



BH Corporate Social Responsibility Report

Environmental, Social, Governance Report

OCT 2021

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One BH. One Team.





Letter from Joanna

At BH, we believe the work we do matters. I like to say that property management is rocket science. When you work with hundreds of thousands of people every day, the level of problem-solving you do makes SpaceX® look simple. With that, we have an enormous responsibility to do what's right.

We're committed to being a good corporate citizen, which simply means doing business the right way. Our culture is built around our promise to deliver excellence in every community, for every person, every day.

Our founder, Harry Bookey, had the incredible foresight to understand that people and culture are what make companies great. We believe we can be a better business – and get better results for our partners – when we invest in our team members. Therefore, we work hard to foster the unique culture of our team, which embraces innovation and thrives when faced with new challenges. We empower our employees to speak up and step up to do the right thing every day. It's the small things done right that add up to big differences.

The 2021 BH Corporate Social Responsibility Report focuses on our ongoing commitment to making a positive impact on the lives and communities we touch. We're confident our innovative spirit and promise to be a good corporate citizen will have a meaningful and long-lasting impact on our world.

Sincerely,

Joanna Zabriskie
CEO & President
BH



Corporate Social Responsibility

About BH

Founded in 1993, BH Companies (BH) is a vertically integrated multifamily owner and operator with a proven track record of success in acquisitions, financing, renovations, and property operations. Powered by a performance-driven culture and tech-forward approach, BH has become one of the largest multifamily companies in the United States, with more than 100,000 units under management.

The work we put into fostering a great culture, building benefits and career paths for our team members as well as our focus on developing the “whole person”, shines through in employee-driven awards BH receives each year.

Mission

BH provides innovative property management solutions that create opportunities for our team members, enhance quality of life for our residents and maximize returns for our investors.



By the Numbers

As of October 1, 2021:

We're women-led. Women comprise 72% of our management team and 49% of our workforce.

We're diverse: 53% of employees are people of color

Noteworthy

NAA Best Places to Work

Fortune Magazine's Best Workplace for Women, Diversity, and Millennials

Responsibility

Our Corporate Social Responsibility (CSR) is the business model that we use to hold our company accountable to our stakeholders and the public. In this report, we outline the aspects of our business that impact our communities, our employees, and our environment.



Responsible Business Practices

Governance

BH is a privately-held company managed by its executive leadership team and led by Joanna Zabriskie, CEO & President. Founder and Chairman, Harry Bookey, continues to be actively involved in the business.

Business Continuity

BH has created business-critical systems, functions and operations plans to continue business in the event of a significant business disruption.

Risk Management

BH is committed to the well-being of its residents and corporate stakeholders, so we manage risk by identifying and understanding impact, and developing solutions to mitigate risk at properties, workplaces, and investments.

Data Security

BH utilizes industry best-practice defined by the Center for Internet Security (CIS) and the National Institute of Standards and Technology (NIST) to manage and secure company data. We use ongoing evaluations to ensure our IT practices meet the latest standards and comply with regulations.

Ethics and Values

Coupled with its commitment to social and environmental responsibilities, BH conducts its operations in an accountable and transparent manner. We will ensure operations and business relations are free of corruption and other unethical practices and comply with all applicable laws and regulations.

Key components of our corporate governance include:

- Policies addressing relationships with residents, workplace relationships, and reporting criminal charges.
- Anti-harassment policies and training around awareness, reporting and investigation processes.
- Whistleblower/ anonymous reporting hotline to report claims of unethical or illegal behavior involving employees, residents, and/or vendors.





Responsible Property Manager



Providing Value

At BH, we're vigilant about meeting the goals of our investors and clients, while ensuring our communities provide residents with a comfortable place to call home.

Fair Housing

BH is committed to compliance with all federal, state, and local fair housing laws. BH does not discriminate in its housing or employment decisions.

Rental Assistance

BH dedicates corporate resources to finding, understanding, and connecting residents with rental assistance resources they need to meet the financial obligations of their lease agreements. BH currently offers flexible payment options for residents who need to split their rent payment into several installments throughout the month.

COVID-19 Help

BH has worked hard throughout the pandemic to make a positive impact in our communities. From providing flexible payment plans to connecting residents with available rent assistance funds, BH has remained committed to helping families stay in their homes. We continue to work closely with federal, state, and local organizations to help our residents secure available rental assistance. To date, our teams have assisted more than 8,000 residents to obtain the rental assistance they need to remain in their homes.

As of October 2021

\$36M

in rental assistance
funds requested

53%

of delinquency
collected with rental
assistance funds



Responsible Property Manager

Credit Building

BH has partnered with a third-party vendor to provide positive payment information to credit agencies. A 2021 objective is to enroll all residents in the program so that they can build their credit score by making on-time rent payments.

Team Safety

The safety of our teams is of the utmost importance. In addition to hazard and emergency training, BH has created tailored training programs that focus on issues pertaining to on-site concerns, including touring safety, disruptive guests, and responding to incidents/threats. We have a comprehensive incident reporting system that alerts internal teams so they can take action immediately.

Fraud

According to the Federal Trade Commission, identity fraud in multifamily lease applications is up 60% year-over-year. BH has implemented industry-leading tools and processes to identity fraud during the application and screening process, including ID verification and centralized review of red flags.

Renewals

At BH, our goal for renters to become long-term residents in our communities. Our dedicated team of renewal specialists works closely with on-site teams to increase resident retention.





Responsible Property Manager

We believe we can be a better business – and get better results for our clients – when we invest in innovation.

Smart Homes. Smart Living.

BH was an early-adopter of installing IoT devices and today has smart home technology in more than 21,000 units in 55 communities.

The typical BH preferred package includes a smart lock, thermostat, leak sensors, smart light switches, and a hub to create a closed ecosystem.

The use of smart home technology has increased efficiency for our onsite teams by alleviating a portion of the administrative burden for both managing vacant electric and allowing remote access to unoccupied units.



Data-Backed Decisions

BH Fusion® is a proprietary data visualization platform that provides portfolio-level analysis, giving teams at-a-glance asset intelligence, benchmarks, and targets they can use to identify successful strategies. Each dashboard offers key data points that provide important insights so BH can target areas that will have the greatest impact on NOI. Dashboards include customized benchmarks that highlight items needing immediate attention.

With the powerful insights available through BH Fusion, since 2018 the BH portfolio has realized:

- New lease rents have improved by 24.2%
- Renewal rents have increased 14.9%
- Occupancy increased from 93.9% to 95.7%
- Overall revenue increased by 12.3%



Healthy, Happy Communities

B.Healthy: A Concierge Lifestyle & Wellness Program

The B.Healthy Resident Wellness Program is composed of several different components to provide residents access to resources that promote mental and physical well-being. Based on our three dimensions of wellness – mind, body, and spirit – the B.Healthy Resident Wellness Program promotes a greater sense of overall health and wellness, while also offering residents exciting opportunities to engage and connect within their own communities and beyond.



Little Free Libraries

By introducing this program to our communities, we hope to foster a deeper sense of community and engagement with residents. It is a unique amenity that has a lasting impact on each community.



Torch Fitness

As an exclusive benefit of BH, we are proud to offer complimentary virtual lifestyle and wellness events and classes at select communities. We guarantee there is something for every resident.

Torch Fitness is available in
120 communities



Pure Air Pledge

BH is committed making our communities cleaner, healthier, more comfortable places to live. By making the Pure Air Pledge, communities commit to not allowing smoking anywhere on the property.

As of Sept 2021,
68 communities
20k+ units
have taken the
Pure Air Pledge



Environmental Responsibility



Being Green

BH's task force to oversee our environmental and social initiatives, formed in October 2017, consists of construction, operations support and data analysis. These initiatives have positioned us as a leader in the industry at reducing costs and usage.

We are committed to reducing our carbon footprint and creating homes that are financially and ecologically sustainable. Our industry-renowned Green Initiative deploys water and energy saving measures including water efficient fixtures, energy saving appliances, LED lighting, solar screens and irrigation systems.

According to BH property data, this program has reduced water costs by 34% and water usage by 36% since October 2017. We strive to practice conservation measures including reducing waste, recycling and using recycled products. Water savings projects can include installing low flow faucets, shower heads, toilets, dishwashers and washing machines and implementing water efficient sensor-based irrigation systems. Energy savings projects include installing LED lighting, energy efficient refrigerators and A/C units, pool covers, solar screens, energy efficient windows and installing insulation and sealing leaks.

Conservation Counts

Each year, our water conservation and energy programs are saving our residents an average of \$150 per unit, 18,549 gallons per unit (the equivalent of a swimming pool) and 1,447 kWh per unit. Over the past three years, twelve properties saved 85 million gallons of water.

Source: BH internal data

That's equivalent to:

4,240
swimming pools

Annual water
consumption of
968
Americans



Environmental Responsibility

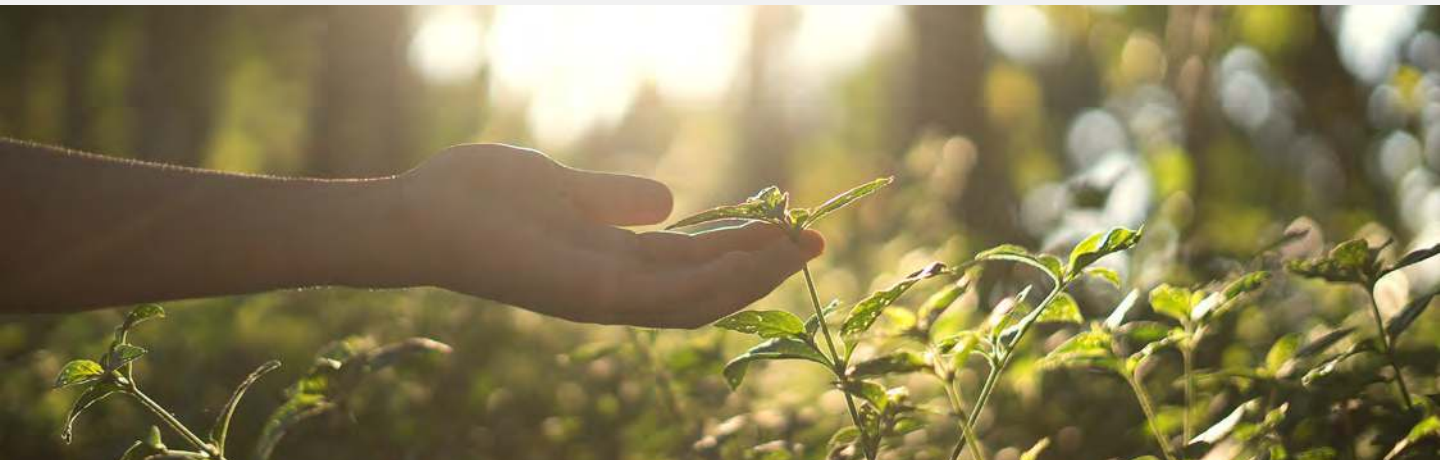
Through our commitment to the Green Initiative, we've achieved savings of

2 Billion
gallons of
water

70 Million
kWh of
electricity

49k
metric tons of
CO₂

Source: BH internal data



Case Studies

Silverbrook

642 units in Dallas, TX

Savings are as high as \$172 per unit for our residents. After installing low-flow faucets and showerheads, we saved Silverbrook a total of \$365,645, or an average of \$570 per unit per year.

The Adair

232 units in Atlanta, GA

Savings are as high as \$166 per unit for our residents. After installing low-flow faucets and showerheads, we saved The Adair a total of \$92,568, or an average of \$399 per unit per year.



Building a Diverse & Inclusive Workplace

DE&I Committee

BH's DE&I Committee is dedicated to advancing, cultivating, and preserving a culture of diversity, equity, and inclusion; encouraging a sense of belonging to create a stronger and more successful environment that aligns with BH's mission to work better together. The DE&I Committee seeks to be a safe space to hear the experiences of anyone who wishes to share and to evolve both our internal behavior and our representation in the industry.

Our DE&I Mission and Vision

To foster the diverse voices of our community by advocating for inclusivity, celebrating our differences, and continually evolving our practice to make BH a better place to work and live.

Our vision is to ensure DE&I isn't a box we check or a program-of-the-month. It is a natural component of what we do and every decision we make.

Our Objectives

We **FOSTER** a culture that values diversity, equity, and inclusion.

We **ADVOCATE** for people and programs that challenge our thinking, give us access to new perspectives, and provide opportunities to grow.

We **CELEBRATE** the diversity of people, ideas and experiences that make our world a better place.

We **EVOLVE** our practices to continually be better humans.





Building a Diverse & Inclusive Workplace

Our DE&I Policy

BH has a documented DE&I policy, which is as follows:

- Implement a diversity and inclusion initiative that will amplify voices within our company and our communities.
- Establish a program to match employee contributions to organizations that uplift marginalized communities.
- Integrate social justice into our company values.
- Hold our teams accountable to ensure a safe, inclusive, and diverse workplace that supports psychological safety and belonging for all.
- Incorporate new tools into our training programs to address unconscious bias and other barriers to healing.
- Provide access to educational resources that support community action and non-partisan political participation at all levels in the communities we serve.



Mentorship

The Regional Mentor Program is dedicated to leadership development. To date, 48 active mentors (45 of which are women and 8 are BIPOC) have mentored over 600 new team members.

Leadership

The Leaders Building Leaders program provides career paths for women and professionals of color. The current program has 15 people.

Education

BH has partnered with Beanstack™ by Zoobean to offer employees and their families access to reading lists, discussion groups, and presentations that focus on diversity, equity, and inclusion.



A Great Place to Work



Going Beyond the Basics

BH focuses on the entire employee with the intent of being an employer of choice.

Some of our unique programs include:

- Our bereavement leave policy recognizes that the definition of family has expanded beyond the traditional one;
- Our parental leave policy includes adoption and surrogate parenting;
- One-month paid sabbatical for every seven years of service;
- Thirteen company-paid holidays that include Juneteenth and Veteran's Day;
- Every employee gets to celebrate their birthday with paid time off;
- Employee Assistance Program (EAP) is available 24/7 to employees and members of their households;
- Two hours of PTO to get the COVID-19 vaccination.

Workplace Benefits

Our employees' futures are important to us, and we aim to provide the best possibilities for our employees and their families.

Health benefits, including medical, dental, vision, life insurance, disability coverage, and EAP

401(k) retirement savings plan with company match

Ongoing training & mentoring programs

Internal opportunities for career advancements

Educational reimbursement

Competitive compensation & earnings potential

Annual bonus

92%

of BH employees
would recommend the
company to someone
looking for a job

Source: NAA 2021 Best Places to Work - Employee Survey





Building a Stronger Workforce



Developing Our Leaders

The first of three cohort groups participating in Management Fundamentals launched in September 2021. This blended learning program focuses on the foundations of effective people management and leadership, using real-time situations and application on the job. In addition, BH sponsors 40 scholarships so that our team members can obtain industry certifications.

Celebrating Success

The BH Recognitions platform launched in May 2020. It enables colleagues to give “shout outs” and award points to their coworkers. In the 16 months since the program launched, over 44,000 shout outs have been shared and 6 million points awarded.

Source: BH internal data

Asking for Feedback

We encourage our employees to give us suggestions for improvement through the BH Virtual Suggestion Box. We work to implement these suggestions as often as we can throughout the year, so that our employees are helping to shape our company culture.

Additionally, we use a variety of employee survey options to gauge how our team members are feeling about various topics impacting both their personal and professional lives.





Giving Back

Building Better Communities – Starting Here.



Community Giving

BH employees are given PTO hours to volunteer in their communities. BH communities frequently arrange food and coat drives, along with other programs to give back to their residents.

In addition to investing our time in our local communities, BH donates each year to charitable causes in our backyard, including Central Iowa Shelter, CREW Iowa, Big Brothers Big Sisters, and Girl Scouts of Central Iowa.

The BH United Way campaign has focused on donations that directly impact local communities. The 2020 campaign raised \$90,000 for local charities.

Industry Involvement

As a leader in the multifamily industry, BH is often asked to participate in webinars, interviews, and conference educational sessions. In addition, BH employees are active in local and nationwide industry associations, serving on advisory panels for housing-related issues.

Project Destined

Project Destined is a 501(c)3 non-profit that provides training in financial literacy, entrepreneurship, and real estate. Project Destined leverages a work-based learning approach where students work with executives to evaluate live deals in their community and present them in a pitch competition to industry leaders. BH sponsors two cohorts of Project Destined student interns each year. The interns work side-by-side with BH leadership, allowing them the opportunity to develop skills, confidence, and experiences needed to start their careers in the industry.



One BH. One Team.

At BH, family is important, so finding balance is essential. We focus on taking care of our employees so they can take care of our residents.



Reading Together

BH partners with Beanstack to encourage reading to reduce stress, improve overall wellbeing and build a culture of reading. Team members log their reading minutes, offer book reviews, participate in themed reading challenges for prizes, and join book discussions.



Babies at Work

We rolled out a Babies at Work program in 2019 to allow new parents the ability to bring their babies to work after parental leave through six months of age.

According to Beanstack data, BH has logged over **615,000** minutes of reading in 2021.