Sustainable Development Policy Overview

Crombie's commitment to ESG (Environmental, Social, Governance) principles is fundamental to its overall operating vision and corporate strategy. As such, this Sustainable Development Policy is a key driver of our approach to developing existing and future real estate assets. Sustainability considerations are incorporated into all aspects of the development process to meet key stakeholder and community objectives and position our portfolio for long-term value creation. Joint ventures, development partners and employees are strongly encouraged to adopt sustainable practices throughout the development process.

Guiding Principles for Sustainable Development

All major development and re-development projects will undergo a comprehensive sustainability evaluation in accordance with the Crombie Sustainability (ESG) Policy. This evaluation and sustainability focus will be fundamental to each project, from acquisition to project planning, through project execution and operations.

Project, Site Selection, Transportation, and Renewable Energy

Crombie has a diverse, national portfolio of over 280 properties, which is continuously reviewed for development, modernization, renovation, and disposition opportunities, which optimize current and future operations and development potential. Current portfolio and targeted potential sites undergo a comprehensive evaluation of development and sustainability potential to ensure a strong fit with Crombie's ESG principles. Sustainability considerations include:

- Location and transportation potential (walk / transit / bike scores, vehicle sharing), and opportunities to integrate into site design;
- Environmental considerations / impacts;
- Integration of envisioned development into community fabric;
- Renewable energy supply / on-site potential;
- Availability or potential to integrate development with current and future district energy networks;
- Identification of project-specific opportunities to improve environmental, social, or community outcomes;
- Assessment of climate change risk and site vulnerabilities during due diligence and addressed through site design.

Certifications, Energy Use, GHG Emissions, Net-Zero / Carbon Neutral Design

All major developments and re-development of properties require a thorough third-party review and recommendation of best potential certification programs which will include, at minimum, LEED plus at least one other reputable certification program (i.e. Well, Zero Carbon, other). Projects will be advanced based on the best program fit for the project / market.

All projects as defined herein will pursue building certification.

Energy, Climate, and Climate Change Adaptation

- Energy conservation measures will be considered at all stages of the development process and operations of the building(s) to reduce the amount of carbon emissions released to the atmosphere.
- Energy modeling to optimize building systems and reduce greenhouse gas emissions is a requirement for all major development projects.
- Minimum energy requirements will be established for all major developments
- Site selection will include an assessment of potential climate risks and a plan for building resiliency to identified risks.

Waste Management and Pollution Prevention

- Requirement to segregate waste products into separate recyclable components where facilities are available to divert as much waste as possible from landfills;
- Surplus building materials are re-used or donated to non-profit societies where possible;
- Pollution and odour controls required of tenants to protect air quality of neighbouring properties / community.

Water Consumption, Biodiversity, and Habitat

- Potable water consumption is monitored and limited during the construction process where feasible;
- Site water filtration provided to remove sediment to reduce burden on municipal water treatment plants and protect fish-bearing streams / habitat;
- Sub-metering implemented where feasible to support energy and water efficiency / use reduction;
- Water harvesting / recycling systems considered to meet irrigation and flushing demands;
- Local biodiversity and natural habitat considered in design for opportunities to preserve and enhance.

Material Sourcing and Sustainable Procurement

- Locally sourced products and materials are used where available and economically competitive;
- Where local is not feasible, closest alternative source is preferred and explored;
- Priority is placed on sourcing local trades and labour, including apprentice workers to make a positive economic development impact and build skills in the community.

Health, Well-being, and Indoor Environmental Quality

- Fitness centres and related amenity facilities are included in our designs where applicable to the major development;
- Natural spaces and natural light maximization are considered where possible;
- Air quality is considered in the design of all building mechanical systems (energy use, particulate matter, temperature, humidity).

Crombie Sustainable Development Policy Applicability

This Sustainable Development Policy is a component of the Crombie REIT Sustainability and ESG Policy. It applies to all new major development projects where Crombie has a majority ownership stake, controls the development outcome, and where we will manage the property as an operating asset. For projects where Crombie does not have a majority ownership stake, we will use all reasonable commercial efforts to ensure our partners follow this Sustainable Development Policy. For areas of sustainable development where Crombie does not articulate specific development commitments, national and local law, regulations, and standards shall apply.

Materials Selection Policy

Crombie is committed to developing new buildings with a heightened focus on the selection of materials that are both sustainable and contribute to the health and wellness of our end users. Major development and re-development projects will review all proposed building materials and will target the selection of materials based upon the following criteria:

- Disclosure of materials selected will provide information in conformance or in the form of the following:
    - **Environmental Product Declarations:** Products and materials for which life-cycle information is publicly available and which have positive, sustainable, life-cycle impacts. An Environmental Product Declaration should conform to ISO 14025, 14040, 14044, EN 15804 or ISO 21931, or have publicly available, critically reviewed life-cycle assessment, confirming to ISO 14044;
    - **Health and environmental information:** Fully disclosed and publicly available information about the human health and environmental impacts or characteristics of the products or materials used (e.g., MSD sheets);
    - **Health Product Declarations:** Products and materials for which the inventory of all ingredients used is publicly available, with a full disclosure of all known hazards and associated effects.
- Locally sourced and sustainable materials are preferred. Where suitable alternatives are not readily available, preference will be based upon recycled content and renewability of materials;
- Low embodied carbon will be given preference. Concrete with longer cure times will be used where feasible within the building structure;
- Low-emitting VOC materials (i.e. paint and flooring);
- Materials and packaging that can easily be recycled locally and efficiently;
- Materials that disclose environmental impacts;
- Materials that disclose potential health hazards;
- Rapidly renewable materials and recycled content materials will be given preference over conventional alternatives should they be available locally and financially feasible. Materials made from agricultural products that are typically harvested within a 10-year or shorter cycle, such as bamboo, wool, cotton insulation, agrifiber, linoleum, wheatboard, strawboard and cork;
- Consideration of the "Red List" of prohibited materials or ingredients that should not be used on the basis of their human and/or environmental impacts as published by the International Living Future Institute will be made when selecting materials that come into the human environment;
- Where appropriate, priority shall be given to the use of wood-based products that have third-party certification (i.e. FSC).

Energy Efficiency Policy

Crombie's major development and redevelopment projects will include a focus on the integration of energy efficiency measures throughout the design and construction stages. Focus on implementation of energy efficiency measures in the design and construction of a building will contribute to reducing overall energy consumption during its operational phase and will help to achieve and potentially exceed relevant energy codes.

Building design will incorporate, where possible, the development and implementation of a commissioning plan, and pay consideration for minimum energy use during the occupancy stage of the building by monitoring the energy performance of the building. A detailed energy model will be created to understand the projected performance of the building and consider energy efficiency standards for the following:

- Air conditioning;
- High-efficiency equipment and appliances;
- Lighting (i.e. LED);
- Smart occupant controls;
- Space heating to allow for occupant comfort;
- Ventilation (integration of fresh air);
- Water heating;
- Tie-ins to district energy systems where available;

The ultimate product developed will have systems that allow for the post-construction energy monitoring on an ongoing basis. Systems that measure the operational energy efficiency may include:

- Building energy management systems;
- Energy use analytics;
- Sub-metering of residential suites;

Water Conservation Policy

Crombie promotes water conservation on major development projects by analysis and implementation, where applicable, of the following measures during the design and construction phases of the project:

- Development and implementation of a commissioning plan for water systems;
- Installing sub metering to enable better analysis of water use data;
- Selection and installation of drought tolerant / low water landscaping materials;
- Use of drip / smart irrigation systems;
- Specifying and installing high efficiency / dry fixtures;
- Use of occupant sensors to control the operation of water fixtures;
- Installation of leak detection systems;
- Implementation of stormwater and greywater reuse systems for non-potable applications.

After the completion of a project, Crombie continues to monitor operational water efficiency via sub metering of the building elements controlled by Crombie. This data is reviewed annually (at minimum) and benchmarked against other properties within the portfolio to ensure optimum water conservation efficiency.

Waste Management Policy

Crombie has established a policy to evaluate all major development and redevelopment projects for alignment with green building certifications, with a focus on LEED Building Design and Construction Certification (LEED BD+C). As such, all waste management practices at development sites will align with LEED BD+C waste management practices with a goal to generate the least amount of waste possible.

Of the inevitable waste that is generated, the waste materials will be salvaged for reuse and or recycling. Waste disposal in landfills or incinerators will be minimized. This means careful recycling of job site waste.

In the case of demolition prior to renovation or redevelopment, Crombie will ensure that hazardous building material assessment are completed, and hazardous waste is abated and disposed of responsibly, prior to any destructive work.

Crombie will ensure that contractors:

- Institute construction waste reduction practices, by communicating with and educating our employees and contractors on proper waste handling and potential damage to the environment caused by improper waste management;
- Effect optimum control of construction waste;
- Implement a site recycling program that includes source separation of solid waste materials;
- Prepare and implement a solid waste management and environmental protection plan for the project. Where applicable, submit a monthly summary of solid waste generated by construction operations. We will ensure adherence to the waste management plan by conducting random audits on the disposal bins;
- Ensure construction waste signage is clear and visible to assist in the separation of various types of waste and collection in designated disposal bins;
- Be responsible for final implementation of site recycling programs by redirecting of recyclable solid waste back to the manufacturing process or to the appropriate recycling centres;
- Transport and dispose of waste materials that are not identified to be recycled or reused at permitted landfill facilities.

Crombie REIT - Sustainable Site Selection Requirements

Crombie REIT ensures that all potential development sites undergo a comprehensive evaluation to ensure alignment with our sustainability strategy. All development projects are to be screened against the list of sustainable site selection criteria below to understand any potential impacts, both positive and negative. Strategies are to be developed and deployed to ensure that identified potential risks are mitigated prior to commencement. Project monitoring is to be deployed throughout the development life cycle to ensure Crombie's sustainability principles are adhered to.

Date Review Completed: 2021-10-06

Property Address:

Select all criteria that apply		What mitigative or correction action is required to reduce the risk of impact to the environment
	Will the project connect to multi model transit networks	
	Is the project located within an existing developed area	
	Will the project impact aquatic ecosystems	
	Will the prject impact designated farmland	
	Will the project interact with floodplain functions	
	Will the project impact habitats for native, threatened and endangered species	
	Will the project impact historical and heritage sites	
	Will the project involve the redevelopment of a brownfield site(s)	
	Other_____	