

Biohabitats

Annual Benefit Report 2018

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From the President

When your mission includes a bold directive like "Restore the Earth and Inspire Ecological Stewardship," an annual report can seem a little absurd.

After all, it can take many years for an ecosystem to recover, a watershed to be restored, or an extirpated species to return to its former habitat. But looking back on the last 12 months, I see plenty of evidence of our progress. It might be a stonefly nymph crawling on a rock in a restored river bed, or a sandhill crane taking flight from a newly protected salt marsh. Perhaps it's a group of middle schoolers learning about floating wetlands or neighbors sharing ideas about what they'd like to see in a city-wide green network plan. Sometimes it's a glance at the "Team" page of our web site, which reminds me how much we have grown and how much the field of applied ecology has expanded over the last year.

Regardless of the form that evidence takes, one thing is certain: driven by our mission, fueled by our passion, and united by a shared set of values, we have made great strides over the last year. Together with our clients, partners, and allied organizations, we have helped hundreds of communities to restore degraded ecosystems, protect wildlife habitat, conserve water, reconnect with the landscape, enhance resilience in the face of climate change, and plan for the future in ways that improve, rather than degrade, the natural systems that sustain life on Earth. In the process, we are proving that a for-profit business can indeed be a force for good.

In this, our first ever Annual Benefit Report, we joyfully share some of the evidence of our progress toward our mission and our growth as a learning, sustainable, and socially and environmentally responsible firm. As we move into 2019, we will continue pushing ourselves, challenging our assumptions, questioning our intentions, and evolving to be the best not just in the word, but for the world.

For the Wild,

Marin

Keith Bowers



Our Values & Mission

MISSION

Restore the Earth & Inspire Ecological Stewardship. Inspire communities to rediscover a sense of place through preserving indigenous ecosystems, restoring biological diversity, and inspiring ecological stewardship.

REVERE WILD NATURE

Nature, and the full array of life this planet has to offer, is at the very core of what we are about. Increasingly we find ourselves living in an artificial world. A world where ecosystem processes are compromised and biodiversity is marginalized and commoditized. Nature, in its wildest and raw form, is at the essence of what we are about.

Wild nature provides a blueprint for conserving, restoring, and regenerating the full expression of biological diversity and ecosystem functions to ensure our survival. It is at the heart of our collective souls.

HEAL COMPASSIONATELY

Nature is under assault. We are entering the next great extinction of flora and fauna. Our climate is shifting faster than ever before, and many of our ecosystem processes are beginning to break down. We know it's not enough to slow down or even halt these impacts. We know that what we need to do is heal by making whole our relationship with the earth and each other. The core of what we do-conservation, restoration and regeneration, is about healing. And healing embodies a sense of caring-caring for the land and caring for each other.

PRACTICE WHOLENESS

Life on Earth is interconnected, and that damage to a part entails damage to the whole. Thinking and acting whole means feeling a sense of connection to all of life-to other people, to new ideas, to the world around us. We have a responsibility to honor our obligations to future generations

of all beings and to take their interests into account when we reflect on the consequences of our actions. Accordingly, our virtues are cooperation, respect, prudence, foresight, and justice. Living by the principle of reciprocity, giving as we receive, re-creates the richness of life.

ACT WITH UNCOMPROMISING INTEGRITY

Integrity in our work is doing our best to restore biodiversity and ecological processes. We must seek ways to employ science to objectively evaluate the performance of our projects, accept our findings and continuously learn. No matter what we do, if we don't have integrity then none of our innovation, creativity, passion, commitment, synergy, or affirmation for life will mean anything to our constituency. While science should lead the way, it must be tempered by keen observation and the stories that are borne from traditional ecological knowledge. We must do what is right, even when it is difficult or less profitable.

EVOLVE TO BE THE BEST

Everything on this earth is in a continuous state of evolving, refining, improving, adapting, enhancing... changing. If we aren't evolving, we aren't relevant. Being inquisitive, curious, and probing should be encouraged and celebrated. As we evolve, we will fail, and that is many times the most important part of evolving. Learning from our successes and failures is built into everything we do. In order to be our best, we must encourage testing, objective analysis, tinkering, innovation, and creativity.

B Impact Assessment

Biohabitats is a Certified B Corporation[®], which means that our overall environmental and social performance is comprehensively measured and verified by a credible, transparent, and independent third party. For that third party, we selected B Lab®, a 501(c)3 nonprofit organization that serves a global movement of people using business as a force for good.

Through a tool known as the B Impact Assessment, B Lab® provides a rigorous, point-based evaluation of a company's practices in the areas of governance, workers, community, environment, and customers. The B Impact Assessment enables us to assess how we perform against dozens of best practices and develop a roadmap of improvements to deepen our impact.

The B Impact Assessment scores environmental and social performance on a 200-point scale. To be certified, a company must score 80. Our score was 110.9.

To date, B Lab® has certified 2,655 companies representing 150 industries in 60 nations. As a Certified B Corporation®, Biohabitats is part of a global movement of people using business as a force for good.

More information about B Lab ® and the B Impact Assessment is available at bimpactassessment.net.





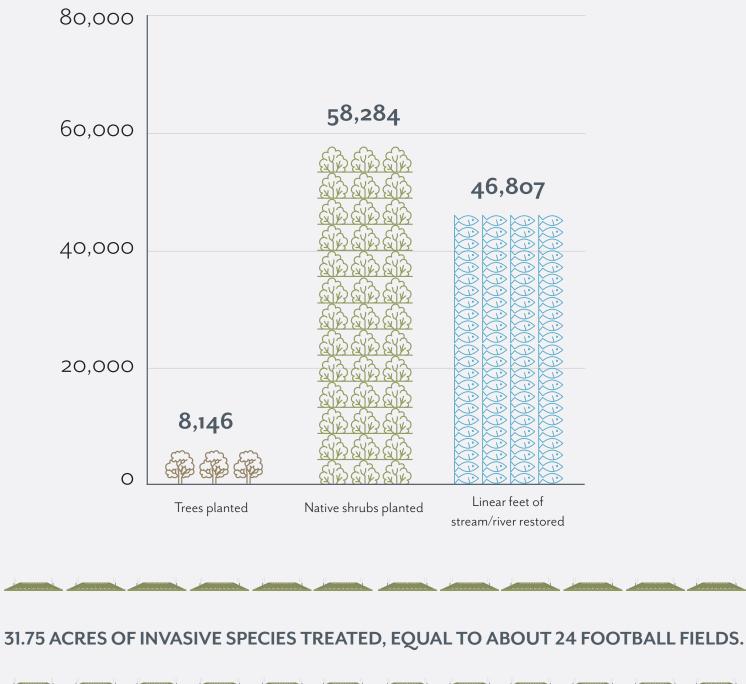
B Impact Scorecard

G	DVERNANCE
	MISSION + ENGAGEMENT
	CORPORATE ACCOUNTABILITY
	ЕТНІСЅ
	TRANSPARENCY
	MISSION LOCKED
W	ORKERS
	COMPENSATION + WAGES
BE	NEFITS
	TRAINING + EDUCATION
	WORKER OWNERSHIP
	MANAGEMENT + WORKER COMMUNICATION
	JOB FLEXIBILITY/CORPORATE CULTURE
С	ОММИЛІТУ
	JOB CREATION
DI	VERSITY + INCLUSION
	CIVIC ENGAGEMENT + GIVING
	LOCAL INVOLVEMENT
	SUPPLIERS, DISTRIBUTORS + PRODUCT
	N/A POINTS
E٨	IVIRONMENT
	LAND, OFFICE, PLANT
IN	PUTS
	OUTPUTS
	ENVIRONMENT PRODUCTS + SERVICES INTRODUCTION
	LAND/WILDLIFE CONSERVATION
сι	JSTOMERS
	SERVING IN NEED POPULATIONS

•	 20.0
	 3.1
	 0.9
	 1.1
	 4.7
	 10.0
	 33.6
	 9.0
•	 9.9
	 2.5
	 5.5
	 3.7
	 2.7
•	 13.8
	 2.1
•	 3.1
	 4.5
	 1.5
	 2.0
	 0.5
•	 43.5
	 7.9
	 3.2
	 2.2
	 N/A
	 30.0
•	 0.0
	 N/A

OVERALL B IMPACT SCORE





NEARLY ONE MILE of living shoreline created 180 LOG JAMS INSTALLED FOR FISH HABITAT **OVER TWO HUNDRED** VOLUNTEERS

ENGAGED

Our Handprint

When referring to environmental impact, people often use the term "footprint," a negative mark or impression that needs to be remediated, mitigated, or balanced by something positive. When it comes to the work that we do, we prefer to think in terms of "handprints," positive, intentional changes that have the power to ripple infinitely outward. This net-positive approach to sustainability, introduced by life cycle analysis expert, Gregory Norris, is a much more hopeful and accurate way of thinking about the way we affect the world around us.

As a company that applies the science of ecology to restoring ecosystems, conserving habitats, and regenerating the natural systems that sustain all life on Earth, our greatest positive impact on the environment comes through the work that we do. In fact, we measure success primarily by the degree to which we enhance biodiversity, ecological democracy, and the resilience of life. Our projects help communities heal degraded ecosystems, plan for the future in ways that enhance the environment, and connect people and the built environment to the natural world and its web of life.



Environment

We strive to operate our business in a way that yields a positive environmental impact. In other words, we walk the talk. In 2016, we established a Climate-Friendly Policy to help us achieve a goal of becoming 100% carbon-free in our business operations by 2025 and in our applied work by 2030. Since establishing the policy, we have been exploring and implementing actions to eliminate, minimize and offset our use of carbon-based fuels. In 2018, we completed the following:

- Captured a comprehensive picture of company-wide energy use
 - Started office composting program
 - Purchased locally crafted furniture made with reclaimed
 - materials for the headquarter office
 - Maintained fleet of hybrid company vehicles
 - Developed specific energy use reduction targets
 - Set water use reduction targets
 - Launched tree-planting initiative to support our
 - carbon-offset efforts

Community

WORK

GIVING

- Project

LEADERSHIP

To us, the word "community" means many things. On the broadest of scales, community is the diverse assemblage of life on our planet. But we also view community as a collection of beings that share a common neighborhood, campus, watershed, or landscape. On the narrower end of the spectrum, we see community as the teammates, clients, and allied professionals with whom we work to create a more just, biodiverse, and sustainable world. Through our work, our monetary and time donations, and our leadership in the field of applied ecology, we deliver benefits at all scales.

Helped the cities of Baltimore, Atlanta and Kansas use ecology as the underpinning for long-term green network planning to enhance the quality of urban life. Served as technical witness for Communities for Clean Water Commission, a coalition of nonprofit and tribal

organizations working to ensure that community waters impacted by Los Alamos National Laboratory are kept safe for drinking.

Donated 5% of 2018 profits to charitable organizations as part of our 5% for the Earth initiative

Donated \$1,000 to organizations chosen by winners of our Golden Acorn Award, which recognizes employees who embody our mission and values. Recipients included Beargrass Creek Alliance, Confluence Ministries, eMi, victims of Mazomanie, WI flood, and Refugee Youth

Produced four issues of Leaf Litter, a free publication for people interested in applied ecology. Topics: Inspiring Women, Peatlands, Lessons from Indigenous Traditions + Innovation, and Beaver

Forged collaboration with Jason McLennan Design to expand ecological planning and design further into the built environment

Workers

- Hired five interns and compensated them above the living wage
- Transitioned one intern and one seasonal employee to full-time employment with benefits

We believe we are best able to serve each other, our clients, and the diversity of life that depends on our work when we function as a healthy, fully engaged, and mindful organization. Our goal is to have a workforce that is ethnically and racially diverse in all job classifications and levels and to ensure that everyone is treated on the same basis in terms of recruitment, hiring, training, promotion, and leadership positions.

Biohabitats is committed to a compensation (pay) scale equity program across all job classifications and pay scale gradients for all team members regardless of their gender, race, ethnicity or sexual orientation, or any other status protected by law. We believe in creating a safe and caring workplace where we nurture relationships, resolve conflicts, cultivate collaboration, encourage continuous learning, and support a healthy work/life balance.

- Continued full unlimited paid time off policy, which enabled several team members to take extended vacations over three weeks in length
- Assigned each team member an "advocate" to support career goals, champion achievements, and gauge performance
- Adopted and implemented frameworks for team member
- development, annual review, and compensation
- Established Equity and Inclusion Team and launched company-wide Equity and Inclusion training program delivered by an outside expert
- Created Headwaters, our team handbook, in which all company policies, benefits, and values are clearly explained
- Invested in our team members by sending them to over 80 conferences, workshops, and seminars
- Hosted a variety of "brain gardens," where team members and outside speakers shared skills, information, experiences, and stories
- Continued to offer flexible work hours
- Increased the number and variety of socially responsible investing options to retirement plan
- Provided team members with profit sharing performance bonuses and tuition reimbursement



We are governed, first and foremost, by the laws of nature and the carrying capacity of Earth. We are also guided by our commitment to honor the rights of nature, the Precautionary Principle, and the Universal Declaration of Human Rights. As a company that is wholly owned by team members, we must also answer to each other.

We practice open book management, and share all of our financial information, all the time, with everyone in the organization. All of Biohabitats team members are entrusted with an incredible amount of freedom and autonomy. We call this self-management, and it applies to everyone – from interns to our Leadership Council. Our team members know, however, that with this freedom comes responsibility and accountability to the people and planet we serve.

Rather than taking a top-down approach to leadership, we cultivate and practice it throughout the organization. Our six Practice Leads, senior staff members with technical expertise, guide decisions regarding business development and technical advancement. Our Leadership Council, comprised of a corporate officer, two Practice Leads, and three At-Large members who serve staggered, two-year terms, guides operational decisions. Our office locations are defined by bioregions—areas that share common physical and ecological attributes as well as human communities. Each office is led by a Bioregion Team Leader with

In 2018, we made the following progress toward improving

Secured our JUST Label Became Certified B Corporation® Reincorporated as a Maryland Benefit Corporation Increased team member participation in Stock Ownership



ENVIRONMENT

- - footprint

COMMUNITY

- Join 1% for the Planet and commit to donate 1% of annual sales to support nonprofit organizations focused on the environment.
- Increase opportunities for team member volunteerism ٠

WORKERS

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- ٠
- Provide team members with management and leadership
- training
- to 50% and reduce eligibility waiting period
- Increase company match for retirement plan from 25%

GOVERNANCE

- Further increase participation in Stock Ownership Program

When we say we are a learning organization, we mean it. We know that we have more to learn about what it means to be a socially and environmentally responsible company, and in 2019, we plan to strengthen our commitment to the principles and practices that make us a Certified B Corporation[®].

Goals for 2019

- Create mechanisms to assess, measure, and monitor the
- carbon footprint of each of our projects
- Establish programs to mitigate our operational carbon
- Increase opportunities for in-kind services
- Evaluate profit bonus structure to ensure equity
- Increase number of women in leadership positions

- Establish Values Council to ensure our work and
- operations align with our values



Restore The Earth \mathscr{C} Inspire Ecological Stewardship.

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