



ESG Core Values & Principles

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BEITEL

ABOUT:

Beitel Group is a Real Estate Private Equity Firm with over 75 years of successful investment and community engagement. We hold investments across the continental United States and focus on multifamily and development projects through a value-add strategy. Beitel Group is at the forefront of real estate investment strategies and considers environmental, social, and governance (ESG) issues for each investment.

We recognize the unique and crucial role real estate plays in community engagement and health and commit ourselves to pursuing responsible investments that meet guidelines set forth by the EPA and third-party verification sources. We aim to foster a culture of innovation as we strive towards a more sustainable and conscientious future.

It is our belief that creating a sustainable and environmentally friendly future through better business practices will positively affect local communities and their economies. We consider a multitude of ESG factors in each investment which include:

Environmental:	Social:	Governance:
1. Climate Change & Carbon Emissions	1. Community Engagement & Satisfaction	1. Business Ethics & Conduct
2. Air & Water Pollution	2. Labor Standards	2. Risk Management
3. Deforestation & Habitat Loss	3. Gender & Diversity	3. Transparency
4. Energy Efficiency	4. Data Protection & Privacy	
5. Waste & Water Management		

This document will address the practices Beitel Group implements during the investment period and demonstrate our commitment to ESG issues. It will also disclose potential future avenues to consider to continually improve our process and impact.

ENVIRONMENTAL:

Environmental factors are important to consider at the local and global level. We carefully consider our materials and weigh their emissions, durability, recyclability, and cost in determining which are suitable. We will continue to implement these considerations through internal review.

ENERGY EFFICIENCY:

Beitel Group aims to increase energy efficiency in our buildings through a careful consideration of building materials and energy suppliers. We continually work to research energy saving devices and opportunities for our communities and implement when feasible.

Examples of our practices:

- Implementation of Light Emitting Diodes (LEDs) as a replacement for older incandescent or CFL bulbs.
 - LEDs are significantly more efficient than other bulbs and produce little to no heat. This means they combine efficiency and practicality, saving tenants money and reducing overall energy consumption.
 - It is estimated by the US Department of Energy, the adoption of LED lighting over incandescents by 2027 can prevent the construction of 40 new power plants, generate more than \$265 billion in energy savings, and reduce lighting electricity demands by 33 percent.
- Perform scheduled preventative maintenance on mechanical systems such as HVACs to ensure they are operating effectively.
- Evaluate insulation levels and implement cost effective solutions where feasible.
- Researching and reviewing local energy suppliers and evaluating their energy production.
- Researching opportunities for on-site renewable energy products such as solar panels.

As we move forward, we will continue to pursue opportunities to decrease energy consumption and work to implement them in our investment strategy.

WATER CONSUMPTION:

Beitel group considers water consumption throughout the investment process and works to cut waste by installing and maintaining efficient appliances and arming residents with applicable information.

Examples of our practices:

- Installing water efficient toilets which are EPA WaterSense Certified. These toilets meet rigorous criteria for both efficiency and performance. These toilets are also ADA compliant.
- Research efficient aerators and showerheads for implementation in residences.
- Review potential water recycling programs and irrigation systems.
- Conduct regular maintenance on water distribution systems and other water systems.

Beitel group works to reduce water consumption where feasible and ensure safety by regularly testing water for metallic or other toxic contaminants. As we move forward, we intend to continue to implement these practices.

INDOOR AIR QUALITY (IAQ):

An important aspect overlooked in many real estate environmental reports is the IAQ. Beitel Group is committed to ensuring the highest standard of indoor air quality by installing only rigorously tested materials which meet or exceed guidelines for volatile organic compounds (VOCs) and other indoor pollutants.

Examples of our practices:

- Installing vinyl planks which achieve zero formaldehyde emission and contain no phthalates.
 - These planks are certified by SCS Global services, an international leader in 3rd party certification and validation for environmental, sustainability, and food safety.
 - Certified by the U.S Green Building Council, an organization which aims to create an environmentally and socially responsible future.
 - These planks are also antimicrobial and hypoallergenic
- Use of low odor and zero VOC paint products which are LEED certified and meet standards set forth by the California Department of Public Health (CDPH).
- Encourage a smokefree environment for our residents.

ECOSYSTEM:

Beitel Group partners with third party vendors to identify upgrades and retrofits which can improve energy efficiency, water consumption and quality, and indoor air quality. One of the vendors Beitel group partners with is ECOSYSTEM™. This organization was found in 1993 and employs professionals with a diverse background to identify simple and cost-effective measures that improve the overall standards of our residences. We intend to continue this relationship while searching for other experts to optimize our ESG efforts.

The table below provides a case study for the impact ECOSYSTEM had on previous properties and facilitates our partnership for future investments to reduce consumption and cost.

ECOSYSTEM SAVINGS

Property	Annual Water Savings (Gal)	Annual Energy Savings (kWh)	Annual Cost Savings	Annual Savings per Unit		
				(Gal/Unit)	(kWh/Unit)	(\$/Unit)
Arbor Vista (TX)	468,000	26,496	\$7,089	10,174	576	\$154
Woodcrest Apartments	2,247,360	299,486	\$32,407	6,533	871	\$94
Park at Hurstborne	14,909,280	431,406	\$120,007	10,361	600	\$83
Arbor Vista (MD)	22,381,714	364,708	\$292,908	33,158	540	\$434
Brookfield Apartments	4,224,000	364,085	\$53,788	12,000	1,034	\$153
Astoria Park	5,640,000	350,307	\$66,721	12,000	745	\$142
Southport	982,498	399,740	\$18,582	2,995	1,219	\$57
Loft 9	10,431,996	230,736	\$49,117	24,957	552	\$118
Total:	61,284,848	2,466,964	\$640,619			

SUSTAINIBLE LIVING GUIDE:

We also believe arming our residents with information regarding these topics is important to cultivating community and responsibility. Our firm has developed a “Sustainable Living Guide” which is available on the website and gives simple tips and tricks to reducing consumption.

SOCIAL:

Real estate investing presents a unique opportunity to affect social change across communities and promote *integrity, equality, community, and charity*.

Our firm believes in supporting an environment where all team members can grow personally and professionally. We believe responsible businesses must consider employee needs and foster innovation and commitment. Our firm’s dedication, and consideration, to all our stakeholders has resulted in years of successful investments.

CORE VALUES:

Integrity: We work to create an honest and open environment for our employees where they can explore new ideas and work collaboratively while solving challenges.

Equality: We believe strongly in equality of opportunity and treatment regardless of age, gender, race, or ethnicity and work fervently to resolve any disputes or complaints. We recognize the importance of diversity in the workplace and communities, and value individuals’ distinct backgrounds and ideas.

Community: The firm places strong emphasis on the communities we invest in and operate. We believe not just in the communities we invest in though, and strive for a unique workplace culture and community which employees can thrive in.

“The need for connection and community is primal, as fundamental as the need for air, water, and food.”- Dean Ornish, American Physician and president and founder of the Nonprofit Preventative Medicine Institute in Sausalito, California.

Charity: As a key component of creating a prosperous community, charity runs deep at Beitel Group. With a long history of charitable donations, we look to expand our recipients and affect positive change at the local, national, and global levels.

Examples of our commitment to socially responsible business:

OUR TEAM:

- We respect that our employees have friendships and relationships away from the workplace and strive for a healthy work-life balance by implementing a 36-hour work week.
- Our firm offers competitive salaries and benefits packages for employees. We believe these are vital to maintaining long term partnerships with our employees.
- We implement a generous Paid Time Off (PTO) policy.
- Our company organizes workplace trips and events for employees, which gives them an opportunity to travel and experience new places and cultures.
- We organize company lunches so employees can meet and interact with people from different departments and connect.
- We also value our employees’ data privacy and use a third-party IT company to protect our servers and internal databases.

OUR RESIDENCES:

- We have worked and invested in communities which sponsor local festivals and promote local economies.
- Beitel supports local artists by organizing and hosting events. Some of the previous groups we’ve worked with include ArtsWestchester and the regional arts council in Fort Wayne, Indiana.
- Some of our residences participate in a turkey and ham giveaway during the holiday seasons which helps underprivileged families.
- We promote and support resident projects including community cookbooks which are composed by and for residents.

- Some of our residences participate in Toys for Tots.
- We value our residents' privacy and implement industry standard Secure Sockets Layer (SSL) 128-bit encryption through ScreenignWorks and RentGrow, Inc. to ensure data protection and privacy.

Beitel Group works to improve its social initiatives for its employees and residents by continually considering their input. The firm also seeks to sponsor charities of all sizes through donations. A list of previous and prospective charities is presented below, as well as a brief description.

EDUCATIONAL INITIATIVES:

Beitel Group supports educational opportunities for our residents and employees. We see education as vital to personal and professional development and believe strongly in the right of individuals to pursue their academic interests.

RESIDENTS:

Beitel has communities across the continental United States spanning multiple age groups and demographics. We work to bring educational opportunities to our residents and cater to their interests. These programs are meant to provide individuals with support, career opportunities, and empowerment. Some of the programs and educational opportunities we provide for our residents are listed below:

- After school programs for children in grades k-12 to assist with homework and assignments through tutoring.
- We provide SAT & ACT preparation to children preparing for college admissions. This is subject to change as higher ed institutions' requirements change.
- We introduce coding languages and opportunities through a variety of online resources including Coursera, MOOC, and Udemy. Coding skills are necessary in most professions and these courses can be used for career development or a career pivot.
- We also value financial literacy and provide basic financial education for our residents. This includes methods of tracking personal income and expenses, savings, and an overview of investing.
- We understand how daunting a job search can be, especially for those graduating from high school or college. We aim to provide our residents, young or old, with practical information on updating or developing resumes and cover letters.
- We value languages and offer opportunities to learn Spanish.
- We offer cooking classes which are meant to both teach and foster community.

The list above should not be considered exhaustive and is subject to revision based on the shifting wants and needs of our residents. We value their input and cater opportunities to what they see as both practical and inspiring.

EMPLOYEES:

Our employees are our most valuable asset, and we support their passion to learn and grow. As part of our commitment to our employees, we have launched a variety of initiatives to facilitate their continual growth.

- If our employees choose to pursue higher education, we aim to support their entrepreneurial spirit through a tuition assistance program.
- We provide support for our employees to pursue professional certifications and technical skills training through a similar tuition assistance program.
- Beitel Group attracts individuals who are entrepreneurial minded and exhibit strong leadership traits. We however recognize these traits need to be refined and strengthened. As such, we provide support for management and leadership courses and certifications.

We also respect our employees input on their educational endeavors, and the examples mentioned above are subject to change as we continue to listen to their wants and needs.

BEITEL'S CARE PROGRAM:

Beitel's Care Program aims to support communities and the environment through charitable donations. These donations are made with the intent of helping communities and their local economies as well as the natural environment.

CURRENT CHARITIES:

- **Arts United:** Founded in 1955, this organization works to bring support to artists in the Northeastern region of Indiana through art events and initiatives.
- **ArtsWestchester:** Founded in 1965, ArtsWestchester is the largest private, nonprofit, arts council in New York State. The organization provides programs and services that help fund educational opportunities, entertainment, and marketing initiatives for Westchester County.
- **Toys for Tots:** This organization was founded in 1947 by Bill Hendricks and his wife Diane Hendricks, and works to distribute toys to children who cannot afford them during the holiday season.

- **St. Jude Children’s Hospital:** Founded in 1962 by Danny Thomas, this hospital provides pediatric treatment, particularly cancer treatment, for patients without the means. Patients are not charged for their treatment.
- **Gabriel Horn Homeless Shelter:** Sock & coat drives for this charity to help support local homeless individuals.

PROSPECTIVE ENVIRONMENTAL CHARITIES:

- **The Ocean Cleanup:** This charity works relentlessly to clean our oceans and other water sources of plastics and other pollutants by developing and then scaling new technologies. It aims to rid 90% of floating ocean plastic.
- **One Tree Planted:** This charity is a global organization focused on reforestation. For every dollar donated, a tree gets planted. In 2021 they managed to plant over 23,588,000 trees across 42 countries. These trees are important to absorb GHG emissions but also provide stabilization to the surrounding environment through their root systems.
- **Environmental Defense Fund (EDF):** The EDF was founded in 1967 by Dennis Puleston, Art Cooley, and Charles Wurster. The fund works to limit deforestation, reduce GHG emissions, and preserve habitats. (Charity Navigator Rating: 3 out of 4 Stars)
- **Ocean Conservancy®:** The Ocean Conservancy was founded in 1972 by Bill Kardash and works to protect the ocean, and its habitat, from human pollution and the effects of climate change.
- **Water.org:** Founded in 2009 after a merger between H2O Africa Foundation and WaterPartners, this charity works to provide impoverished communities with clean and reliable water sources. To date, the nonprofit has empowered 40 million people with access to safe water and sanitation.

FUTURE ENDEAVORS:

Beitel group commits to furthering its social initiatives and will continue to review new proposals and implement where feasible. Currently the firm is considering multiple initiatives moving forward which include an employee matching program for charitable donations and additional time off for volunteering and community engagement activities.

For residents, the firm is considering multiple paths forward intent on developing and supporting local communities. Some of the initiatives currently being reviewed are local blood drives to assist during this national blood shortage, sponsorship of local youth sports, and creating and maintaining pet friendly spaces through dog parks and pet friendly policies.

GOVERNANCE:

Beitel Group's core values are foundational to our governance policies, and instill trust in our vendors, investors, and employees. Beitel is committed to complying with all local laws and regulations to ensure the highest standards of business for our shareholders and stakeholders.

Beitel has also designated sub-committees to head our ESG efforts and use their opinions throughout the investment period. Their insights help identify potential risks and promote better business practices.

CODE OF CONDUCT:

Our firm adheres to a code of conduct that builds on our core values and ensures ethical business practices. As a result, our firm is a welcoming workplace for a diverse group of people, a trustworthy fund for investors, and a source of good for our communities and their local economies. These guiding principles are pervasive throughout our ventures and are self-evident to anyone who engages with us.

RISK MANAGEMENT:

Our firm is dedicated to employing risk management practices in consideration of all aspects of business including acquisitions, supply chains, and financing. We use a multitude of techniques such as sensitivity analysis and stress testing to enumerate and evaluate different possibilities which arms us with the knowledge of different possible outcomes. These practices allow us to conduct business ethically as we consider investors' risk tolerance.

TRANSPARENCY:

Beitel is committed to the highest level of transparency with our investors, vendors, and employees. We work with our investors to understand their needs and wants while also considering our vendors and employees throughout the process. We welcome feedback from all parties in our ventures. These insights and opinions are vital for refining our operational efficiency.