



BLUEROCK RESIDENTIAL GROWTH REIT, INC.

# Progress Report on Environmental & Sustainability Matters

---

## Blue Goes Green

### **DELIVERING ON OUR COMMITMENT TO A CLEANER PLANET**

Bluerock Residential Growth REIT, Inc., and its subsidiaries (collectively, “we,” “our,” “us,” or “the Company”) are committed to reducing our environmental impact as our business continues to expand throughout the United States. Today, our residences are designed not only to appeal to a growing pool of apartment renters, but also to operate in better accord with our environment.

Our Enterprise-Wide Sustainability Policy sets forth our commitment to support reduced energy consumption while improving waste and water management at our properties and in our offices, which are practices that have already been in place for many of our operations for some time. This sustainability initiative delivers added benefits to both residents and operations, including lower costs for energy and water, healthier, more livable, environments, lower financing costs and improved marketability.

We are pleased to accommodate a growing universe of renters who care about the planet as much as we do.

### **BUILDING SUSTAINABILITY INTO OUR PORTFOLIO**

Our portfolio consists of operating properties as well as ground-up development projects.

#### **A CONTINUING OPPORTUNITY TO RETROFIT OLDER PROPERTIES: OUR OPERATING PROPERTIES**

A substantial portion of the Company’s operating properties is comprised of apartment units and amenities that are in the process of being upgraded and optimized for both livability and reducing the impact of our environmental footprint. The cyclical nature of our investment model generates a continually replenishing opportunity to improve the environmental impact of older, less sustainable properties throughout the United States. As we complete renovations in some, we begin improvements on others.

We intend to continue to seek to enroll all eligible new acquisitions in Fannie Mae’s and Freddie Mac’s green financing programs. These programs offer lower borrowing costs to purchasers of qualified, older multifamily projects who commit to retrofitting/upgrading with quantifiable, sustainable solutions. We continue to pursue these opportunities for all qualified properties where feasible. At present, ten (10) of our operating properties are or will be operating under a green financing program.

#### **GREEN FROM THE GROUND UP: OUR DEVELOPMENT PROPERTIES**

From construction through to operations, the ground-up development projects that we invest in are built to minimize energy consumption and waste to landfills, while managing water consumption, runoff and air quality. As appropriate, we invest in properties in brownfield or poorly-utilized urban sites, restoring unusable, abandoned, or vacant commercial property into unpolluted, sustainable living space.

We often seek to locate properties – whether operating or ground up - in close proximity to downtown business districts or in walkable communities, reducing or eliminating commute times.

## BUILDING SUSTAINABILITY INTO OUR PORTFOLIO (CONT'D)

As of the end of the first half of 2019, we can report the following sustainable initiatives across our portfolio:

	Ground-Up Development Properties	Operating Properties	Notes
<b>Energy Efficiency/Carbon Footprint</b>			
Energy Efficient Windows	100%	75%*	*In progress with >50% complete
High R-Value Insulation for Roofing, Exterior Walls	100%		
Tankless or Energy Star Water Heaters	100%		
Energy Efficient HVAC Units	100%		
Direct Tenant Metering for Electric/Natural Gas	100%	100%	
Programmable Thermostats	100%	50%	
LED Lighting: Common Areas, Exteriors or Units	50%	67%	
Energy Star Kitchen Appliances and Washers/Dryers	100%	34%*	*Upgrades on turns
Bike Racks for Residents	65%	70%	
Designated Ride Sharing Locations for Residents	40%		
Electric Car Charging Stations		12%	
<b>Water Conservation</b>			
Runoff control, water treatment	100%		
Tenant Submetering for Water	100%		
Low Flow Shower Heads	100%	65%	
Low Flow Faucets	100%	63%	
Low Flow Toilets	100%	60%	
Use of gray or untreated water for irrigation	25%		
<b>Waste</b>			
Construction waste management	100%		
On-Site tenant recycling programs	89%	84%	
<b>Air Quality</b>			
Low VOC Paints, Carpet and Flooring	100%	100%*	*100% of all renovated units with continued upgrades on turns

It is our intention to work with our property managers and development partners where possible, to implement sustainable solutions across our portfolio. We continue to aim to improve and remain conscious of the goals we hope to achieve on the sustainability front.

# Our Corporate Operations

## **WORKING GREENER**

At our corporate offices, we are also making a conscious effort to go green. Our current initiatives include:

- Removing plastic water bottles from our corporate office and replacing them with at-tap filtered and sparkling water;
- Sorting and recycling paper, plastic and trash using marked bins throughout our offices;
- Encouraging the use of mass transportation by sponsoring commuter benefits that allow employees to set aside pre-tax funds to pay for mass transit and van-pooling;
- Eliminating most personal desktop printers;
- Reducing our use of plastics as well as waste production, including participation in a program to ship used copier toner cartridges back to the manufacturer for recycling;
- Eliminating plastic straws and plastic coffee stirrers and replacing them with bio-degradable alternatives;
- Installing video conferencing in our corporate offices to reduce the need for employees to travel between offices.