

# Crombie Sustainable Development Policy Overview

---

## Introduction

Crombie's commitment to ESG 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 Developments / Re-developments 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 and ESG 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;
- Analysis and incorporation of renewable energy supply or on-site renewable energy production wherever possible and financially feasible;
- 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;

- Monitoring contractors' compliance with Crombie's ESG-specific requirements for development projects;
- Inclusion of robust municipal and community engagement programs to ensure their interests are understood and incorporated where possible to balance all stakeholder interests;
- Community monitoring and feedback programs are in place throughout the project to ensure that development impacts on the local community are properly heard, understood, and actioned to minimize negative impacts.

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

All Major Developments / Re-developments of properties require a thorough third-party review and recommendation of best potential certification programs for use on each development site. The list of potential certification programs for consideration shall include, at a minimum, LEED plus at least one other reputable certification program (ie. Well, Zero Carbon, Other). Projects will be advanced based on the best certification program fit for the project / market.

All projects as defined herein will pursue building certification with LEED Silver or equivalent as the minimum level of 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 and GHG intensity targets will be established for all major developments;
- On-site renewable energy opportunities will be evaluated for every major project and will be incorporated where possible and financially feasible;
- 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

- Occupant Health and Well-Being is a key consideration in Crombie's building design approach. Data analysis and third-party studies will be used to understand the development target market and incorporate amenities which promote a high level of health, well-being, community, and sustainable existence. Depending on the development type, this will include: air quality, ambient comfort, access to natural light and outdoor areas, fitness facilities, bike and car sharing, community programming, urban gardening, family areas, amenity office & shared work facilities, etc.
- 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

The Crombie Sustainable Development Policy is a part of the Crombie REIT Sustainability and ESG Policy. It applies to all new major development projects where Crombie has a majority ownership stake, where Crombie 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 it 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.

## 1. Community Engagement and Impact Monitoring

- A. ENGAGEMENT:** Crombie actively engages with municipal authorities and stakeholder communities / neighbourhoods to ensure its development projects positively contribute to community health, the built-environment, public spaces, and social well-being. Our process includes:
- Formal engagement of an internal or external community liaison / advisory
  - Creation of an effective communication plan to engage, research and address community feedback / concerns across a broad / diverse spectrum
  - Consider community health and well-being in all aspects of design, planning, execution, and operation of the project
  - Prioritize employment creation in local communities
  - Create meaningful and enhanced public spaces where possible
  - Supporting local charities and community groups
- B. IMPACT MONITORING:** Crombie is committed to actively and systematically monitoring the impact of our development projects on the local community throughout the development cycle. Elements of this process include:
- Identification of stakeholder and impact groups
  - Identification of potential nuisance and / or disruption risks
  - Development and implementation of a risk mitigation plan
  - Development and implementation of a communication plan and follow-up monitoring plan

## 2. 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 Redevelopment 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. [The Red List | Living-Future.org](https://www.livingfuture.org/red-list/)
- Where appropriate, priority shall be given to the use of wood-based products that have third-party certification (i.e., FSC)

### 3. Energy Efficiency and Renewable Energy Policy

Crombie 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 us 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

Further, each major project will be reviewed for potential evaluation and incorporation of on-site renewable energy production where possible and financially feasible (i.e. Solar / Photovoltaic, geothermal, Wind, Biofuel)

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

#### 4. Occupant Health and Well-Being Policy

Crombie REIT pro-actively works to consider and incorporate state-of-the-art occupant health and well-being into its major development projects. Project planning and design involves an Integrated Planning Process bringing together internal and external stakeholders. Specific processes include: i) regular interdepartmental / consulting Visioning Sessions; and ii) formalized external stakeholder engagement (i.e. outreach, surveys, community meetings).

Common occupant health and well-being measures considered and optimized include:

- Acoustic comfort
- Active design features
- Biophilic design
- Equipment commissioning
- Optimization of daylight
- Ergonomics of unit layouts / workplace design
- Humidity
- Lighting and illumination
- Inclusive design to consider a full range of human diversity (ie. ability, age, language, culture, gender, age, and other forms of human difference)
- Indoor air quality and natural ventilation
- Occupant controls for convenience, efficiency, and sustainability
- Opportunities and programming for physical activity
- Thermal comfort
- Water quality
- Post-construction programs will include: occupant education and post-construction health & well-being monitoring for comfort and satisfaction

## 5. Water Conservation Policy

Crombie REIT 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 a minimum) and benchmarked against other properties within the portfolio to ensure optimum water conservation efficiency.

## 6. Waste Management Policy

Crombie has established a policy to evaluate all major developments/redevelopments 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 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 monthly a 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.

## 7. Contractor Orientation, Reporting, and Auditing Policy

Contractor understanding and compliance with Crombie's Sustainability and ESG policies is a key part of our overall development program objectives. Every Contractor receives a copy of Crombie's Sustainable Development Policy and ESG Objectives and receives a formal orientation walk through to level set. Reporting and auditing includes:

- Periodic, regular site reports incorporating environmental and any social / community aspects during construction
- Documented internal audits by Crombie Management team debriefed and solutioned as required with the Contractor
- Regular on-site meetings and periodic ad hoc site visits

8. Site Selection Requirement Policy

Crombie REIT - Sustainable Site Selection Requirements									
<p><b>Crombie REIT ensures that all potential development sites undergo a comprehensive evaluation to ensure alignment with our sustainability strategy.</b> 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.</p>									
Date Review Completed:		2021-10-06							
Property Address:									
<b>Select all criteria that apply</b>					<b>What mitigative or correction action is required to reduce the risk of impact to the environment</b>				
<input type="checkbox"/>	Will the project connect to multi modal transit networks								
<input type="checkbox"/>	Is the project located within an existing developed area								
<input type="checkbox"/>	Will the project impact aquatic ecosystems								
<input type="checkbox"/>	Will the project impact designated farmland								
<input type="checkbox"/>	Will the project interact with floodplain functions								
<input type="checkbox"/>	Will the project impact habitats for native, threatened and endangered species								
<input type="checkbox"/>	Will the project impact historical and heritage sites								
<input type="checkbox"/>	Will the project involve the redevelopment of a brownfield site(s)								
<input type="checkbox"/>	Other _____								