

2022

Environmental, Social, & Governance Report



About this Report

Our 2022 Environmental, Social, & Governance (ESG) Report highlights our ESG accomplishments, as well as our priorities and initiatives undertaken to date in 2023.

Crombie’s ESG Report is guided by our 2021 materiality assessment and by GRESB, the global ESG benchmark for real estate assets.

For relevant supplemental financial performance results and governance-related disclosures, please refer to Crombie’s website and Management Information Circular. The content of this report was reviewed by Crombie’s ESG Steering Committee, Disclosure Committee and our Board of Trustees. All financial figures are reported in Canadian dollars.

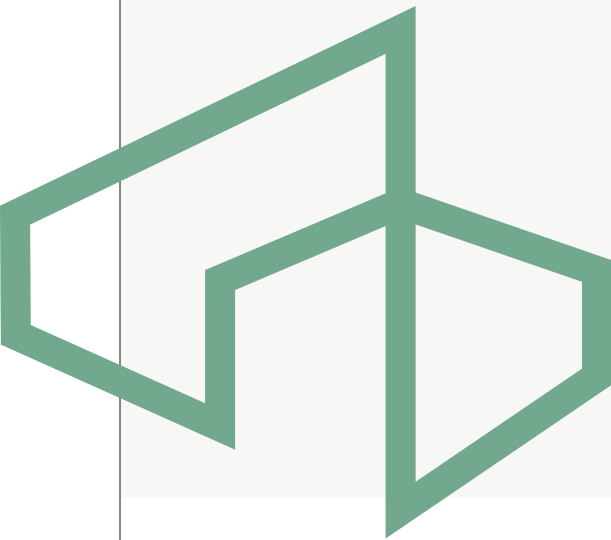


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Message from Our President & CEO

2022 was a foundational year for Crombie as we advanced key aspects of our ESG priorities, while establishing critical baseline analysis of our portfolio GHG emissions and enhancing our action plans and oversight of our commitments.



Greening our property portfolio: Our team continued actioning against our plans to reduce our energy intensity and water consumption. We advanced our green leasing and building certification programs and were recognized with GRESB Green Star designations – ratings on absolute ESG performance – for both our Standing Investments and Development Assessment, for the first time. We were also extremely proud to be recognized with a number of BOMA BEST accolades, including the Outstanding Building of the Year (Avalon Mall).

Moving forward, we have leveraged the analysis developed in 2022 to make exciting new commitments within our Climate Action Plan that reduce our Scope 1 and 2 emissions by at least 50% by 2030, and our Scope 1, 2, and 3 emissions by at least 90% by 2050.

Being a great place to work: We were incredibly honoured to be selected in three categories of Canada's Top Employers Awards for 2022. At Crombie, we place a strong emphasis on being an organization that our team members are proud to work for. Throughout the year, our team showed exceptional leadership in fostering a diverse and equitable culture that promoted an inclusive, supportive, and safe working environment.

Harnessing the generous spirit of our team members, reflected in their 6,000+ volunteer hours to charities, non-profits, and community initiatives across Canada during 2022, we have developed even more targeted and ambitious plans to increase our impact in the communities we serve over the coming years.

Enhancing our oversight and accountability: In 2022, Crombie's Board of Trustees strengthened our governance oversight and transparency in ESG by completing reviews of Crombie's cyber security risks and global climate-related disclosure frameworks. Both exercises are foundational to ensuring our organization is protected and holding ourselves accountable to our ESG commitments and action plans.

Our focus moving forward is to fully integrate our ESG commitments into every aspect of our business. I look forward to working with our team members, partners, and Board of Trustees to fulfil our purpose of enriching the communities we serve through quality, sustainable real estate.

Mark Holly
President & CEO

2022 Highlights

Crombie is proud of our 2022 accomplishments across all areas of our ESG priorities.

Environmental

73%

data coverage for energy consumption compared to **17%** in 2021

32%

reduction in operational GHG emissions from our 2019 baseline^{1,2}

GRESB Green Star of Excellence

Second consecutive GRESB Green Star of Excellence for our Development Assessment

Social

Top Employer

Named one of Canada’s Top Small and Medium Employers, Atlantic Canadian, and Nova Scotia Employers for over five years

Management DEI learning

for all Senior Leadership and Executives

6,000+

hours volunteered by employees, supporting more than 40 charities and non-profits

Governance

11 of 12

Trustees have senior executive ESG skills and experience

100%

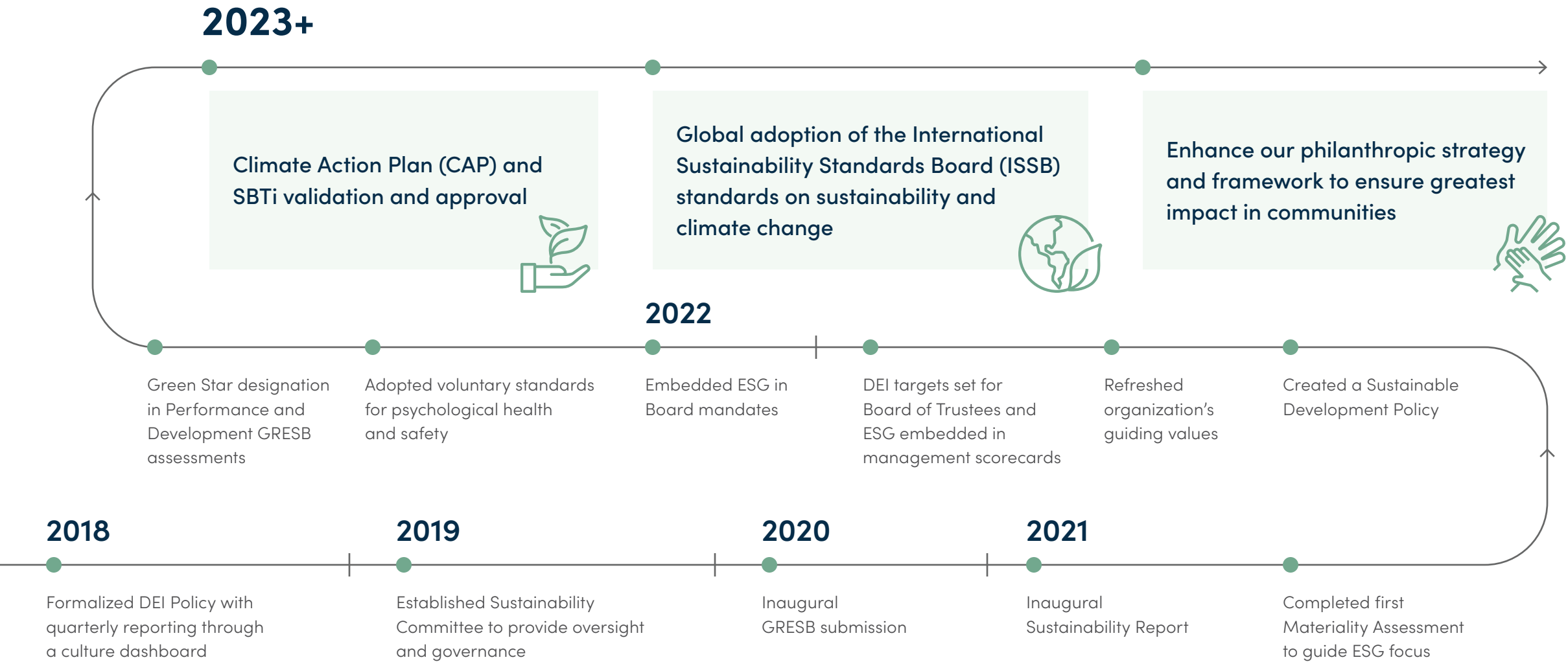
Independent Board Chair and Committee Chairs

Enhanced governance framework

ESG oversight integrated into Board and Committee mandates

1 Data obtained in 2022 and calculated by a third-party consultant, as of the end of 2021.
2 18% reduction in total GHG emissions from our 2019 baseline as of the end of 2021.

Our ESG Roadmap



Who We Are

Crombie invests in real estate that enriches local communities and enables long-term sustainable growth.

Crombie at a Glance

\$5.6b

fair value including properties held in joint ventures

301 properties

including properties under development and five properties owned in joint ventures

71.3%

fair value in VECTOM and Major Markets

96.9%

committed occupancy

\$5.0b–\$6.8b

development pipeline future investment potential

Our Focus

Resilient and growing portfolio

Strategic partnership

Development pipeline

Strong financial condition

A highly skilled team

Our Guiding Values



Embody Integrity



Care Passionately



Deliver Excellence Together



Empower One Another



Outperform Expectations

Our Approach

Crombie’s ESG strategy focuses on eight material topics, as outlined in this 2022 ESG Report.

Environmental



Climate Action

Reducing the greenhouse gas (GHG) intensity of operations and supply chain to address the growing challenge of climate change.



Leasing & Operations

Incorporating ESG considerations through efficiency and green lease programs in our existing portfolio and newly acquired assets.



Design & Development

Incorporating ESG considerations into the design and development of new and existing assets, and pursuing building certifications, where appropriate.

Social



Diversity, Equity, & Inclusion

Fostering a diverse, equitable, and inclusive environment for employees, tenants, and contractors.



Building & Attracting Talent

Attracting, retaining, and developing top talent across the organization who are committed to advancing Crombie’s purpose, values, and business strategy.



Health, Safety, & Well-being

Fostering a safety culture that protects the physical and psychological health of employees.

Governance



Board Composition & Governance

Ensuring strong governance and accountability through a diverse Board to advance the company and achieve its business strategy.



Risk Management

Evaluating and managing risks that could affect Crombie’s operations or ability to achieve its business objectives.

Environmental



Broadway and Commercial Rendering, Vancouver, British Columbia




Environmental Scorecard

✓

Achieved

⋮

In Progress

Priority	Objective	Measure of Success	Status	Progress
<div>Climate Action</div> <div></div>	• Establish net zero framework	• SBTi validation and approval of 1.5° Celsius net zero target	✓	• SBTi validation and approval achieved July 2023
	• Near-term Scope 1 and 2 GHG emissions	• 50% reduction of Scope 1 and 2 GHG emissions by 2030 from 2019 base year	⋮	• Scope 1 and 2 emissions decreased 25% from 2019 to 2021 per external consultant estimates
	• Long-term Scope 1, 2, and 3 GHG emissions	• 90% reduction of Scope 1, 2, and 3 GHG emissions by 2050 from 2019 base year	⋮	• Scope 1, 2, and 3 operational emissions decreased 32% from 2019 to 2021 per external consultant estimates ³
<div>Leasing & Operations</div> <div></div>	• Reduce water consumption portfolio-wide	• 10% reduction by 2025	⋮	• Water consumption reduced by 3% on like-for-like data coverage of 25% in 2022
	• Increase portfolio waste diversion	• 50% diversion by 2025	⋮	• 46% of total waste measured in 2022 was diverted from the landfill
	• Increase building certifications and implement green lease	• Certify 1M square feet per year and validate green lease precedent	✓	• Certified 1.2M square feet in 2022 • Awarded Green Lease Gold by Green Lease Leaders in April 2023
<div>Design & Development</div> <div></div>	• On-site renewable and/or low-carbon energy systems in the design of new major developments	• Renewable and/or low-carbon technologies included in the design of The Marlstone	✓	• The Marlstone designed as operational net zero ready
	• Certify all new major development projects through LEED, Zero Carbon, or other industry-recognized certification programs	• Certification of all new major developments from 2024 onward	⋮	• Crombie’s Sustainable Development Policy requires all major developments to be certified

³ Scope 1, 2, and 3 total GHG emissions decreased 18% from 2019 to 2021 per external consultant estimates.



Climate Action

Committed to reducing the greenhouse gas (GHG) intensity of operations and supply chain to meet our Science Based Targets initiative (SBTi) commitment.

Accomplishments

Total carbon footprint

calculated from 2019 baseline year

73%

data coverage for energy consumption compared to 17% in 2021

GHG emission reduction roadmap

with scopes and timelines prepared

Climate vulnerability assessments

undertaken for all Crombie acquisition properties

Climate Action Plan (CAP)

developed and aligned with the SBTi



Scotia Square, Halifax, Nova Scotia

Piloting Energy Savings: At our Scotia Square Complex, we’re part of the Smart Synergy demand-response pilot program with Nova Scotia Power. This program rewards efficient power management during peak demand times, achieved through equipment shutdowns or automation. Our goal is to optimize energy use, prevent grid issues, and enhance service reliability. By powering down non-essential equipment during peak demand, we assist with peak demand loads and reduce emissions from electricity generation in the province.

Climate Action continued

2023

CAP targets, SBTi validated; establishing a net zero framework and transition plan for portfolio decarbonization

2030

Reduce Scope 1 and 2 GHG emissions by 50%

2050

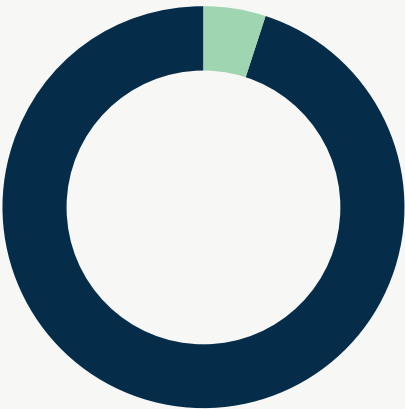
Reduce Scope 1, 2, and 3 GHG emissions by 90%

Crombie’s emissions breakdown

Scope 1 – Direct emissions from sources owned or within Crombie’s operational control (e.g., natural gas heating at buildings controlled by Crombie)

Scope 2 – Indirect emissions from the generation of purchased energy within Crombie’s operational control (e.g., electricity, steam, district heat or cooling)

Scope 3 – Indirect emissions resulting from activities up and down Crombie’s value chain (e.g., purchase, use and disposal of products from suppliers, tenant-controlled emissions)



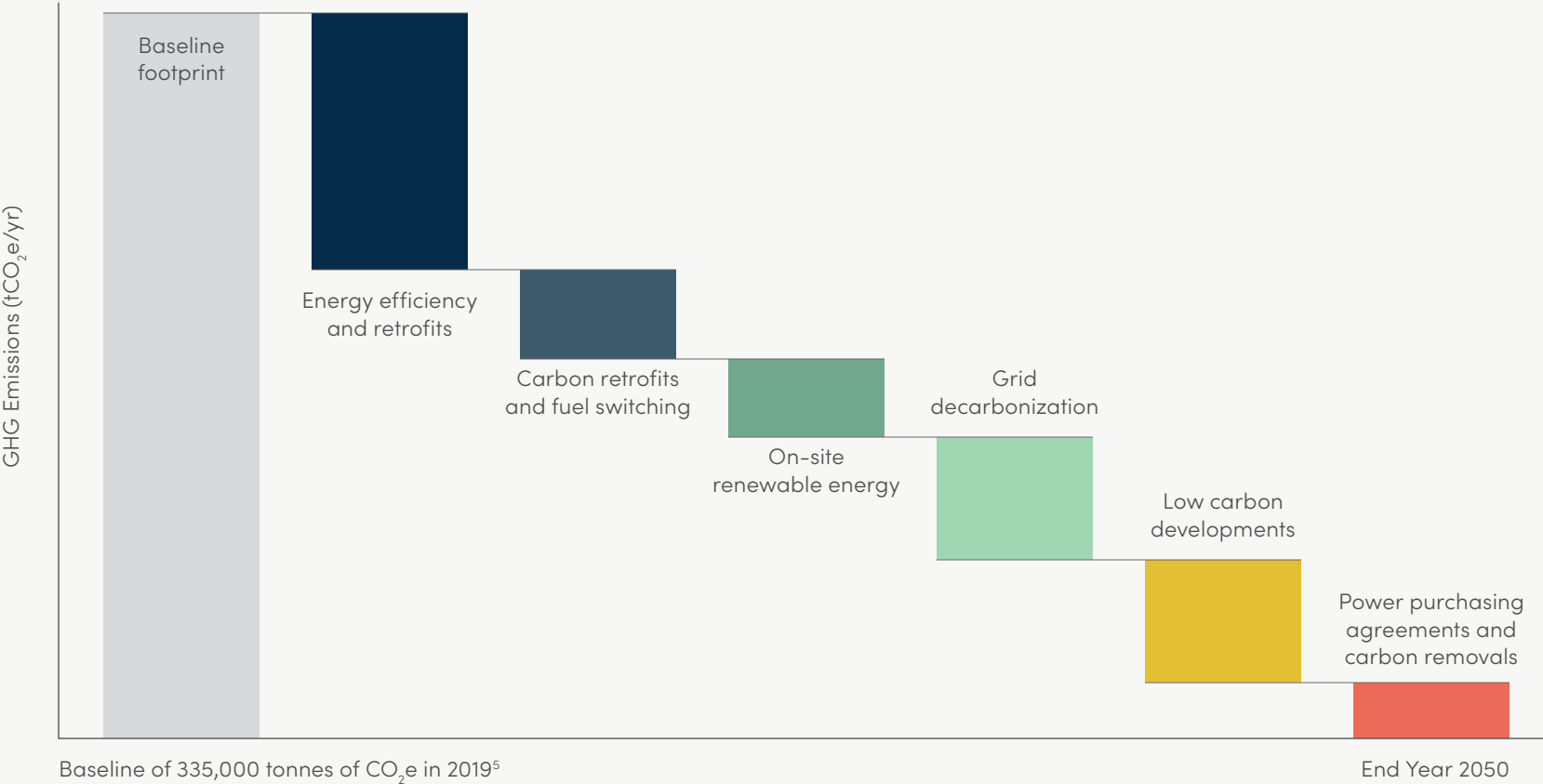
Baseline of 335,000 tonnes of CO₂e in 2019⁴

- 5% Scope 1 & 2 emissions
- 95% Scope 3 emissions

⁴ Data included above was prepared and validated by a third-party consultant and reflects Crombie’s portfolio as of December 31, 2022. As is typical practice, a portion of our Scope 3 emissions are estimated. We are focused on improving the quality of our Scope 3 data and, as a result, our emissions baseline may change slightly over time and will be restated as required in future reports.

Climate Action continued

Crombie’s Climate Action Plan (CAP) outlines our pathway to achieving net zero carbon emissions by 2050*



In July 2023, the [Science Based Targets initiative \(SBTi\)](#) independently validated and approved the 2030 and 2050 GHG emissions targets developed in our Climate Action Plan (CAP).

Through this process, we measured our baseline carbon footprint using a 2019 base year, which is the starting line for our net zero journey.

We then analyzed our GHG profile to identify GHG emissions reduction measures to develop Crombie’s Climate Action Plan – a roadmap built on quality data, aligned with science-based standards and designed to take climate action by decarbonizing our portfolio.

5 Data included above was prepared and validated by a third-party consultant and reflects Crombie’s portfolio as of December 31, 2022. As is typical practice, a portion of our Scope 3 emissions are estimated. We are focused on improving the quality of our Scope 3 data and, as a result, our emissions baseline may change slightly over time and will be restated as required in future reports.

* Graph not to scale.



Leasing & Operations

Incorporating green lease programs in our existing portfolio and newly acquired assets.

Accomplishments

Achieved BOMA BEST certifications

for carbon footprint reductions at Scotia Square Complex, Halifax, Nova Scotia (Platinum) and 1234 Main Street, Moncton, New Brunswick (Gold)

Equivalent water savings volume of 6 Olympic pools

Water savings of approximately 15 million litres for sites where we have year-over-year data

Diverted 31.3 metric tonnes

of organic matter from the local landfill with Avalon’s on-site composter

41%

increase in green building certifications in 2022 compared to 2021

426 truckloads of diverted waste⁶



Avalon – Outstanding Building of the Year: The Avalon Mall, in St. John’s, Newfoundland and Labrador racked up green accolades during 2022, winning BOMA Canada’s 2022 Outstanding Building of the Year – the TOBY Award – in the retail category. The TOBY is based on building standards, community impact, tenant relations, energy conservation, environmental and sustainability management, emergency preparedness, and building personnel training. This recognition is added to a lengthy list of awards for Avalon, including, most recently, BOMA BEST Gold certification and the 2022 BOMA NL Earth Award and Certificate of Excellence – Retail.

6 For properties included in our 52% waste data coverage



Design & Development

Implementing ESG initiatives into our existing portfolio and newly acquired assets, and actively pursuing building certifications.

Accomplishments

Climate risk assessment and resilience planning

conducted for each development site

Renewable and/or low-carbon technologies

included in The Marlstone, and in current designs for other major developments

Sustainable Development Policy implemented

requiring all new major development projects to be certified through LEED, Carbon Zero, or equivalent programs

GRESB Green Star of Excellence

Second consecutive GRESB Green Star of Excellence for our Development Assessment



The Marlstone Rendering, Halifax, Nova Scotia




The Marlstone Development

Building to LEED Gold Standard: The Marlstone, a 291-unit residential rental project in the heart of downtown Halifax, is being built to LEED Gold Standard, will be operational net zero ready, and a Rick Hansen Foundation certified property. Located within the Scotia Square Complex, The Marlstone features will include transit access, sustainable construction, greenspaces, and fitness facilities.

Social



Social Scorecard

Priority	Objective	Measure of Success	Results
<div>Diversity, Equity, & Inclusion (DEI)</div> <div></div>	Diverse leadership	Minimum 40% of senior leadership roles held by diverse groups* over next 3 to 5 years	28%
	Diverse Board	Minimum 30% of Trustee roles held by diverse groups* over next 3 to 5 years	33%
	Access to leadership development for diverse groups	50% of internal Leadership Development Plan (LDAP) participants from diverse groups*	66%
	Donate to social justice non-profits	25% of our philanthropic contributions given to causes related to ending social injustice	38%
<div>Building & Attracting Talent</div> <div></div>	High employee satisfaction	Employee satisfaction scores above 80%	90%
	Provide access to employee development plans	25% of salaried employees have active LDAPs	29%
	Maintain low voluntary turnover	Hold voluntary turnover to below 15% annually	10%
<div>Health, Safety, & Well-being</div> <div></div>	Maintain low total annual recordable incidents	Number of incidents (first aid, health care, lost time) less than 5 per 100 employees	1.91
	Maintain minimal lost-time injuries	Lost-time Injury Frequency Rate less than 2% per 100 employees	<1%
	No work-related fatalities	Zero work-related fatalities	0

* Diverse groups include but are not limited to Black, Asian, Indigenous Peoples, other racialized communities in Canada, members of the LGBTQ2S+ community, people with disabilities, and women.



Diversity, Equity, & Inclusion (DEI)

Fostering a diverse, equitable, and inclusive environment for employees, tenants, and contractors.

Accomplishments

DEI Committee

promoting diversity, equity, and inclusion and ensuring embedded into decisions and programs

Flexible holidays

enabling employees to take holidays meaningful to them

Pay equity

assessed and adjusted biannually

Inclusive language guide

and DEI training provided to all employees



Enhanced DEI Framework

In 2022, we enhanced our DEI framework which guides our DEI initiatives. We added a fourth pillar, Community & Marketplace, to our existing three-pillar framework: Culture & Engagement, Education & Awareness, and Infrastructure. In alignment with our DEI framework we:

- Embedded DEI goals to 2022 scorecards for all leaders and employees
- Introduced annual Culture of Inclusion Index
- Held Management Day of Learning
- Achieved goals related to diverse candidate pool representation, with women representing 42% of 2022 hires and other diverse groups representing 30% of 2022 hires



Building & Attracting Talent

Attracting, retaining, and developing talent at all levels across the organization who are committed to advancing Crombie’s purpose, values, and business strategy.

Accomplishments

Executive compensation

incorporates ESG goals

Low voluntary turnover

at 10% including retirements

High employee satisfaction

90% of employees reporting satisfied/extremely satisfied with Crombie as a great place to work

Top Employer Awards



Great Place to Work: Crombie was selected in three categories of the 2022 Canada’s Top Employers Awards: Canada’s Top Small & Medium Employers, Atlantic Canada, and Nova Scotia. These awards recognize Canadian employers who lead their industries in offering exceptional places to work. In recognizing our team, the judges highlighted Crombie’s generous benefits plan and mental health coverage, as well as our well-being framework focused on employee physical, psychological, professional, and personal wellness.



Health, Safety, & Well-being

Fostering a safety culture that protects the physical and psychological health of employees.

Accomplishments

Tenant Well-being

Program developed and rolled out

<1%

Lost-time Injury Frequency Rate

Psychological Safety Policy

renewed and aligned to voluntary National Standard of Canada for Psychological Health and Safety in the Workplace

Zero

work-related fatalities



Spotlight on Well-being

Guided by a four-pillar framework focused on physical, psychological, personal, and professional well-being, Crombie prioritizes employee well-being with a variety of programs and offerings, including:

- Hybrid workplace
- Well-being days available annually for all employees
- Mental Health First Aid Training
- Robust access to physical and psychological well-being professionals and resources through EFAP and benefits offerings, including fertility coverage, gender affirming surgery, etc.
- Voluntarily adopted national Psychological Health and Safety in the Workplace Standard
- Tenant Well-being Program



Enriching Our Communities

Giving back through gifts of time, space, and donations to further enrich the communities in which we operate.

Accomplishments

6,000+
volunteer hours donated,
supporting more than
40 charities and non-profits

Enhanced
donation and
sponsorship
tracking

**New Philanthropic
Strategy & Framework**
under development to ensure
the most meaningful impact



Organizations Supported by Crombie

We encourage our employees to offer their time and talents to support local organizations and communities that are meaningful to them. In 2022, employee-determined charities included:



The Crombie team continued to support First Light, St. John's Friendship Centre, a non-profit organization rooted in the revitalization, strengthening, and celebration of Indigenous cultures and languages.



Crombie is proud to be a community partner with the United Way of Pictou County to help build stronger communities and healthier families.



We provide financial and volunteer support to the TANGO2 Research Foundation. Kara Cameron, our Vice President Accounting and Financial Reporting, volunteers her time and energy to find a cure for the rare disease known as TANGO2-Related Deficiency Disorder, which her daughter Bria has been fighting since infancy.

Governance





ESG Governance Framework

ESG leadership starts at the top with Crombie’s Board of Trustees, who set the standard for our corporate values, behaviour and culture of caring.





Board Composition & Competence

Our Trustees possess a diverse mix of experience, skills, and backgrounds necessary to provide valuable oversight of our ESG and climate-related disclosures.

Accomplishments

100%
Independent Board Chair and Committee Chairs

33%
of trustees are women

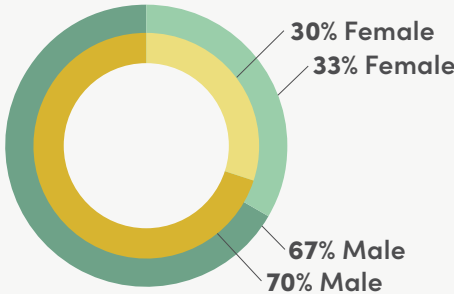
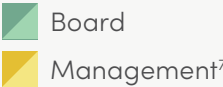
Distinct roles and responsibilities
for the Chair of the Board and the CEO

Average tenure
of Board membership is approximately five years, driven by a recent board renewal process

Significant ESG capabilities
with 11 of 12 trustees considered to have senior executive ESG skills and experience

Robust succession planning
in place to ensure new trustees have skill sets that complement the existing trustees, with all new trustees having extensive leadership experience in ESG stewardship

Gender Representation



Our Governance Standards

Crombie’s commitment to excellence and the highest standards of ethical behaviour guides our company and has built the trusted reputation we enjoy with our tenants, communities, and key stakeholders. A number of guiding policies and programs help us live up to standards and corporate values daily:

- Code of Business Conduct & Ethics
- Declaration of Trust
- Whistleblower Policy
- Disclosure Policy
- Ethics Hotline
- Board Mandate

Key governance documents, corporate policies, and Committee mandates can be accessed on the Crombie [website](#).

⁷ Management includes director level roles and above.



Risk Management

Evaluating and managing risks that could affect Crombie’s operations or ability to achieve its business objectives.

Accomplishments

100% Compliance

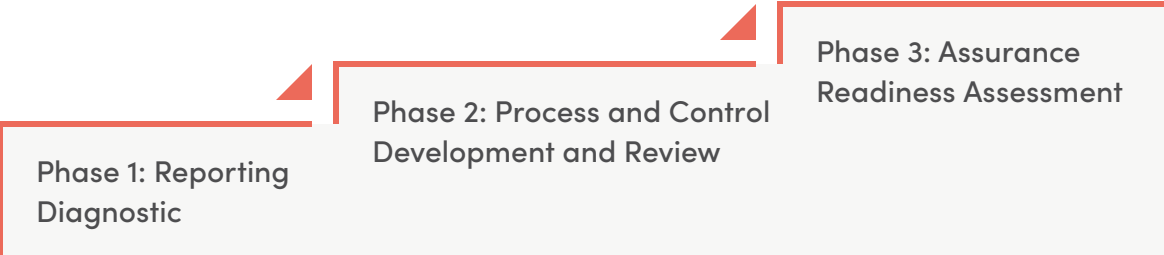
Cyber security awareness and training

Refreshed

Risk Appetite Framework, with a focus on cyber security

Risk Management: One of the main responsibilities of the Board is to oversee the company’s major risks and opportunities. To monitor and mitigate ESG risks, the Board and its committees review our detailed risk management and Risk Appetite Framework each year. Crombie identifies its top ten risks and assigns them to the appropriate committees or the Board for regular monitoring. Strategies are put in place to reduce the risk exposure as much as possible for each identified risk.

Enhancing Our ESG Disclosures: We further enhanced our ESG disclosures to align with the ISSB/IFRS’s inaugural Sustainability Disclosure Standards – IFRS S1 (sustainability) and IFRS S2⁸ (climate). We are working with a third-party consultant on a multi-phased approach.



Spotlight on Cyber Security

The Board, through the Audit Committee, oversees our cyber security strategy and program.

Throughout the year, we conducted tabletop scenario planning to test Crombie’s Cyber Security Critical Incident Response playbook, sharing updates with the Audit Committee of the Board of Trustees on a quarterly basis, including results of internal phishing test exercises, recent actual phishing attempts, cyber security trends, and any planned or implemented risk mitigation practices, processes, and technologies.

Crombie is currently using best practice industry technologies for various purposes, including awareness training, risk notification, multi-factor authentication, cyber risk strategies, secure data backups, privileged access management, and patch and vulnerability management.

⁸ [IFRS S1](#) provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. Both fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Appendix

The data included in this appendix provides an overview of our energy consumption, GHG emissions, water consumption, and non-hazardous waste. This data is directly obtained from utility bills and does not include estimations. GHG emissions are calculated following the Greenhouse Gas Protocol. “Like-for-Like” only includes comparable data points for the two consecutive reporting periods.

Energy Consumption⁹

Asset Type	Absolute		Like-for-Like	
	2021	2022	2021	2022
	Consumption (MWh)	Consumption (MWh)	Consumption (MWh)	Consumption (MWh)
Retail	569,203	601,388	532,673	552,629
Office	48,092	45,050	42,114	39,673
Retail-related industrial	68,708	66,523	68,708	61,078
Mixed-use residential	1,855	7,229	–	–
✔ Total Energy Consumption	687,858	720,190	643,495	653,380
Data Coverage	73%		60%	

GHG Emissions⁹

Asset Type	Absolute		Like-for-Like	
	2021	2022	2021	2022
	Emissions (CO ₂ e)	Emissions (CO ₂ e)	Emissions (CO ₂ e)	Emissions (CO ₂ e)
Retail Scope 1 & 2	5,160	5,288	4,383	4,213
Office Scope 1 & 2	17,823	16,383	17,823	16,383
Retail-related industrial Scope 1 & 2	–	–	–	–
Mixed-use residential Scope 1 & 2	140	255	–	–
Total Scope 1 & 2	23,123	21,926	22,206	20,596
Retail Scope 3	140,474	140,981	126,680	123,832
Office Scope 3	4,631	4,768	2,377	2,487
Retail-related industrial Scope 3	10,710	10,590	10,710	10,468
Mixed-use residential Scope 3	21	214	–	–
Total Scope 3	155,836	156,553	139,767	136,787
✔ Total GHG Emissions	178,959	178,479	161,973	157,383
Data Coverage	75%		61%	

⁹ Properties included in office differ slightly than those in our MD&A. Our Scotia Square Complex is included in office in this appendix, while it is split between office and retail in our MD&A.

✔ Represents third-party limited assurance on 2022 and 2021 data

Appendix continued

Water Consumption¹⁰

Asset Type	Absolute		Like-for-Like	
	2021	2022	2021	2022
	Consumption (m³)	Consumption (m³)	Consumption (m³)	Consumption (m³)
Retail	1,277,715	560,832	424,790	404,046
Office	83,498	104,358	51,594	57,141
Retail-related industrial	44,606	–	–	–
Mixed-use residential	–	9,482	–	–
✔ Total Water Consumption	1,405,819	674,672	476,384	461,187
Data Coverage		35%		25%

Waste¹⁰

Asset Type	Absolute	
	Non-hazardous waste (tonnes)	
	2021	2022
Retail	33,747	6,026
Office	415	455
Retail-related industrial	–	–
Mixed-use residential	–	4
✔ Total Non-Hazardous Waste	34,162	6,485

Building Certifications

	2020	2021	2022
Total GFA	3,005,135	3,005,135	4,246,386

10 Properties included in office differ slightly than those in our MD&A. Our Scotia Square Complex is included in office in this appendix, while it is split between office and retail in our MD&A.

✔ Represents third-party limited assurance on 2022 and 2021 data

2022

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