



# Sustainability Report 2021

## About this report

Crombie's 2021 Sustainability Report highlights our progress toward achieving our sustainability goals through a detailed account of the environmental, social and governance (ESG) matters that affect the long-term success of our business.

Crombie is committed to our sustainability journey and to continuously increasing the transparency and accountability of our disclosures. We are guided in our reporting by GRESB<sup>1</sup>, the global ESG benchmark for real estate assets, and by our most recent materiality assessment. We use a variety of data collection and management processes in the context of sustainability management and reporting, including Measurabl, a software tool that specializes in tracking energy, water, and waste consumption.

This report reflects our performance from January 1 to December 31, 2021, in line with the Crombie Real Estate Investment Trust ("Crombie" or the "REIT") financial reporting period. All metrics are as of December 31, 2021, unless otherwise noted and all financial figures are reported in Canadian dollars. For relevant supplemental financial performance results and governance-related disclosures, please refer to Crombie's website and Management Information Circular. The content of this sustainability report was reviewed by Crombie's ESG Steering Committee, Disclosure Committee and our Board of Trustees.

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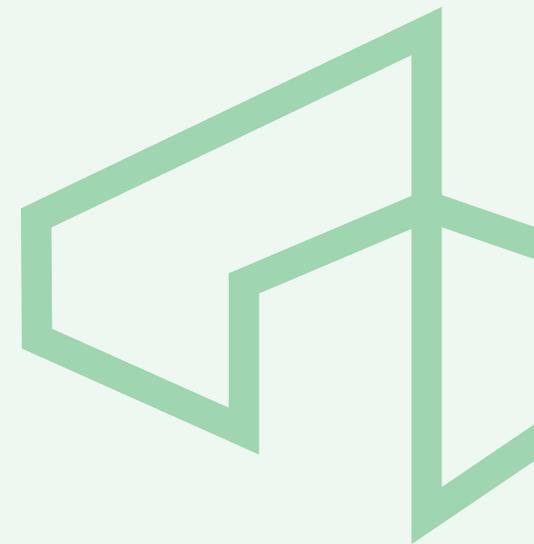
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<sup>1</sup> **GRESB** is the global ESG benchmark for financial markets, which helps companies assess their ESG performance through a standardized and globally recognized framework and allows them to act on ESG data and insights.





# Welcome to Crombie's 2021 Sustainability Report





## A Message from Our President & Chief Executive Officer

At Crombie, we strive to improve communities for the benefit of future generations, not just our own. We know that our investments today must enable a better tomorrow.

We are determined to do the right thing for the long-term health and viability of our business, our employees, our tenants, for the communities in which we operate and for our planet. Our goal is to create value by developing and operating properties in a way that enhances local communities and protects the environment. We are guided in our work by a strong set of values and business ethics, which help shape and strengthen our sustainability commitments.

In 2021, we brought new focus and energy to our sustainability program and advanced a number of environmental, social, and governance (ESG) priorities.

**Building for the Future:** We have enhanced our environmental leadership structure, welcoming Dan Bourque, as Vice President of Sustainability, to our leadership team. Formerly our Director of Operations – and having served as the President of BOMA Nova Scotia over the past four years, and a current member of BOMA Canada’s Board of Directors – Dan knows our business inside and out and is leading a team dedicated to lowering our environmental impact and reducing our carbon footprint. Together, we will identify opportunities where we can make a difference and set credible targets for sustainability improvements across our portfolio.

We formalized Crombie’s Sustainable Development policy which ensures that we design, develop and operate our properties with sustainability in mind. The policy outlines our approach to energy efficiency, resource conservation, climate action, water conservation, waste management, green building certification and sustainable procurement.

We also took action in 2021 to reduce our environmental footprint by measuring our performance and creating additional policies to improve our energy, water and waste practices. Going forward, we want to certify more space with trusted certification bodies, identify opportunities to introduce more renewable energy into our portfolio, and continue to enhance the health and well-being of our teams, as well as those who spend time in our spaces.

**Caring for Our People & Communities:** We are very fortunate that our culture of caring and inclusiveness has enabled us to retain, motivate and diversify our workforce throughout the pandemic.

I am incredibly proud of the actions we took this past year to enhance Crombie’s culture, and to enrich the health and well-being of our employees and communities. We set new goals for recruiting diverse candidates at the Trustee, leadership and professional levels of our organization. We also made a commitment to direct 25% of our philanthropic contributions by 2025 to causes related to ending social injustice in the communities where we operate.

**Holding Ourselves Accountable:** This past year, we did the detailed but critical work of establishing sustainability policies, plans, frameworks and systems that are the foundation of good governance and transparent disclosure. This will allow us to measure and improve our performance over time. We take this work to heart and we are committed to holding ourselves accountable for the benefit of our employees, tenants, investors and operating communities. We will continuously increase the transparency and accountability of our ESG and climate-related financial disclosures.

The last few years have brought into focus the real-time threats of climate change, social unrest, and the impact of global pandemics. While we can never predict the future, we can prepare for it. At Crombie, we understand that climate concerns are accelerating and we must own and operate resilient and sustainable real estate assets that will stand the test of time.

It is the passion, determination and ingenuity of our employees that allowed us to support our tenants and communities during another challenging year. On behalf of our executive team, I want to thank our team for their hard work and dedication, and for helping to improve our sustainability performance.

Sincerely,

**Don Clow** FCPA, FCA  
President & Chief Executive Officer

# 2021 Sustainability Highlights

In 2021, we continued to embed sustainability principles and best practices into the way we do business.

## Environmental



**~2m sq. ft.**  
of BOMA BEST certifications



**48%**  
average waste diversion rate  
across the portfolio in 2021



**Ecopilot® savings at Scotia Square Complex since installation in 2019:**

**19%**  
HVAC energy  
savings

**17%**  
HVAC cost  
savings

**1,215**  
metric tonnes  
CO<sub>2</sub>e reduction



**Creation of a Sustainable Development Policy**

**Creation of development policies that address:**

- Energy Efficiency
- Waste Management
- Sustainable Site Selection
- Water Conservation
- Materials Selection

**Conducting Environmental Assessments**

**Performing Technical Building Assessments to assess energy, water and waste practices**

## Social



**26%**  
of hires in the  
year were diverse  
candidates



**54%**  
of leadership development  
program participants  
are women



**15%**  
total annual  
turnover  
rate<sup>2</sup>



**33**  
community  
initiatives  
supported

## Governance



**100%**  
independent Board Chair  
and Committee Chairs



**Board Diversity**  
**33%**  
women Trustees



**No whistleblower  
complaints reported**

<sup>2</sup> Includes voluntary and involuntary employee turnover.

# Crombie at a Glance

Crombie invests in real estate that enriches local communities and enables long-term sustainable growth. As one of the country's leading owners, operators, and developers of quality real estate, Crombie's portfolio primarily includes grocery-anchored retail, retail-related industrial, and mixed-use residential properties in Canada's top urban and suburban markets.

## Crombie's Diverse Portfolio

	Open-Air Centres	<b>270</b> properties	<b>13,680,000</b> sq. ft.
	Office	<b>5</b> properties	<b>954,000</b> sq. ft.
	Enclosed Malls	<b>5</b> properties	<b>1,372,000</b> sq. ft.
	Joint Ventures & Properties under Development <sup>3</sup>	<b>11</b> properties	<b>530,000</b> sq. ft.
	Retail-related Industrial	<b>4</b> properties	<b>1,855,000</b> sq. ft.

## Retail-Related REIT

Empire owns 41.5%

### \$5.4b

fair value including properties held in joint ventures

### \$5.3b-\$7.5b

development pipeline  
future investment potential

## 295 Properties

including properties under development and 4 properties owned in joint ventures

### 96.2%

committed occupancy

<sup>3</sup> GLA reflected at Crombie's share for the four properties held in joint ventures. This GLA is not included in the 17,861,000 sq. ft. disclosed in Crombie's Q4 2021 MD&A. Additionally, the seven properties under development (PUD) do not currently represent any GLA.

# Who We Are

**Crombie is a leading Canadian real estate investment trust committed to enriching communities through long-term sustainable growth.**



## We build and operate spaces that people want to be part of.

Our thoughtful designs are created to help the people who live, work, and play there. Functional, smart, attractive, and built to a high standard.



## We make communities even better.

Our properties must make a positive impact on the community and the people who live there. Anyone can construct a building; we build and operate spaces where people thrive.



## We think long term.

From our developments to our investments, to our relationships with partners and stakeholders, we take the long view. It's not enough to be good today, we want to build for the future. The people we work with need to know that we're committed.



## We live our values.

Truth, respect, reliability, and accountability aren't just words, they're actions. Though our roots are Atlantic Canadian, our values are universal. We demonstrate our commitment to them every day, in everything we do.

## Our goal, mission, and vision

### Goal

We enrich neighbourhoods through long-term, sustainable growth.

### Mission

We invest in quality real estate that enhances local communities and generates long-term growth.

### Sustainability Vision

To enrich communities sustainably through tangible actions and an ethical and diverse culture.



# Our Purpose

We own and operate high-quality, sustainable real estate where people live, work, shop and play.

## WHO WE DELIVER FOR

Our Tenants and Customers	Our Partners	Our Investors	Our People	Our Communities
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## WHAT WE HAVE

Strong, stable portfolio	<p><b>Effective and efficient property management</b></p> <p><b>Strategic acquisitions/dispositions</b></p>	<p>Resilient grocery-anchored needs-based properties that meet the needs of our tenants, their customers and communities</p> <p>Stable and growing cash flow</p>
Strategic partnership	<p><b>Strategically engage with Empire to complete accretive investments such as conversions, modernizations, expansions, and e-commerce customer fulfillment centres, as well as unlocking major developments</b></p>	<p>Accretively optimized portfolio designed to meet Empire and Crombie's current and future needs, including unlocking development opportunities</p>
Development pipeline	<p><b>Planning and zoning of land</b></p> <p><b>Design and execution of projects</b></p>	<p>High-quality real estate that enhances communities and provides sustainable long-term growth</p>

## WHAT WE DO

## VALUE WE CREATE

## UNDERPINNED BY

Strong financial condition	<p><b>Reasonable and balanced debt ladder with multiple sources of capital and ample liquidity</b></p> <p><b>Disciplined and innovative capital funding and management</b></p> <p><b>Strong balance sheet</b></p>	<p>Optimize cost of capital</p> <p>Available capital sources</p> <p>Management of financial risk</p>
A highly skilled team that generates strong returns by executing on strategy and caring about the sustainability of our properties, tenants, communities, and environment	<p><b>Attract, develop, and retain a talented team who are committed to advancing our purpose, values, and overall business strategy</b></p> <p><b>Prioritize employee engagement, development, and community outreach</b></p> <p><b>Focus on environmental, social, and governance ("ESG") footprint, including a sustainability strategy centred on creating value by developing and operating our properties in a way that enhances local communities and protects our environment</b></p>	<p>Diverse and inclusive team of skilled real estate professionals</p> <p>Experienced and focused leadership</p> <p>Address the needs of our employees and care for our communities</p> <p>Minimized environmental impact of our buildings and operations</p> <p>Strong governance</p> <p>Strong risk management and risk appetite framework</p> <p>Supported communities</p>

# Our Values

Crombie is built on high performance, an entrepreneurial vision, and a commitment to collaboration. The following values guide our behaviour to ensure that we collectively achieve our goals and deliver results.



**Embody Integrity:** Doing what's right is at the foundation of everything we do. Being responsible, accountable, transparent, and honest is part of who we are and what we accomplish.



**Care Passionately:** We pride ourselves on our commitment to create positive and sustainable impact for our clients, partners, team members, and the environment. Our team stays true to our roots and leads by example through active community engagement.



**Deliver Excellence Together:** We lead with empathy and strive to truly understand each other in a way that maximizes collaboration, quality, and high performance. We are at our best when we value each other's strengths and use our one-team approach to have fun while pursuing our common goals.



**Empower One Another:** Everyone is encouraged to bring their unique and authentic self to work. We are dedicated to achieving success through building a space where everyone is accepted, respected, and celebrated.



**Outperform Expectations:** We are proud of the results we achieve, honour our learnings, and continually raise the bar. Our team members are reliable, knowledgeable, and can quickly switch gears to face challenges head on.

**“Contributing to the development of Crombie’s refreshed guiding values has been a valuable experience. The process was intentional in gathering diverse perspectives, and equally as intentional in ensuring it was a supportive space to share those perspectives. When I began at Crombie, one thing that quickly stood out in my interactions with my colleagues was a true sense of authenticity. The signifier in each interaction was honest, transparent communication, and I believe this authenticity is apparent in each one of the guiding values we developed.”**



**Fariche Alleyne**  
Property Manager

## In the Spotlight

**Our Culture & Guiding Values:** Over the past several years, Crombie has experienced much change. In addition to living through a global pandemic, both our business and our team have been evolving and growing. With this in mind, we felt the time was right to launch a renewal of our culture and values to ensure our culture remains strong in the post-COVID environment.

We brought together a diverse internal Steering Committee to work with an external expert to develop a fresh set of Guiding Values. We also issued a call for volunteers from across the organization to lead this work, and we were flooded with team members who were eager to be a part of this process. These volunteers – our Crombie Culture Club – worked closely with the Steering Committee to help guide the process and in 2022, they will help us roll out and communicate our values across the organization.

We will use this launch to drive meaningful discussions around what our culture means, key behaviours and expectations, and what Crombie’s employee value proposition is in an understandable way. These discussions will come to life at quarterly organization-wide calls, through storytelling by members of our Culture Club and other natural leaders, and through everyday actions such as our recruitment and leadership development efforts, and will be tracked through our balanced performance scorecard.

# Our Approach to Sustainability

Our sustainability approach focuses on creating value and managing risk by owning, operating and developing our properties in a way that enhances local communities and protects the environment. We have assessed and identified seven material topics that serve as the key pillars of our sustainability program. With the goal of focusing on what matters most, this report explores the material topics we believe have a high impact on the success of achieving our sustainability goals.

## Our Material Topics

PILLARS	KEY TOPICS
Environmental	<p>Sustainable design and construction</p> <p>Greenhouse gas emissions</p>
Social	<p>Talent attraction, development, and retention</p> <p>Diversity, equity, and inclusion (DE&amp;I)</p> <p>Health, safety, and well-being</p>
Governance	<p>Board composition and governance</p> <p>Risk management</p>

## Our Sustainability Commitment and Priorities

Crombie is committed to enhancing the well-being of our communities. We have embedded sustainability principles into the way we do business since our inception.

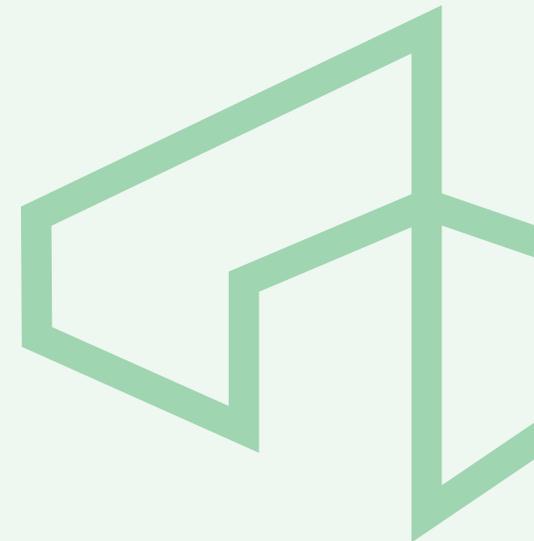
In 2021, we improved our ability to measure our sustainability performance and impact on the environment. We have developed policies and procedures that will enable us to set targets and implement actionable processes necessary to achieve our short- and long-term sustainability goals.

Specifically, we formalized and published Crombie's Sustainable Development Policy. This policy commits us to incorporating sustainability considerations into all aspects of Crombie's development process. Our goal is to meet key stakeholder and community objectives and to position our portfolio for long-term value creation. The policy strongly encourages all Crombie stakeholders to adopt sustainable practices throughout the development process.

## Crombie's ESG Policies

Some of the related sustainability policies we updated and implemented in 2021 include:

- Crombie's Code of Business Conduct and Ethics
- Diversity, Equity and Inclusion Policy
- Sustainable Development Policy
- Energy Efficiency Policy
- Waste Management Policy
- Water Consumption Policy
- Materials Selection Policy
- Flexible Work Arrangement Policy
- Board and Committee Mandates



## In the Spotlight

### Crombie's Sustainable Development Policy:

Our Sustainable Development Policy sets our mandate, vision, expectations and standards for sustainable design and development for Crombie, with guiding principles that state: *All major developments and re-developments will undergo a comprehensive sustainability evaluation. This evaluation and sustainability focus will be fundamental to each project from acquisition to project planning through to project execution and operations.*



The policy applies to all new major development projects where Crombie has a majority ownership stake, where we control the development outcome and where we will manage the property as an operating asset<sup>3</sup>. It outlines our approach to:

- Project, site selection, transportation & renewable energy:** All current and potential sites will undergo a comprehensive evaluation of development and sustainability potential to ensure a strong fit with Crombie's ESG principles, including integration into the community fabric; potential for renewable energy supply; opportunities to improve environmental, social, or community outcomes; and, assessment of climate change risk.
- Certifications, energy use, GHG emissions, net-zero & carbon neutral design:** All major developments and re-developments will require a thorough third-party review and recommendation of best potential green building certification programs for use on each development site.
- Energy, climate & climate change adaptation:** Energy conservation measures will be considered at all stages of the development process and building operations to reduce the amount of carbon emissions released to the atmosphere, with energy modeling to optimize building systems and reduce greenhouse gas (GHG) emissions a requirement for all major development projects. Crombie's **energy efficiency policy** supports this focus and outlines key measures, standards and systems that will help us achieve our energy goals.
- Waste management & pollution prevention:** To align with green building certifications, we will focus on diverting as much waste as possible from landfills; and surplus building materials will be re-used or donated to non-profit organizations where possible. Crombie's **waste management policy** outlines in detail the key measures, standards and practices that will help us generate the least amount of waste possible.
- Water consumption, biodiversity & habitat:** Water conservation will be promoted at all stages of all major development projects, and local biodiversity and natural habitat considered in design for opportunities to preserve and enhance. Crombie's **water conservation policy** outlines key measures taken during the design and construction phases, as well as the operational phase to ensure optimum water conservation efficiency.
- Material sourcing & sustainable procurement:** Locally sourced products and materials will be used where available and economically competitive. Where local is not feasible, the closest alternative source will be explored with priority placed on sourcing local trades and labour, including apprentice workers to make a positive economic development impact and build skills in the community. Crombie's **materials selection policy** supports this focus on the selection of materials that are both sustainable and contribute to the health and wellness of our end users.
- Health, well-being & indoor environmental quality:** Amenity facilities, such as fitness centres, will be included in our designs where applicable and natural spaces and natural light maximization will be considered where possible. Air quality will be considered in the design of all building mechanical systems.

<sup>3</sup> 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.

## Sustainability Oversight

Our President and CEO is responsible for developing Crombie's sustainability strategy and the day-to-day oversight and implementation of ESG at Crombie. He also leads our Sustainability Committee which consists of the Executive Vice President & Chief Operating Officer, Chief Talent Officer & Vice President, Communications, Chief Financial Officer & Secretary, Executive Vice President Corporate Development, General Counsel, Vice President Financial Analysis and Treasury, Vice President Sustainability, Environmental Manager and the Director of Communications.

The Committee is charged with developing a roadmap that expands our sustainability commitments and identifies key actions, milestones and targets that will drive performance improvements across all seven of our material topics. It meets quarterly and is responsible for Crombie's analysis and response to the impacts of climate change on the company's operations and portfolio of assets. Crombie is in the initial stages of analyzing these opportunities and impacts.

## Sustainability Performance Tracking and Reporting

We have implemented an industry-leading ESG software platform – Measurabl – built exclusively for the global commercial real estate sector – to better track, measure, and report on our performance. This software has enabled us to make our second submission to GRESB and to publish this, our second sustainability report. Additionally, we have systems in place to track and report on metrics related to our occupational health and safety performance, employee volunteer commitments, the diversity of our workforce, and other core programs.

Crombie, like most organizations, is currently studying the recommendations of the Task Force on Climate-related Financial Disclosures with a view to implementing in the near term.



## In the Spotlight

### What does the Task Force on Climate-related Financial Disclosures (TCFD) mean for business?

The TCFD was established to improve and increase reporting of consistent and comparable climate-related financial risk disclosures in the private sector. The TCFD recommendations are about enhancing market transparency and enabling the efficient allocation of capital in the transition to a low-carbon economy as envisioned by the [Paris Agreement](#). The recommendations are structured around four areas that represent core elements of how organizations operate:

- **Governance:** Disclose the organization's governance around climate-related risks and opportunities.
- **Strategy:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.
- **Risk Management:** Disclose how the organization identifies, assesses, and manages climate-related risks.
- **Metrics & Targets:** Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

**Mandatory Reporting Coming to Canada in 2024:** In the April 2022 budget, the federal government outlined its plan to require federally regulated financial institutions to begin reporting on climate-related financial risks in accordance with the TCFD framework. The Office of the Superintendent of Financial Institutions (OSFI) will consult with banks and insurers on developing disclosure guidelines that adhere to the TCFD framework, gradually phasing in reporting requirements beginning in 2024. Given the prominent role of banks and insurers in shaping Canada's economy, the OSFI guidelines are expected to have a significant impact on how Canadian businesses manage and report on climate-related risks and exposures. Crombie, in response, will begin developing plans in 2022 to better understand the risks and opportunities posed by climate change (e.g. earthquakes, floods, rising temperatures, etc.) on our business, and to align with the TCFD recommendations and provide transparent disclosures of our progress.

## Stakeholder Engagement

We believe that companies exist to serve the needs of society, which grants each company its right to operate. We see ourselves as being in the service business and to thrive in the long-term, we must serve the needs of our stakeholders. We strive to differentiate ourselves and create value for stakeholders by:

- conducting our business in a way that prioritizes people and ensures we can meet the needs of future generations
- engaging our communities in the planning of our projects and including them in benefits that come from these developments
- treating our partners, suppliers, and service providers fairly and with integrity
- providing a safe, healthy, and engaging work environment for our people, tenants and visitors
- recognizing the talent and contributions of our employees
- managing the investments of our unitholders and capital providers responsibly and ethically to deliver optimal value
- setting sustainability goals in employees' annual balanced scorecard, customizing each to an employee's role in the organization

Crombie believes that stakeholder engagement is essential to building a successful real estate portfolio and integral to our success. We engage with our customers, tenants, partners, employees, investors and community stakeholders across multiple platforms. In 2021, technology allowed us to meaningfully engage with our stakeholders through direct video calls and virtual meetings. The following table provides a snapshot of how we engaged with our multiple stakeholders throughout the year.

## Stakeholder Engagement

Forum	Investors	Tenants & Customers	Partners	Employees	Community
1:1 meetings	•	•	•	•	•
Annual and quarterly reports	•		•	•	•
Annual meetings	•	•	•	•	•
Annual performance reviews				•	
Code of Business Conduct and Ethics policy			•	•	
Community planning sessions		•	•		•
Compensation and benefits	•			•	
Donations and volunteering		•		•	•
Engagement surveys		•		•	
Environmental and sustainability surveys		•		•	
External conferences	•	•			•
Focus group meetings with CEO				•	
Internal weekly and monthly publications				•	
Intranet				•	
Investor meetings	•				
Management information circulars	•	•	•	•	•
Materiality interviews				•	
Media releases	•	•	•	•	•
Offering our spaces for community projects		•			•
Quarterly conference calls	•	•	•	•	•
Quarterly town halls				•	
Regular dedicated email communications (IR, Chair, CEO, etc.)	•	•	•	•	
Site signage		•	•	•	•
Social events (annual community clean up)		•		•	•
Social media	•	•	•	•	•
Training and development				•	
Website	•	•	•	•	•



# Environmental Impact

We are incorporating sustainability considerations into all aspects of our business to meet key stakeholder and community objectives, and to position our portfolio for long-term value creation. We have an important role to play in helping our tenants and business partners achieve their environmental and climate change goals.

**“In order for Crombie to successfully deliver on our sustainability commitments, we need to bring our stakeholders along with us on this journey and we need to convince each one of them that the trip is worth the cost. We are partnering with our tenants to introduce smart technology that helps reduce our collective energy, water and waste impacts and ultimately, our costs. We are partnering with governments to leverage sustainability incentive programs, and with industry to drive green building certification standards. Most importantly, we are partnering with our employees to help us build a better tomorrow.”**



**Glenn Hynes**  
Executive Vice President &  
Chief Operating Officer

# Sustainable Design & Energy

## Sustainable Design and Development

**Our focus:** Our new Sustainable Development policy is the lens through which all development decisions will be made at Crombie.

**Our progress:** In addition to formalizing our policy, we submitted Crombie's first GRESB Assessment for 2020, and in July 2022, we will submit our 2021 GRESB Report.

We remain committed to increasing the percentage of our portfolio that is certified by a green building certification program.

At our existing properties, we continue to lower our environmental impact by using smart technologies that support energy and water use reduction, as well as waste diversion. Not only are these initiatives beneficial from an environmental perspective but they make our properties more attractive to tenants and decrease operating costs.

We regularly evaluate our properties to determine environmental risk and to manage those risks appropriately. This helps ensure the health and well-being of our site users and properties, as well as Crombie's compliance with environmental regulations. We conducted environmental assessments at 20 properties during 2021.



## In the Spotlight

**Contributing to a More Sustainable Vancouver:** At our Broadway and Commercial property in Vancouver, British Columbia, we are proposing – with our joint venture partner Westbank – industry-leading carbon, water, energy and biodiversity initiatives, and targeting to achieve LEED Platinum status for this major mixed-use-redevelopment project. East Broadway sits on 2.43 acres of land located at the busiest transit node in Western Canada. If approved by the City of Vancouver, this property will offer a mix of grocery-anchored retail, rental residential, and market condos, as well as a holistic path toward a more sustainable Vancouver.

**Looking ahead:** We will continue to enhance our disclosures through GRESB reporting and develop action plans to achieve tangible environmental targets for every development project in our portfolio.

We are moving forward with BOMA BEST's Sustainable Buildings Portfolio Program, a green building certification, targeting a group of open-air grocery-anchored centres in Nova Scotia. One of the BOMA BEST® Program's central objectives is to facilitate the continuous improvement of building operations and maintenance through the use of a questionnaire or survey-based assessment. This survey provides a consistent framework for owners, managers and building operators to critically assess 10 key areas of environmental performance and management: energy, water, air quality, comfort, health and wellness, custodial, purchasing, waste, site, and stakeholder engagement.

## In the Spotlight

### Reducing our Collective Environmental Footprint:

As a landlord of real estate properties – the vast majority of which are open-air retail – Crombie has limited control over the energy, GHG emissions, waste, and water consumption patterns of such properties as our tenants control upwards of 80% of all such consumption.

We focus on what we can control, for example designing and developing our properties with sustainability in mind. But to make a real difference, we must continue to collaborate with our tenants on initiatives that not only enhance their efficiency but improve their bottom line. Together, we can reduce our collective environmental and carbon footprints by exploring the latest heating, cooling, energy and lighting technology. In short, we must forge collaborative relationships with as many tenants as possible to create win-win outcomes despite the fact that we have limited direct control over the energy usage, waste, etc. at such properties.

Currently we have a lighting project underway with Empire, which is converting to LED lighting products, that typically produce light up to 90% more efficiently than standard incandescent light bulbs.

## Energy Consumption & Climate Change

**Our focus:** We are committed to reducing our energy consumption and related GHG emissions, and to advancing carbon-neutral design in all new projects. This will enable Crombie to reduce our carbon footprint and address the growing challenge of climate change.

Crombie considers energy conservation measures at all stages of the development process. Additionally, we consider how those measures can affect the operation of those buildings to reduce the amount of carbon emissions released to the atmosphere.

We establish minimum energy requirements and conduct energy modelling for all major developments, which help to optimize building systems and reduce GHG emissions. Each site that is selected for development must undergo an assessment of potential climate risks and develop a plan for building resiliency to identified risks.

Our energy policy supports this focus, integrating efficiency measures throughout the design and construction stages in order to contribute to reducing overall energy consumption during the operational phase. We consider energy efficiency standards for air conditioning, high-efficiency equipment and appliances, lighting (i.e., LED) and SMART occupant controls.

**Our progress:** Given electricity is our predominant energy source, we continue to focus on introducing new technology to improve our overall energy efficiency.

We continued to introduce game-changing artificial intelligence (AI) technology in 2021 to make buildings smarter, greener and more efficient and contribute to meaningful, sustainable change:

- **Waste and energy features at Westhill on Duke:** This planned residential rental project is located within the Scotia Square Complex, with sustainability features that include: its location near a major transit hub; the utilization of existing infrastructure to reduce construction/demolition waste; and targeting LEED certification at completion, with health and well-being features such as greenspaces and fitness facilities.
- **Powering Up EV Chargers & Water Savings at Belmont Market:** At this retail/office complex in Victoria, British Columbia, visitors can plug-in their electric vehicle at the dual ChargePoint charging station onsite. We have also installed a water-well setup for irrigation purposes, with annual water savings to be realized in 2022.

- **BrainBox AI at Riverview Place, New Brunswick:** We installed BrainBox AI at Riverview Place commercial property in 2021. BrainBox uses predictive and self-adapting AI to optimize buildings, make buildings smarter and greener through HVAC technology, and reduce a building's carbon footprint. By bringing AI to the built environment, the HVAC system becomes a predictive brain that learns precisely how to use less energy to optimize comfort in all zones, at all times. The BrainBox AI optimization service has been able to reduce by 38.1% the total runtime of the controlled Air Handling Units as well as reduce by 28.0% the total runtime of the heating stages of the controlled Air Handling Units. We are currently installing BrainBox at our Avalon Mall and County Fair Mall locations.

### In the Spotlight

**Scotia Square Complex, Halifax:** Scotia Square is celebrating 10 years of award-winning sustainability achievements and certifications that our team has proudly delivered with more achievements still to come:



- Over the last 10 years, the Scotia Square complex – which consists of seven buildings covering over 14.5 acres – has reduced energy consumption by over 33%, or almost 18 million kWh.
- We have reduced water consumption by over 33%, or over 19 million gallons.
- With the installation of motion sensor lighting in our office tower stairwells we now save almost 300,000 kWh/year.
- We recycle an average of 235,000 lbs. of cardboard and 260,000 lbs. of paper products every year.
- A complete lighting retrofit in our CIBC Building saves almost 400,000 kWh/year.
- Our Bike Room has earned us the title of Most Cycling-Friendly Landlord from the Halifax Cycling Coalition.
- Our parkade features car charging stations, dedicated carpool parking, and is bullfrog powered with 100% green energy.
- A lighting retrofit in our parkade saves us over 1,000,000 kWh/year.

Additionally, since the 2019 installation of Ecopilot®, an AI system used to predict the current and future requirement for heating and cooling in a building, Scotia Square has achieved HVAC energy savings of 19%, HVAC cost savings of 17% and a CO<sub>2</sub>e reduction of 1,215 metric tonnes.

**Looking ahead:** We plan to take a number of actions to enhance our energy efficiency, reduce our energy intensity and reduce our carbon footprint.

In 2022, we will continue to identify and set energy efficiency and GHG emission reduction targets. We will work with external experts to develop a plan to decarbonize our two large assets at Scotia Square Complex and at Avalon Mall. We also plan to introduce electric vehicles (EVs) into our transportation fleet and install additional EV charging stations at key locations across Canada.

We will commence the green certification of our open-air retail portfolio with BOMA BEST, initially focusing on our owned and managed sites in a phased approach, and convert or retrofit all parking lots to LED.



## What's the Buzz on the Roof?

The environmental team at Crombie is committed to building green communities and to creating a strong sense of connection to nature in urban settings. We are preparing to install honey bee hives on our building rooftops in 2022, with the help of **Alvéole** the urban beekeeping company, and to build ecological awareness of these important pollinators.

## In the Spotlight

**Avalon Mall, St. John's, Newfoundland:** In 2020, we completed the \$111 million redevelopment of the Avalon Mall, which covers 53 acres of land in St. John's. From the outset, we designed and rebuilt this retail mall with sustainability in mind. We introduced a number of energy efficiency measures, including lighting and mechanical upgrades, in order to reduce overall consumption. This redevelopment was named *Champion for a Greener Future* by the Multi-Materials Stewardship Board (MMSB) of Newfoundland, a Crown agency of the Government of Newfoundland and Labrador. MMSB is dedicated to promoting sustainable waste management through public education and waste diversion programs. We are currently preparing a BOMA BEST submission for Avalon Mall.

At Avalon's grand re-opening ceremony in June 2021, we announced a \$10,000 donation to **First Light**, St. John's Friendship Centre, a non-profit organization serving the urban Indigenous and non-Indigenous community by providing programs and services rooted in the revitalization, strengthening and celebration of Indigenous cultures and languages in the spirit of trust, respect and friendship. The Crombie team honoured this spirit by completing a Reconciliation in the Workplace training online program.

### Crombie undertook a number of sustainability initiatives for AVALON

- We conducted an LED retrofit and installed occupancy sensors in service corridors.
- We purchased efficient HVAC units for new tenants.
- We installed touch-free elevator access for health, safety and inclusion.
- We added green space and bicycle racks as part of the redevelopment program.
- We improved overall site accessibility and signalization, and added a new 800+ vehicle parking structure to simplify vehicle flow.
- We diverted waste through a clothing drive, collecting and returning refundable bottles and donating the deposit return to various community groups.
- We launched and ran a first test of the Mall's Emergency Mass Notification System, which facilitates the broadcast of emergency safety messages to mall visitors.
- We provided both monetary and in-kind donations to local charitable community groups including First Light and the Salvation Army.



# Social Impact

## People and Community

Crombie's caring culture is a sustainable competitive advantage and core to our success. Our highest priority is to ensure we have the right people and platforms in place to successfully execute Crombie's business strategy and achieve our sustainability goals. The global challenges of COVID-19 have underscored the need for flexible working arrangements and a more welcoming and inclusive workplace. We aim to be a positive presence in our communities, and to support organizations dedicated to advancing community health, wellness and diversity.

"What is our employee value proposition? We promote a caring, people-first culture, one that makes a human connection through empathy, compassion and flexibility. We take a holistic approach to nurturing our people and to understanding the needs of our tenants and communities. Our goal is to have a healthy and committed workforce and we ask ourselves 'How can we help our team members fulfill their potential and have fun at work.'"



**Cheryl Fraser**  
Chief Talent Officer & Vice President,  
Communications

## Talent Attraction, Development and Retention

**Our focus:** We want to attract, develop and retain a talented team who share in our values, embrace our culture, and possess the passion and skills to accomplish our goals.

We offer progressive workplace, benefit and recognition programs designed to prioritize the evolving needs of our business *and* support our employees, and potential employees, in fulfilling their career goals and aspirations.

### Sustaining Work-Life Balance

Whether our employees are celebrating a life milestone, caring for a child, caring for themselves, supporting a parent, getting medical care or providing end of life care, we want to support their life outside of work and in doing so, drive top level performance for the organization.

We also offer flexible and hybrid working arrangements, which allow our employees to develop personalized work schedules that are mutually beneficial to the organization and themselves. Our comprehensive Time Away From Work policy goes beyond the traditional to provide “leaves” for giving back to the community, adopting a child, pregnancy loss bereavement, and for the right to disconnect.

We continue to evolve our benefits programs to better attract and retain the workforce of today and tomorrow providing, for example, coverage for reproductive services and access to Dialogue Telehealth services.

Our renewed Learning and Development strategy provides professional development opportunities at all levels – from safety training and BOMI Design, Operations & Maintenance certificate programs to the University of Toronto’s Rotman School of Management Executive Presence program to leadership in real estate sustainability at Cambridge University.

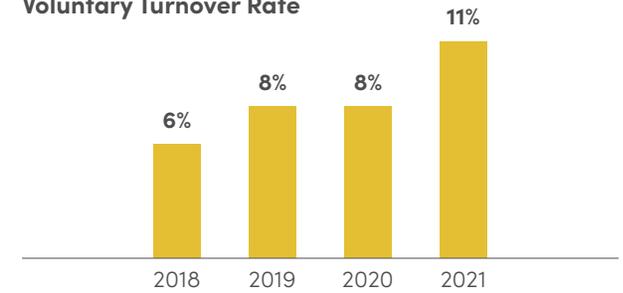
In 2021, we launched a new formal recognition program, with annual awards given in recognition of *Thought Leadership*, *Living our Values* and *Leading in Leadership*.

**Our progress:** Our voluntary turnover rate remains low at 11%, compared to industry standards, which is a key measure of success for our talent programs. Equally important, our productivity rates remain high and employee commitment to Crombie, based on our latest employee engagement survey, remains strong and aligned with our strategy. Training and professional development continue to be prioritized, informed by ongoing leadership assessments, comprehensive performance reviews, and executive coaching sessions.

By year-end 2021, approximately 54% of our office employees returned to a physical workplace on a partial or full-time basis. We continue to monitor and make adjustments to our flexible working arrangements – leveraging technology and communicating clear performance expectations to enhance productivity levels. Currently, 68% of office employees are working in a hybrid working arrangement.

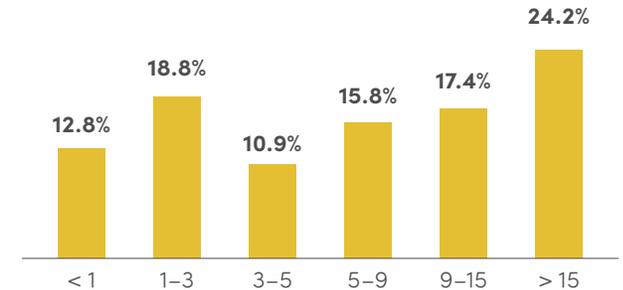


### Voluntary Turnover Rate



While predictions of a potential turnover bubble related to the Great Resignation continue, our turnover rate remains relatively low and we continue to take proactive steps to retain our talent.

### Length of Service Diversity (by years)



The diversity of employee service length is fairly balanced, which relieves pressure on our workforce planning efforts.

**Looking ahead:** We plan to take a number of actions to remain competitive in the marketplace and further attract, develop and retain our talent. Our progressive agenda will include the introduction of benefits covering gender affirmation surgery, and flexible holidays so employees can take holidays that are meaningful to them. We conduct regular full employee surveys to gain further insights into employee engagement levels and to inform our future programming.

## Health, Safety and Well-being

A key focus of our sustainability initiatives is to ensure the health, safety and well-being of our employees, tenants, and customers. During this historic time, we remain vigilant in providing mental health programming and in ensuring employees understand and feel comfortable accessing new support programs.

**Our focus:** Our goal is to achieve zero safety incidents in the workplace and we are focused on proactive incident prevention initiatives to improve our overall safety performance.

The key pillars of our health and safety strategy include:

- tracking and monitoring employee health and safety performance through leading and lagging indicators on Occupational Health and Safety (OHS);
- developing policies and programs to promote and incorporate well-being measures;
- assessing and identifying hazards and other potential health and safety risks;
- implementing an automated system for managing, tracking, and reporting of performance metrics; and
- ensuring a psychologically safe workplace free from harassment, bullying, and discrimination.

Crombie continues to develop a culture of safety by encouraging conversations of best safety practices and shared learnings with leaders across the company.

We strive for a positive workplace culture of inclusion and we recognize the direct link between being physically, emotionally and psychologically well. We provide programming and leadership support to assist all employees toward greater wellness.

Our Emergency Management Plan guides us in providing effective emergency response through emergency management teams and emergency technology. Two of our largest sites in the Atlantic region, Avalon Mall and Scotia Square, also have formal plans in place to respond quickly in an emergency.

**Our progress:** Our safety performance strengthened during the year, and there were no Workers Compensation claims that resulted in lost time. In 2021, Crombie's sick day average

was one day per employee compared to the national average of nine days.

During the year, we conducted a broad review of current safety programs, protocols, and practices to inform key areas of focus for 2022. We also continued to strengthen our Occupational Health & Safety program, policies and procedures by conducting ongoing workplace inspections, advancing employee protection plans, coordinating our training programs, and by providing support to the Joint Occupational Health and Safety Committees (JOHSC) across the Crombie organization.

Supporting our employees' mental wellness is a key element of our safety program. Our mental health disability claims are also below that of the national average. Only 7% of our employee population had a short-term disability claim, including all reasons. We continued to reduce year-over-year absenteeism rates, mainly as a result of ongoing attention to mental health and wellness in the workplace. In 2021, we secured access to Tranquility, an online platform that uses cognitive behaviour therapy to support people experiencing anxiety and depression.

Our Health and Safety team provided support for our flexible and hybrid working arrangements, ensuring employees had the tools to productively do their job while promoting a safe and healthy working environment (i.e., ergonomic desks, chairs, monitors, keyboards, printers and personal protective equipment (PPE)).

**Looking ahead:** We plan to take a number of actions to contribute toward greater health, safety and wellness for our employees, tenants and customers. We are aligning our mental health in the workplace approach with the voluntary Psychological Health and Safety Standard, providing employees with full-year access to the Tranquility program and monitoring its success. We will continue to offer new employees the opportunity to receive training in Mental Health First Aid offered through the Mental Health Commission of Canada.

## In the Spotlight

**THE WORKING MIND Supporting employee mental health:** With most adults spending more of their waking hours at work than anywhere else, addressing issues of mental health at work is vitally important for all people in Canada. Despite its reach and prevalence, the stigma associated with mental illness remains widespread and is a barrier that prevents many from seeking help.

Given the social isolation many of us experienced these past few years, we have worked hard to provide Crombie employees with the mental health resources and support they needed during the pandemic.

In 2021, we provided training for 60 employees in The Working Mind (TWM), a mental health training program offered by our partner, the Mental Health Commission of Canada (MHCC). TWM focuses on increasing mental health awareness, reducing stigma, and encouraging mental health conversations. It provides practical knowledge to increase employees' overall comfort level with mental illness. The sessions are in virtual training format and are conducted over five hours. Upon completion, employees will be able to:

- understand mental health and mental illness;
- recognize its signs and indicators, in themselves and others;
- reduce stigma and negative attitudes toward people with mental health problems;
- support colleagues with mental health problems; and
- maintain their own mental health and improve their resilience.

According to the MHCC, 30% of short- and long-term disability claims in Canada are attributable to mental health problems and illnesses. The total cost from mental health problems to the Canadian economy exceeds \$50 billion annually.

**"I have noticed a very strong understanding of mental health and acceptance of differences in this company." – Employee Engagement survey response**

## Diversity, Equity & Inclusion



Diversity, equity, and inclusion are the pillars for a strong workplace culture and a sustainable business. Crombie is committed to doing more to create and maintain a diverse, inclusive, equitable and collaborative culture that is free of barriers, increases equity and drives stronger business results.

**Our focus:** We renewed our **Diversity, Equity & Inclusion (DE&I) Policy** in 2021 to better embed equity within our policy and aspirational goals. We expanded our focus to encompass a range of diverse groups including but not limited to race, gender, sexuality, and disability.

We strive to create an inclusive environment where individuals from all backgrounds are recognized, respected and valued and individual differences and creativity of thought are viewed as strengths. We recognize the need for more diversity in all roles within Crombie and especially within senior leadership positions.

To that end, our DE&I policy now sets goals for the recruitment of Trustees and employees that aspire to the following:

- Minimum of 40% of Senior Leadership successors are women or other diverse groups over rolling three-year period;
- 50% of internal leadership development program participants are women and/or from diverse groups; and
- Minimum of two qualified diverse candidates short-listed for every leadership and professional role and minimum one qualified diverse candidate for Trustee recruitment.

**Our progress:** We made good progress this past year in advancing women and other diverse groups into positions of leadership across our organization, and in our development and hiring practices.

2021 Diversity at Crombie	Women or Other Diverse Groups
Board of Directors	33%
Executive Committee	20%
Senior Leadership (SVP/VP)	38%
Directors	25%
Managers	46%
Annual Promotions	66%
Leadership Development Participants	54%
Recent Hires	26%

In 2021, we formalized our DE&I Advisory Committee, an internal resource group of a dozen Crombie employees of diverse backgrounds, role levels, and skill sets focused on improving DE&I practices and ensuring an inclusive and welcoming workplaces for all of our employees and tenants. We continued to engage in conversations with our diverse employees to understand and acknowledge their experiences and gain their input on our path forward. We implemented a blind resume process for all our office recruitments.

**Looking ahead:** We plan to take a number of actions to create and maintain a diverse, inclusive, equitable and collaborative culture.

- We will continue to offer education sessions focusing on bias, intersectionality, impact of language and systemic racism. We will also facilitate cultural learning sessions and ongoing DE&I dialogue opportunities across the organization regarding diversity and inclusion.
- DE&I will continue to serve as a key guiding principle and consideration in all succession planning activities and discussions with a defined three-point scale implemented to assess diversity of the successor pool (high, satisfactory, low).
- We will introduce flexible holidays, so employees can take holidays that are meaningful to them.
- We will provide phonetic name pronunciation with new employee announcements.
- We will target job postings to better reach different diverse candidate pools, ensuring there are highly-skilled diverse candidates for all roles; and continue to be diligent in ensuring diversity is a key criteria and consideration in our hiring, leadership development, succession planning, and talent programs.

### In the Spotlight

#### Diversity, Equity & Inclusion Inaugural Survey:

We conducted Crombie's inaugural Diversity Representation Survey in 2021, to better understand the diversity of our workforce and to gain insights on our path forward. We achieved a 60% response rate. Of those employees who responded, 13% identified as diverse, and 9% identified as having a disability or accessibility need. Employees told us that they feel comfortable being themselves at Crombie and feel that it is an ethical and safe workplace that is supportive of BIPOC individuals (Black, Indigenous, & People of Colour). They also told us they desire increased transparency on our DE&I work and increased opportunities for DE&I training. In 2022, we will act on these survey results and increase our transparency and training opportunities.

## Community



**Our focus:** Our goal is to enrich neighbourhoods through long-term sustainable growth, which includes supporting organizations that are making a difference in the lives of people in the communities we serve.

**Our progress:** In 2021, we continued to support organizations that are committed to community health and wellness initiatives, including support for local and diverse businesses. We also made a commitment to direct 25% of our philanthropic contributions to causes related to ending social injustice in the communities where we operate between now and 2025.

Crombie is proud to support organizations that serve the communities we call home. With a focus on wellness and sustainable communities, we give time and money each year to support the causes our employees believe in.



**Looking ahead:** We plan to take a number of actions to enrich our communities and advance community health, wellness and diversity. We have many employees who volunteer their time with non-profit organizations, and in 2022 we will begin tracking employee volunteer hours to celebrate our community investments. Our recently launched policy includes matching employee donations of time or money with a monetary donation from Crombie.

In response to a request from our DE&I Advisory Committee, we will update our donations policy to align with organizations supporting community DE&I initiatives. We will also continue to track overall organizational donations and sponsorships to ensure they align with our goals of supporting community health, wellness, sustainability and diversity.

### Enriching Our Communities

- **Terry Fox Foundation:** The **Terry Fox Run** is an annual non-competitive charity event held around the world to raise money for cancer research in commemoration of Canadian cancer activist Terry Fox and his Marathon of Hope.
- **Mental Health Foundation of Nova Scotia:** The Mental Health Foundation of Nova Scotia champions and invests in mental health initiatives in Nova Scotian communities.
- **Chain of Life:** The Chain of Life's mission is to educate youth aged 15-17 about organ and tissue donation and lead them to becoming ambassadors of family discussions.
- **YMCA:** YMCA Strong Kids helps give kids the opportunity to live healthier, happier lives.
- **Catapult:** Catapult inspires underserved youth to discover and develop their emerging leadership potential.
- **Grocery Foundation of Atlantic Canada:** The Grocery Foundation of Atlantic Canada was created to give kids a good start and annually raises money for children's hospitals and breakfast programs in Atlantic Canada.

In total, Crombie supported 33 community initiatives during 2021, contributing \$116,000 to the causes our employees support.

## In the Spotlight

### Making a Difference in the Life of Nova Scotians:

In March 2020, when the world closed its doors to live performances, Heather Cameron Thomson opened her virtual door to the Ultimate Online Nova Scotia Kitchen Party. The group quickly grew to over 270,000 members from around the world, connecting people through performing and enjoying live music from the safety of their own homes. In March 2021, to celebrate the site's anniversary, Thomson's team held a live-streamed event and encouraged donations to the **Mental Health Foundation of Nova Scotia (MHFNS)**. Knowing Crombie's commitment to mental health training and support, Starr Cunningham, President & CEO of MHFNS, reached out to ask if we would match donations, up to \$10,000, and we enthusiastically agreed to do just that. The event raised over \$20,000 for MHFNS, which was used to further its mission of making a difference in the lives of Nova Scotians by funding mental health and addiction initiatives. This is just one of the programs Crombie supported in 2021 to build community and enrich the neighbourhoods in which we operate.



# Governance

## Oversight and Accountability

Our Board of Trustees helps steward Crombie's approach to ESG matters relating to the short- and long-term health and sustainability of the company. In 2021, the Board strengthened its governance oversight and risk management practices to ensure accountability at all levels of the organization.

**"Sustainability, good governance and strong ESG performance is not only a priority for Crombie, it is a growing priority for the investment community. More and more, access to financing/capital funding at competitive rates will be restricted to those companies that can demonstrate high standards of performance on ESG key indicators. Key to doing things the Crombie Way, we are determined to develop a comprehensive and credible sustainability program – putting the leadership, strategy and resources in place to live up to our commitments."**



**Clinton Keay**  
Chief Financial Officer &  
Secretary

## ESG and the Board of Trustees

In 2021, the Board updated the following committee mandates to include ESG oversight responsibilities:

- Board of Directors Mandate
- Audit Committee Mandate
- Governance & Nominating Committee Mandate
- Human Resources Committee Mandate
- Investment Committee Mandate

## Board Composition and Competence

**Our focus:** Sustainability leadership starts at the top with Crombie's Board of Trustees, who set the standard for our corporate values, behaviour and culture of caring.

Every Crombie employee and Trustee commits to and signs our Code of Business Conduct and Ethics annually. This Code, with its strong focus on values and guiding principles, governs how we operate and make decisions as members of the Crombie team.

Our Trustees, with a diverse set of professional skills and experience, offer unique perspectives on governance matters that uphold our values and standards in an ethically responsible manner. Through their oversight, they instill

good corporate governance practices by focusing beyond matters of compliance to include integrity, sustainability and transparency, as well as the values and principles that underpin our corporate culture.

**Our progress:** In 2021, we formalized a governance structure for oversight of ESG matters at Crombie. The Board bears overall responsibility for ESG oversight and has delegated the oversight of individual components to each Committee of the Board. Each of the Committees and the Board receive regular updates on various ESG topics and initiatives. (Please see [page 26](#) for the ESG Responsibilities of the Board and its Committees.)



- Oversight of the ESG Strategy and program to ensure it is aligned with and incorporated into the Business Strategy and that budgetary items related to ESG are incorporated into Operational and Capital Budgets.
- Oversight of climate change strategy, including related risks and opportunities associated with Crombie's business and portfolio.
- Receives and reviews reports from the Board Committees. Board Committees integrate committee work on ESG matters in their reports to the Board.
- Approves the annual Sustainability Report, as well as ESG matters disclosed in the MD&A, Annual Information Form, Management Information Circular and Annual Report.

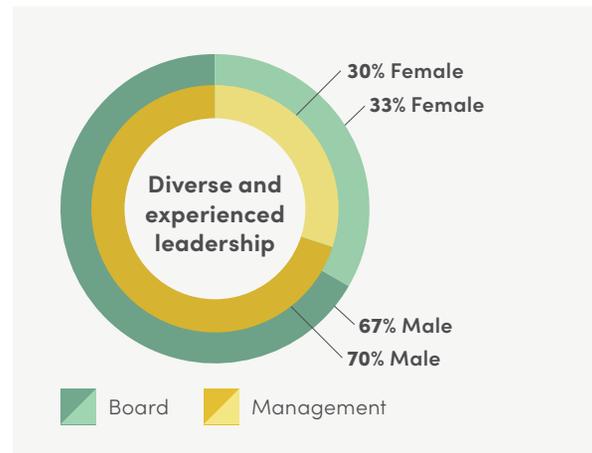
**Board Composition:** We welcomed Jane Craighead to the Board of Trustees in 2021. Ms. Craighead is a highly qualified individual with a strong background in finance and talent management, as well as a strong understanding of corporate governance and board effectiveness, and a deep expertise in executive compensation.

**Board Competence:** We enhanced Board skills and competence by providing continuing education sessions on topical issues that may impact key business decisions, now or in the future. We continued to encourage Trustees to attend pertinent external conferences and seminars and other educational opportunities that are important for enhancing their knowledge for serving on our Board.

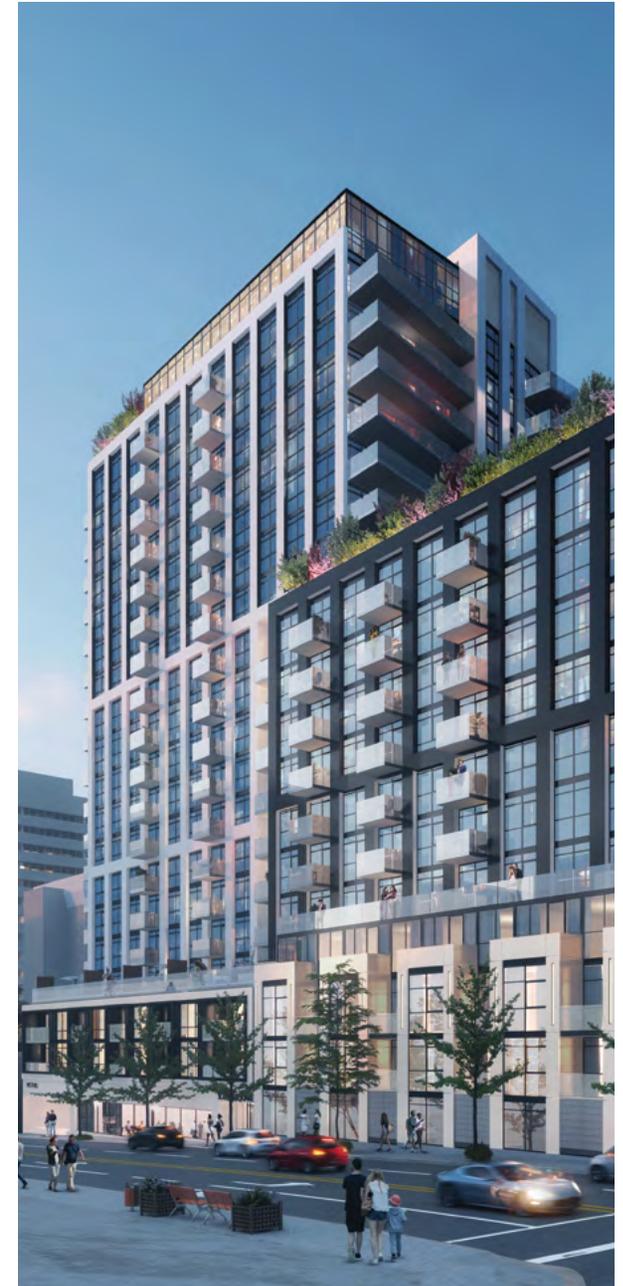
Our 2021 Trustee development program provided education sessions on SIFT Tax Requirements; Joint Arrangements; Insurance & Risk Management; Investment Grade Credit Ratings; and REIT Valuation & KPIs. Several Trustees attended other industry events such as Real Estate Forum and Real Capital. Additionally, we conducted our annual Trustee survey, approved amendments to the declaration of trust to modernize it and keep it in line with peers, and continued to focus on top-tier governance.

The Board also reviewed the company's strategic diversity, equity and inclusion (DE&I) plans, specifically the goal set for the recruitment of Trustees of "a minimum one qualified diverse candidate for Trustee recruitment".

- **100%** independent Board Chair and Committee Chairs
- **Board Diversity 33%** women Trustees



**Looking ahead:** We plan to take a number of actions to strengthen the oversight and accountability of our governance programs. In early 2022, Michael Vels was appointed to the Board. Michael has a robust financial background, leadership experience, and valuable knowledge of our strategic partner, Empire. At our Annual General Meeting in May 2022, Michael Waters, CEO of Minto Apartment REIT, was appointed to our Board. Michael brings residential development expertise. The Board will continue to provide valuable guidance to the Executive Leadership team as we enhance the transparency of our ESG and climate-related financial disclosures.





The following table outlines the ESG-related oversight responsibilities of the Board and its four Board Committees:

## ESG Responsibilities of the Board and its Committees

### Audit Committee

Oversight of:

- ESG metrics, performance indicators and disclosures
- ESG-related disclosure controls and procedures
- Integration of ESG in Enterprise-Risk Management including climate and other sustainability and ESG risks, along with monitoring and mitigation strategies
- Ethics compliance
- Whistleblower complaints relating to Diversity, Equity & Inclusion or other ESG matters
- Compliance with ESG regulations including climate, environment, human rights, and supply chain
- ESG-related litigation risks
- Oversight of ESG matters in Investor Relations Strategy

### Governance & Nominating Committee

Oversight of:

- ESG board expertise and education
- ESG in board recruitment
- Board evaluations/ surveys incorporating ESG
- Board diversity
- ESG matters of interest to unitholders and stakeholders
- Integration of specific ESG responsibilities as appropriate into Committee mandates and the Board mandate
- Unitholder proposals on ESG
- ESG in annual disclosures and the alignment to expectations of proxy advisors and regulators
- Brand and Corporate Social Responsibility initiatives

### Human Resources Committee

Oversight of:

- ESG factors, goals and metrics in executive compensation
- Employee Value Proposition
- Compensation & Benefit Programs
- Employee Diversity, Equity & Inclusion policy, programs and results and pay equity
- Employee engagement
- Talent management including recruitment, succession planning, and development
- Executive and management level expertise in ESG
- Corporate culture
- Occupational Health and Safety

### Investment Committee

Oversight of:

- ESG matters in respect of all acquisitions, dispositions, and developments with particular attention to ESG risks and policy requirements, as well as project costs associated with ESG compliance
- ESG assessment of future Joint Venture partners with mitigation strategies
- ESG monitoring of Crombie's portfolio with particular attention to the ability to influence environmental and climate change risks
- Crombie's brand and its implications on operations, development and Joint Ventures

## Risk Management

**Our focus:** Our business faces traditional financial risks inherent to real estate investment, such as credit and interest rate risk, as well as broader risks, such as climate change, social inequality, and global pandemics.

We manage the risks inherent to our business by taking appropriate risks, while ensuring alignment with our risk appetite and risk tolerance. We manage unwanted risks through various mitigation practices.

To monitor and mitigate ESG risks, the Board and its committees annually review our extensive risk management and Risk Appetite Framework. Crombie's top ten risks are identified and assigned to respective committees or the Board itself and regularly monitored. Risk mitigation strategies are designed and implemented to minimize residual risk exposure for any given risk.

**Our progress:** In 2021, we refreshed our Risk Appetite Framework and reviewed the top risks to the business as part of our Fall strategy session.

During this session, we identified the need to increase our focus on cybersecurity as one of our top risks. As a result, we have enhanced Crombie's cybersecurity by enabling Multi-Factor Authentication (MFA) for all network and critical cloud-based application access. This requires users to identify themselves with more than a username and password, thereby decreasing the likelihood of a successful cyber attack. We also introduced annual cybersecurity awareness training for all Crombie employees and created Crombie's Cybersecurity Critical Incident Response playbook.

**Looking ahead:** We plan to take a number of actions to strengthen our risk management oversight. We plan to conduct a deep dive into climate-related risks – both physical and transitional risk – to understand our portfolio exposure and to align our reporting with the recommendations of TCFD, which will act as a foundation for future reporting on climate-related risks.



# Sustainability Report 2021

