco Board is independent of management. All directors, save only the CEO, are independent. The independent directors elect a Lead Director and meet separately on a quarterly (or more frequent) basis. Board committees include only independent directors. Each committee includes every independent director so that there are no “silos.”

All directors are shareholders and compensated primarily in Aimco equity.

The independent directors are capable, experienced, and thoughtful. The Board is committed to annual self-assessment; composition such that a broad diversity of experiences and viewpoints are considered; periodic refreshment; a culture of collegiality; and commitment to decision making only with consensus.

As evidence of good governance, the Aimco Board has been recognized for its composition, annual election, and support for proxy access and say-on-pay.

**HONORED THE PAST 3
CONSECUTIVE YEARS
FOR BOARD COMPOSITION**



BOARD OF DIRECTORS

COMPOSITION

- ✓ Supermajority independent board
- ✓ Intentional balance of different backgrounds and experiences
- ✓ Regular Board refreshment
- ✓ Self-evaluation by the Board
- ✓ Disciplined balance of retention for institutional memory and recruitment for fresh perspectives
- ✓ All standing committees are composed entirely of independent directors
- ✓ All independent directors serve on all committees
- ✓ Independent director stock ownership averaging \$2.2M

PROCESS

- ✓ All Directors elected to one-year terms
- ✓ Directors elections with a majority voting requirement, backed by contingent letters of resignation
- ✓ Lead director engaged in setting agendas, executive sessions
- ✓ Board meets at least quarterly
- ✓ Independent directors meet at least quarterly
- ✓ Practice of continued discussion until a consensus is reached
- ✓ Formal written communication to the Board from the CEO at least monthly
- ✓ Committee chairs actively and directly engaged with management
- ✓ Directors accessible to stockholders

RESPONSIBILITIES / OVERSIGHT

- ✓ Selection of CEO
- ✓ Evaluation of CEO
- ✓ Executive Compensation
- ✓ Succession Planning & Management Development
- ✓ Conflicts of Interest
- ✓ Financial Reporting and Disclosures
- ✓ Enterprise Risk Management
- ✓ Code of Business Conduct and Ethics
 - Anti-bribery/anti-corruption policy
 - Policy and Board oversight of the use of company funds for political purposes
 - Anti-harassment Training
 - Confidential whistle-blower access to our General Counsel and to the Board
 - Vendor Code of Conduct
- ✓ Occupational Health and Safety policy and performance reports

As for financial results for shareholders, measured over time:

In 2019, Aimco celebrated the 25th anniversary of its Initial Public Offering. Total shareholder return over this period compounded annually at 11.6%, 170 bps better than the S&P 500 and 140 bps better than the MSCI US REIT Index. These results put Aimco in the top third of S&P 500 companies that have been public for 25 years.

Aimco also measures financial results by “Economic Income,” defined as the sum of (i) cash dividends plus (ii) increases in Net Asset Value per share. Changes in Net Asset Value (NAV) provide important information not captured in GAAP net income nor in NAREIT FFO. NAV accounting, widely used by property owners outside the United States, differs from GAAP by incorporating current investment decisions made by thousands of real estate investors to ‘mark-to-market’ property valuations. NAV provides objective support for relative valuations of property cash flows based on their quality, duration, and expected growth rate. NAV has its own limitations: it is not reduced by transaction costs and related taxes; captures imperfectly the potential for changes in use; and does not consider the enterprise value of a portfolio managed by a talented management team. Nevertheless, NAV provides more relevant information than does GAAP with its use of historic costs. NAV accounting differs from NAREIT FFO by adjusting valuations for the cash cost of all-too-real depreciation, and for market perceptions of property quality, condition, and potential obsolescence.

Aimco Economic Income has grown at the compounded annual growth rate of 8% over the past year, 10% over the past five years, and 14% over the past ten and 25 years.

ECONOMIC INCOME

Aimco's **primary measure of long-term financial performance** is Economic Income.

Measuring Aimco Shareholder value creation by the **per share change in Net Asset Value (NAV) plus Cash Dividends paid**, Aimco Economic Income has compounded:

- **Since IPO** through 3Q 2019, at **14% annually**; and
- Over the past five years, through 3Q 2019, **at 10.2% annually**, reflecting lower leverage and stable, full pricing for assets.

10.4%

TOTAL SHAREHOLDER RETURN

CAGR for 5-year period ending 12/31/2019, outperforming Nareit Apartment Index and MSCI US REIT Index



Flamingo Point
MIAMI BEACH, FL

PROXY ACCESS

BEGINNING IN 2016, OUR BYLAWS PERMIT:

A **stockholder** (or group of up to 20 stockholders) owning **3% or more** of our outstanding common stock continuously for at least **3 YEARS** to nominate and include in our proxy materials director candidates constituting up to the greater of **2 INDIVIDUALS** or **20% of the Board**, if the nominee(s) satisfy the requirements specified in our bylaws.

Aimco is Accountable to Teammates

Aimco sees its workforce as a team, and not employees only. Our view is relational, and not transactional, reflecting a longer view of the benefits of a cohesive and caring team and an intentional culture expressing our expectations of ourselves.

Aimco is accountable to teammates for meaningful work with the high purpose of providing homes for others; respect for each person based on God-given and innate dignity; competent supervision; safe and comfortable settings; modern tools; continuing education; support for a balance between work and personal or family life; together with market-meeting, performance-based compensation with opportunities for advancement and a culture of promotion from within.

Our welcoming workplace includes

- + Profit sharing
- + 16 week paid parental leave policy
- + Flexible work schedules and dress code
- + Robust internal communications including weekly e-newsletters, Aimco Connection Intranet, and an internal social network
- + Quarterly Town Halls with Senior Leadership
- + Twice weekly all stand-up meetings
- + Retirement plans for all

Aimco provides full pay and benefits for teammates deployed on active duty in the U.S. Military.



TOP WORKPLACE

Recognized in Colorado for seventh consecutive year and in the Bay Area in 2019



Association for
Talent Development

BEST HR AWARD

Second consecutive award and the only real estate company to earn a spot on the list

\$1.2M

Aimco Cares College Scholarship Funds awarded to **604 children** of Aimco team members since 2006

\$33K

Aimco Cares 4U emergency financial assistance to Aimco team members in 2019

\$54K+

Aimco Cares College Scholarship Funds to 18 Students in 2019

2 NEW U.S. CITIZENS

Through the Aimco Cares Citizenship Program in 2019



THE AIMCO TEAM IS THE HEART AND SOUL OF OUR BUSINESS.



AIMCO BOARD OF DIRECTORS AND SENIOR LEADERSHIP TEAM

Aimco management is transparent to the entire Aimco team with explicit goal setting and performance reviews; regular, sometimes daily communications; quarterly town halls held online to include teammates across the country; and by the very design of Aimco offices which emphasize light and volume, and encourage the serendipity and efficiency of incidental contact.

A flat organizational structure reinforces decision making that is collaborative and not hierarchical. Numerous processes provide bypass mechanisms for confidential reporting of breaches of what we expect of ourselves; happily, these are few.

Aimco accountability to teammates is evident in its excellent workplace safety record; high measured team engagement; low workforce turnover; and a stable and cohesive management team with an average of 16 years of service to Aimco.



TEAM SATISFACTION SURVEYS

Our team philosophy incorporates teammate feedback on Aimco policies, processes, and programs.



**TEAM ENGAGEMENT
IN 2019**

AN AIMCO RECORD

RETAIN

72%

Management Positions Filled Internally

15.5%

Voluntary Turnover



A RESIDENT ENJOYS THE AMENITIES AT PARC MOSAIC.

Aimco is Accountable to Residents

Aimco values its high mission to provide homes where residents can refresh, reconnect and recharge. Aimco recognizes that the purpose of every business is to serve customers profitably. In our business, we are accountable to residents that their homes be safe and clean. We place a high priority on the selection of 'good neighbors' and creation of healthy settings.

We are customer-driven, offering each resident the opportunity to grade our work as each task is performed. The resulting customer satisfaction reports are published online, increasing their importance to Aimco. These CSAT reports drive on-site process improvements, and CSAT scores are an element of site team compensation.

Aimco accountability to residents is evident in high CSAT scores achieved and in peer-leading customer retention.



**CUSTOMER
SATISFACTION SCORE**

AN AIMCO RECORD

75k

**RESIDENT SURVEY
RESPONSES**

57%

**RESIDENT RETENTION
IN 2019**

AN AIMCO RECORD

Aimco is Accountable to Others, and to the Broader Communities Where We Do Business

To meet its commitments to shareholders, teammates, and residents, Aimco holds itself accountable to others to be our better selves, creating a culture of integrity, respect for all, service to others, collaboration, with passion for what we do. We encourage individual self-control and personal responsibility. We consider ourselves stewards of the properties we own, supporters of a healthy environment, and champions of patriotic causes. We admire those who put their lives at risk to protect our nation and to provide for domestic safety. We feel responsible “to care for him who shall have borne the battle, and for his widow, and his orphan.”

Aimco accountability to others and to the broader communities is shown in the hundreds of events where Aimco teammates have used paid time off to volunteer in support of self-selected worthy causes.



AIMCO'S CHIEF ADMINISTRATIVE OFFICER, MILES CORTEZ, JOINS REPRESENTATIVES FROM TAPS DURING THE 16TH ANNUAL AIMCO CARES GOLF CLASSIC.



TEAM MEMBERS IN PHILADELPHIA, PA, VOLUNTEER WITH CHILDREN'S HOSPITAL OF PHILADELPHIA.

IN 2019

\$530,670

Raised through charity golf tournament for military families and scholarships for students in affordable housing

101

Nonprofits served

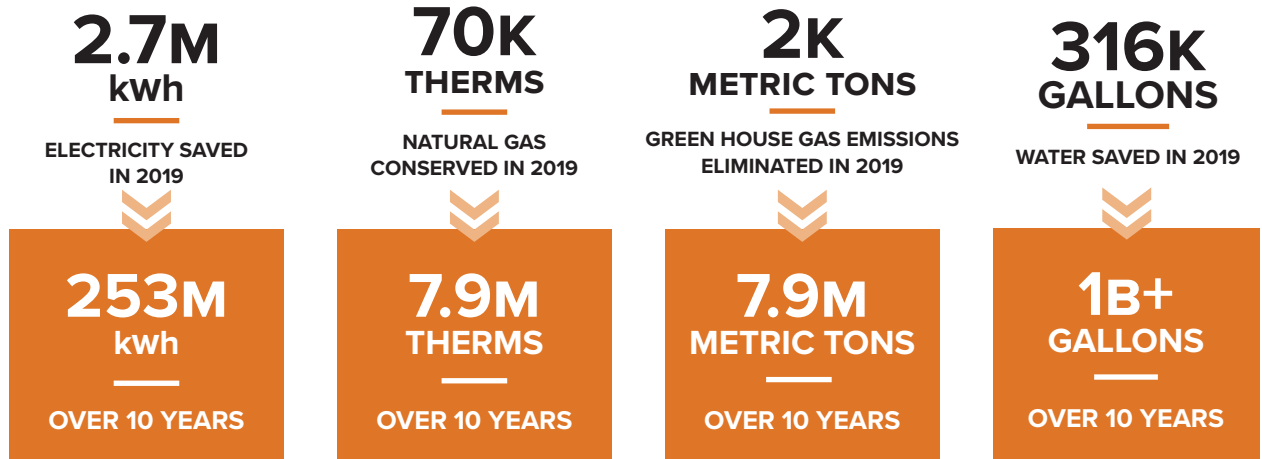
5,141

Hours volunteered

125

Aimco Cares volunteer events

Supporters of a Healthy Environment



\$270k
COST SAVINGS
Estimated cost savings from energy efficiency measures in 2019

\$11.2M
TOTAL INVESTMENT
Amount invested to conservation in 2019

11
CONSERVATION PROJECTS
Contributing to resident comfort and experience in 2019

\$14M
COST SAVINGS OVER 10 YEARS
3.6%
DECREASED CONSUMPTION



Another sustainable option provided for our residents is electrical vehicle (EV) charging stations included as an amenity at many communities. Aimco has installed **279 EV charging stations** across our communities and they are a standard for all new developments.

MARCH 12, 2020

As we go to print with this, our 2019 Corporate Responsibility Report, the reach and impact of COVID-19 is not yet known. Nevertheless, Aimco has prepared for what may lie ahead. As outlined in this report, Aimco is committed to serving our residents, supporting our teammates, and working closely with community partners such as CDC and local health officials to keep our communities safe and healthy. We follow this same process in our response to other emergencies, whether they be flood or fire, hurricane or pandemic. In this instance, we have made plans to support residents quarantined at home, to have replacements at the ready for teammates on site who become ill, and to ask teammates in our offices to work remotely.



Terry

Terry Considine

CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE OFFICER



4582 S. Ulster Street

Suite 1700

Denver, Colorado 80237

www.aimco.com