

BH Management Companies

CSR Report

CORPORATE, SOCIAL, RESPONSIBILITY

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Giving Back

One BH. One Team.





Letter from Joanna

In 2023, BH celebrated 30 wildly awesome years in business. We have evolved so much during this time, and we will continue on this path by staying true to one of our company's key core values: Do Business the Right Way.

We're proactive, honest, and trustworthy. We do what's right because we believe that's the right way to do business. So, we devote ourselves to improving the communities we serve, the lives we touch, and the environments we impact.

We're setting the standard in multifamily, creating a smarter way to live, invest, manage, and grow. We're here to make magic happen, and that includes being a good corporate citizen.

On the tech front, we celebrated greater inroads into artificial intelligence, data management, and reporting. Our goal is to transition from just reacting to the data from descriptive analytics dashboards to forecasting and acting on what is likely to happen. Better decisions mean better outcomes for our residents, investors, the planet, and us.

With our spirited, unified centralized management approach, we're also more efficient, giving us more time to enhance The Mint Experience – our resident customer service credo to make living at a BH community mean living more.

Additionally, BH has implemented industry-leading tools and processes to identify fraud during the application and screening process, including ID verification. These tools and processes have helped us curb fraud.

This report focuses on our responsible business practices and their positive impacts on the lives and communities we touch, from BH Gives Back to our Green Initiative to our Leaders Building Leaders program.

We believe that our innovative mindset and good corporate citizenship will have a lasting effect for years to come.

Sincerely,
Joanna Zabriskie
President & CEO



Corporate Social Responsibility

About BH

Go back to '93. Harry Bookey launches a bold startup with just five apartment communities. The company was small, but hungry, fueled by entrepreneurial spirit and a scrappy team of employees. From the start, Harry guided BH with two simple principles. One, do business the right way. Two, invest in your team because they ARE the company.

With these straightforward ideas, BH grew fast and became what it is today - the 8th largest multifamily management company, and the 21st largest multifamily owner-operator in the nation. With over 2,600 thriving employees, BH pushes itself to new heights daily and believes success is only limited by the bounds of innovation.

Mission

To create spaces where people live and thrive.

Our Promise

To make living here mean living more.

More happily. More vibrantly. More responsibly.

By the Numbers

As of January 1, 2023:

We're women-led: Women comprise 82% of our management team and 48% of our workforce.

We're diverse: 57.4% of employees are people of color.

Noteworthy

NAA Best Places to Work

Fortune and *Great Place To Work*
Rank BH #6 on list of "2023 Best Workplaces in Real Estate™"

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.



Corporate Social Responsibility

Materiality Assessment

In 2023, BH conducted a materiality assessment to better align our resources and focus to topics with the highest impact and importance. Our materiality matrix, shown below, shows the results of our assessment. Our senior leadership team considered the perspectives of key stakeholders, including employees and clients, when conducting the assessment.

Some key themes arising from the assessment included:

- **How we do business:** compliance, ethics and risk management
- **Focus on our employees:** talent recruitment and retention
- **Protecting our residents:** resident financial health, cybersecurity, and data protection

In 2024, we will continue to emphasize existing initiatives and undertake further discovery on additional initiatives supporting key CSR goals.

ESG Issue	Importance of issue to company's strategy over the next 3-5 years (scale of 1-5)	Importance of issue to external stakeholders today (scale of 1-5)	ESG Category
Ethics	5	4.75	Governance
Compliance	4.5	4.5	Governance
Data Security	5	4.25	Social
Diversity (DE&I)	5	3.87	Social
Consumer Financial Health	5	3.75	Social
Talent Attraction, Recruitment, and Retention	5	3.75	Social
Risk Management	5	3.5	Governance
Waste Management	4	3.37	Environmental
Energy Use	4	3.25	Environmental
Environmental Sustainability	3.5	3.12	Environmental
Recycling	3.5	3.12	Environmental
Climate Change	2.75	3.12	Environmental
Waste Reduction	2.5	3.12	Environmental
Benefits	3.5	2.75	Social
Corporate Citizenship	3.5	2.75	Governance
Engagement	3	2.75	Social



Responsible Business Practices

Governance

BH is a privately-held company managed by its executive leadership team and led by Joanna Zabriskie, President & CEO. 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 our 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:

- 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 the 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.

Rental Assistance

BH worked hard throughout the year 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.

As of December 2023:

\$86.12M

in rental assistance
funds requested



Responsible Property Manager

Credit Building

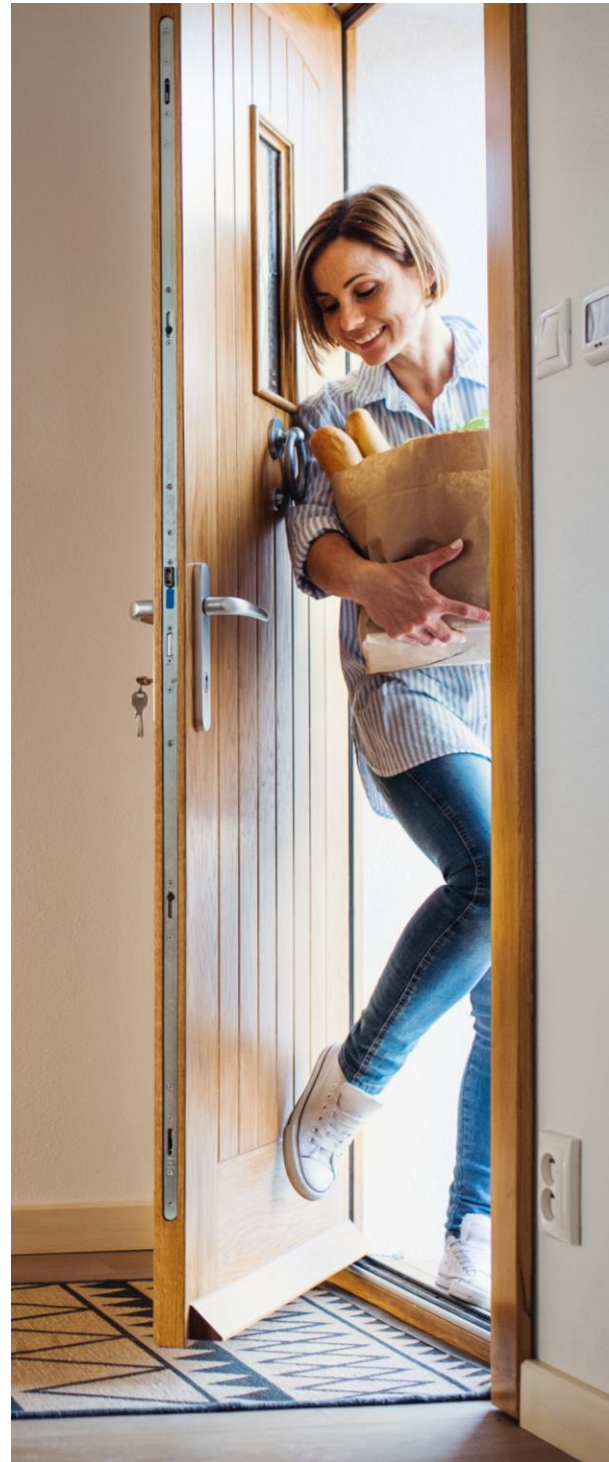
BH partnered with a third-party vendor to provide positive payment information to all three major credit agencies. Through this program, residents can build their credit score by making on-time rent payments. While residents can opt-out of the program, to date only 2.1% have decided not to participate. For those participating in the program, 60% have seen an improvement in their existing credit scores and more than 5,090 have been able to establish credit for the first time.

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.

Renewals

At BH, our goal is 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

Fraud

Apartment operators on average linked 24% of all eviction filings to fraudulent applications and subsequent failure to pay rent. In these cases, applicants often used stolen identities to secure a lease under someone else's name, move in, never pay rent, and wait out the 6 to 12+ months it can take to be removed. Operators linked a similar percentage of their bad debt to fraud.

According to a late 2023 survey by the National Multifamily Housing Council (NMHC) of 75 leading apartment companies, 70% of respondents said they had experienced application rental fraud in the past 12 months.

The most common forms of fraud were falsifying pay stubs, employment references, or other income documentation (84%); misrepresenting information on applications (80%); identity theft, fraudulent ID documents, or use of another individual's personal information (70%); unauthorized cohabitants, illegal subletting, or actions to evade application or leasing processes (67%); and use of fraudulent checks or other payment methods (63%).

High-risk applicants have a great propensity of being synthetic fraud, a fast-growing fraud type and the most challenging to detect. The top reason for applicants being identified as high-risk is due to the use of a social security number that was likely not issued before June 2011. Other high-risk fraud alerts, including invalid SSN input and previous fraud alert status, indicate that fraud has gotten more sophisticated – beyond traditional techniques of providing false documents.

BH has implemented industry-leading tools and processes to identify fraud during the application and screening process, including ID verification and centralized review of red flags. These tools and processes have led to a 28% (UPDATE?) increase in fraud prevention.





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. Today, we have smart home technology in more than 38,000 units in 118 communities across 18 states.

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 on-site 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+®, a proprietary data visualization platform that launched in 2023, is helping BH leap into the AI world when it comes to filtering our data and creating business reports. These reports lead to more precise decisions that help us save time, energy, and money.

Using natural language processing and dynamic dashboards, users can search BH Fusion+ via more filters than ever to get the data and reports they need, including location, expenses, ownership group, renovation dates, and more.

BH Fusion+ comes with a brand-new AI-driven “Ask Easley” function, which generates whatever data set is needed based on keywords – bringing our highest level of simplicity to sorting through BH data.



Healthy, Happy Communities

Living More...Happily, Vibrantly, Responsibly

BH gives residents access to resources that promote mental and physical well-being. Based on our three dimensions of wellness – mind, body, and spirit – BH's wellness programs promote 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
66 communities



Pure Air Pledge

BH is committed to 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 December 2023,
over 200 communities
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, includes construction, operations support, and data analysis. These initiatives have positioned us as a leader in the industry for 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 saved 3.1 billion gallons of water, 1.361 million kWh of electricity, and 95,000 metric tons of CO₂.

We strive to practice conservation measures, including reducing waste, recycling, and using recycled products. Water savings projects 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 save our residents an average of \$103 per unit. The BH Green Initiative has completed 195 projects in 19 states and 86 cities.

\$103

Average savings per unit

195

Projects completed

86

Cities impacted by the
BH Green Initiative

Source: BH internal data



Environmental Responsibility

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

3.1 Billion
gallons of
water

1.361 Million
kWh of
electricity

95k
metric tons of
CO₂

Source: BH internal data



Case Studies

The Woods of Hoover

456 units in Birmingham, AL

After installing low-flow faucets and showerheads in 696 bathrooms, this community saw a 60% savings in water usage. In total, these improvements led to a total savings of \$341,546

Gallons of water saved: **15.5 Million**

Avant at Pembroke Pines

1520 units in Pembroke Pines, FL

After installing low-flow faucets and showerheads in 2,660 bathrooms, this community saw a 32% savings in water usage. In total, these improvements led to a total savings of \$388,501.

Gallons of water saved: **52 Million**

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, 54 active mentors (47 of which are women and 16 are BIPOC) have mentored over 850 new team members.

Leadership

Leaders Building Leaders is a month-long program that blends mentorship, course work, business projects, and development sessions to strengthen leadership skills and broaden participants' knowledge base.

Education

For the last two years, BH has partnered with Beanstack™ by Zoobean to offer employees and their family's 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 during their birthday month
- Employee Assistance Program (EAP) available 24/7 to employees and members of their households
- Discounts with national vendor partners

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, plus:

- 401(k) retirement savings plan with company match
- Ongoing training & mentoring programs
- Internal opportunities for career advancement
- Educational reimbursement
- Competitive compensation & earnings potential
- Annual bonus
- Two paid self-care days

8.95/10

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

Source: NAA 2023 Top Employers- Employee Survey





Building a Stronger Workforce



Developing Our Leaders

The Management Fundamentals course is a blended learning program that 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 each year so that our team members can obtain industry certifications.

Celebrating Success

The BH Recognitions platform lets colleagues give “shout-outs” and award points to their coworkers. In 2023, BH introduced 21 new shout-outs and 17 new reward options. Last year, BH employees gave more than 97,462 shout-outs, up from 80,000 the previous year.

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 eight hours of PTO each year 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.

Our Annual BH United Way Campaign focuses on donations that directly impact local communities. The 2023 campaign raised \$146,085 for local charities, exceeding our goal of \$145,000.

Industry Involvement

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

Project Destined

BH has partnered with Project Destined, a 501(c)3 non-profit that provides training in financial literacy, entrepreneurship, and real estate, from 2019-2023. The program 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.

In 2022, our Chicago cohort won the “Project Destined World Championship” for their presentation at the competition, in which teams were asked to pitch a real-life real estate deal.



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 partnered with Beanstack to encourage reading to reduce stress, improve overall wellbeing, and build a culture of reading. Team members logged their reading minutes, offered book reviews, participated in themed reading challenges for prizes, and joined 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 read **3,856 books**, logging over **173,000 minutes** of reading in 2023.



livebh.com/about/impact