STAPEN-HAUS PROPERTIES LTD.

2023-4

BENEFIT REPORT

June 30, 2025

LETTER FROM THE PRESIDENT and CEO

As a family-owned organization, Stapen-Haus Properties Ltd. is proud to be playing a role in helping solve the housing crisis in Revelstoke, British Columbia.

The company owns and operates two properties in Revelstoke, British Columbia: 1204 Carlson (a six-plex apartment building) and 512 Third Street (a three-plex apartment building). Our properties include a mix of market and below-market rents, reflecting our mission, as a BC Benefit Corporation and a certified B-corporation, to offer social and private benefits through our business operations.

Our work should stand for something greater than just generating profits. Our customers (tenants), contractors, and suppliers feel the impact of what we do throughout our community. At Stapen-Hausn, our purpose is simple: (i) to buy and refurbish rental properties, (ii) to purchase vacant land and construct properties, and (ii) to rent these apartments at or below market prices.

I am incredibly proud of our company's achievements in its short history. Immediately after registering as a BC Benefit Corporation in June 2023, we applied for B-Corp membership to underscore our commitment to good corporate governance, our social commitment to the community, and our stewardship of the environment. We publicly committed to our purpose and used an independent assessment tool to gauge our impact and identify potential future improvements.

This, our first annual benefit report, expresses our purpose as a Benefit Company. It weaves together the impact of our work with stakeholders and how we manage our company, highlighting our goals and stand. This reinforces our purpose and helps determine how we move forward to grow our impact: staying connected with our stakeholders by providing exceptional services and investing in our people through learning and the tools and resources to get the job done. Along the way, we hold ourselves accountable for operating responsibly and sustainably.

Sincerely,

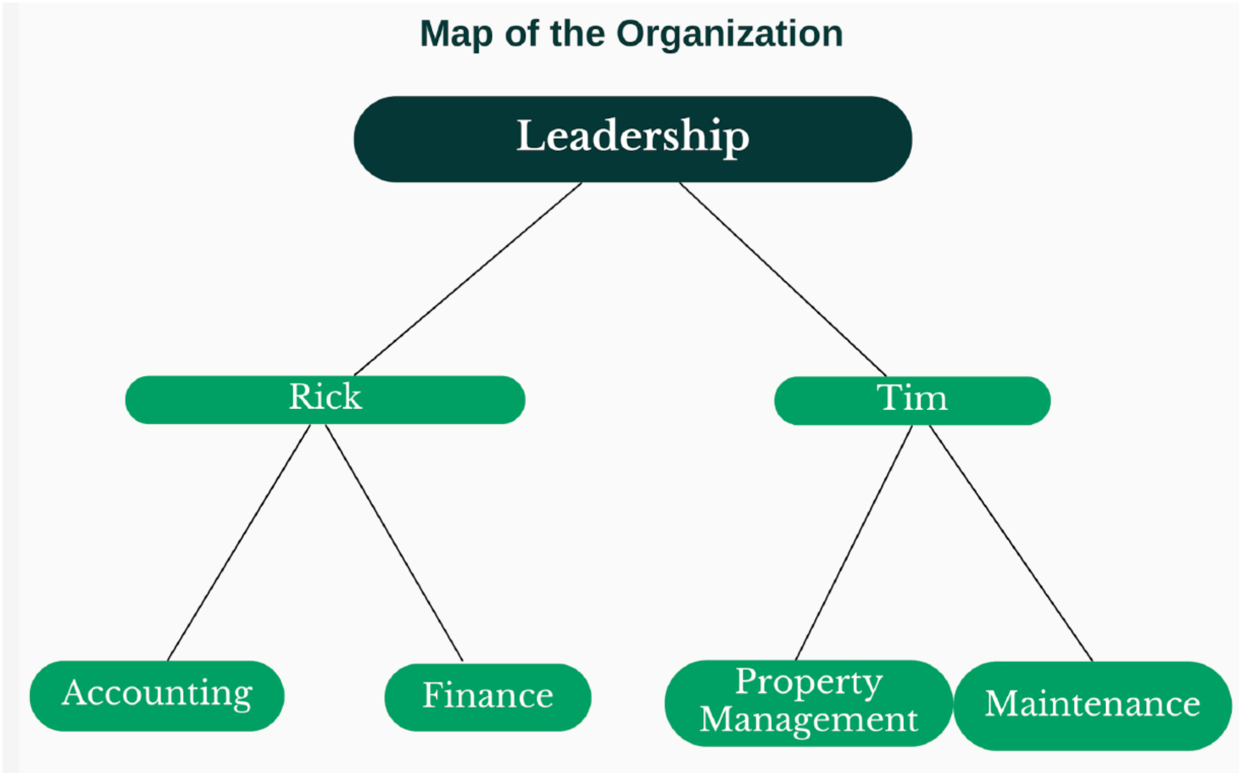
Tim Stapenhurst

WHO WE ARE: MANAGEMENT STRUCTURE

The principals

Tim (President and co-owner) is a Revelstoke local who moved to town after retiring as Lieutenant from the Prince George Fire Department in the Washington, DC area. He brings over twenty years of experience mitigating high-risk situations and managing teams in emergency conditions. His time with the fire department made him a stickler for onsite safety and building code compliance. Tim is the manager for construction and renovation projects. As such, he has acted as general contractor for the renovation of 1204 Carlson and 1204 Cottonwood and is actively managing all properties: he acts as the buildings' manager and superintendent. He is the primary point of contact for all tenants. Tim is currently serving as a Councillor for the City of Revelstoke and completing the program at UBC to become a certified Property Manager.

Rick (Vice President and co-owner) is an Adjunct Professor at Carleton University's Sprott School of Business. He is a former Board member of Transparency International and the treasurer of the Research Committee of Legislative Specialists/International Political Science Association. Before joining Carleton, Rick worked at the McGill, in the Desautels School of Administration and Continuing Studies, and at the World Bank in Washington, DC, concentrating on good governance and anti-corruption. He holds a doctorate in Business and Commerce from Australian National University. Rick manages all financials and accounting records for Stapen-Haus Properties Ltd.



Our Team

(1) Balance Online Inc. Stacey Shrout (former corporate accountant and controller) provides bookkeeping services. https://www.balanceonline.ca/about-brine

(2) Daniel Rosenfeld (Beiles and Frank, Chartered Accountants, Montreal) prepares our corporate accounts and tax returns. https://opengovca.com/quebec-business/1167899641

(3) Michael Schadinger (Arrow Law, Revelstoke) is our lawyer. https://revelstokelawyer.com/

Third-Party Assessment Framework

When preparing this Report, we assessed our performance in meeting our Benefit Company commitments based on the B Lab Impact Assessment tool,[1] used by over 150,000 businesses worldwide. As a comprehensive impact management tool, the B Impact Assessment is categorized into fiver distinct impact areas:

"Governance" evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect its mission and formally consider stakeholders in decision-making through its corporate structure (e.g., benefit corporation) and corporate governing documents.

"Workers" evaluate a company's contributions to its employees' financial security, health and safety, wellness, career development, engagement, and satisfaction. This section also recognizes business models designed to benefit workers, such as companies that support employee professional development.

"Community" evaluates a company's engagement with and impact on the communities in which it operates hires, and sources. Topics include diversity, equity, inclusion, economic impact, civic engagement, and supply chain management. In addition, this section recognizes business models designed to address specific community-oriented problems, such as a lack of reasonably priced housing.

"Environment" evaluates a company's overall environmental management practices and its impact on the air, climate, water, land, and biodiversity.

"Customers" evaluate a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy, and security. In addition, this section recognizes products or services designed to address a particular social problem for or through its customers, such as housing, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations.

The assessment measures performance across these categories, awarding points for each category to provide an overall Impact Score.

Overall Results

Overall, Stapen-Haus scored 86.7 points on the B Lab Impact Assessment tool. It should be noted that a score of at least 80 is required for organizations to be considered for a B Corp certification, which, as of the time of this Report, we are proud to report that we have received.

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Stapen-Haus performed the highest in the areas of Community and Environment, primarily from:

<u>Community</u>

- Commitment to serve the local community (e.g., to purchase at least 50% of core products and services locally and to serve at least 75% of individual (as opposed to corporate) clients
- Have a formal policy to hire locally
- Provision of rental accommodation at or below market rents
- Apartments were within easy access to public transportation and bicycle paths

<u>Environment</u>

- Energy use is monitored on an ongoing basis
- Responsible hazard waste disposal, including of e*waste

Our scores regarding corporate governance were also high,

- A Board of Directors with two non-executive members that meets at least annually
- Supporting team members with professional development opportunities and internal training
- Embracing options for workplace flexibility
- Written codes of ethics policy

Opportunities for Improvement

Learning to grow as individuals and as a corporation is essential. To that end we will, during the coming year,

- Participate in short courses, webinars, and podcasts presented by B Corp., Business Development Canada, and other content providers in real estate management and development.
- Seek to strengthen our B Corp standing, particularly about oversight by our Board of Directors.
- Play an active role in policy advocacy
- Strengthen our commitment to touring the local community