



# Sustainability Report

 Crombie | 2020 Report



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# Welcome to Crombie's inaugural Sustainability Report

## 2020 sustainability highlights\*



**~2m**

square feet of portfolio  
BOMA BEST certified



**147**

properties across Canada  
retrofitted with LED lighting



Received a **Carbon Crusader award** for the use of Ecopilot® technology at Scotia Square



**75%**

of professional services  
employees hired pre-2020  
completed unconscious bias  
training



Women in senior leadership  
increased to

**24%**



**100%**

independent Board chair and  
committee chairs



Installation of **Electric Vehicle charging stations** at properties across Canada



Received a **national TOBY Award from BOMA Canada** for Barrington Place and The CIBC Building



**56%**

of leadership development  
program participants are  
women



**<12%**

Annual Turnover Rate



**30%**

of the Board of Trustees is  
comprised of women



**138%**

increase over the last two years of  
senior leadership under the age  
of 50

\*Amounts shown are as of December 31, 2020



## A message from our President & Chief Executive Officer

The events of the last year have reinforced the importance of a stakeholder driven focus on sustainability. The refrain, “We’re all in this together,” is relevant today and will continue to ring true in the future.

Crombie Real Estate Investment Trust (“Crombie” or the “REIT”) understands the important responsibility of never losing sight of our commitment to operating sustainably and creating value for our coworkers, customers, communities, and investors. We’re proud to introduce our inaugural 2020 Sustainability

Report, which highlights our efforts from 2020 and prior years. For Crombie, sustainability entails the environmental, social and governance (“ESG”) matters that affect the long-term value of the REIT. With the publication of this report, we take a notable step forward in improving our transparency to our stakeholders. This report complements disclosures made in our Annual Report and on our website to provide a comprehensive reporting of Crombie’s sustainability performance.

Crombie is more than real estate; sustainability has always been part of our everyday decision making. We invest in quality real estate that enhances the local community and generates long-term sustainable growth. Our vision is to enrich communities sustainably through a tangible action plan and an ethical and diverse culture. Our investments contribute to the creation of community gathering spaces where people want to visit and spend time, where they can shop and do business, and where apartments and condos create a thriving community.

Grounded in our purpose and values, we work to help protect and sustain our environment, improve the lives of our employees, tenants and those living in communities across Canada, and to govern our REIT to the highest standards. Over the last 15 years, we have worked to reduce the carbon footprint of our properties, to adhere to a comprehensive Code of Business Conduct and Ethics, and to

treat our employees, tenants, and communities with respect and empathy. We are committed to advancing and becoming increasingly transparent about our formal sustainability program. This year we are committed to measuring our baseline performance through our submission to GRESB and are publishing this report to highlight the commitments that reflect our long-standing values.

Our properties are located on the corners of “Main and Main” across Canada, allowing our tenants’ customers to shop close to home, thereby reducing travel time and the related transportation impacts on the environment. In this report, you will read about the impressive work done at various properties across our portfolio, highlighting the strides we are making in our sustainability journey. We are committed to integrating environmental considerations into all new major developments, reducing the energy intensity of existing operations to address the growing challenge of climate change, and minimizing Crombie’s impact on the environment.

We are proud of the work we do to attract, retain and develop highly skilled people who are committed to advancing Crombie’s purpose, values, and overall business strategy. We are working to foster a diverse, equitable, and inclusive environment for all our stakeholders. Our culture inspires lifelong development and growth opportunities, and our employees are supported by policies and



programs for physical and psychological safety and overall well-being. We also look at the needs of the communities in which we operate, making donations to support organizations that are enhancing the lives of the people who live there. In 2020, these community needs were much greater than they have been in the past. We worked with our tenants to provide rent relief and additional support, particularly to those small businesses most at risk. We also supported non-profit organizations including the Terry Fox Foundation, the Canadian Mental Health Association, the YMCA, and local food

banks to ensure they continued to receive funding despite the pandemic.

Strong corporate governance and ethics have always been of the utmost importance to Crombie. While we have a strategic partnership with Empire, which owns 41.5% of Crombie, we have taken every effort to maintain our independence. Empire has the right to appoint five Trustees, of which three were appointed in 2020. Empire appointed Trustees must abstain from voting on related-party transactions with Empire Company Limited. The remaining seven Trustees,

including the Board chair, are elected annually by unitholders. 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. We demonstrate our commitment to our values every day in everything we do.

The work of our Crombie Values Small Business (“CVSB”) team, highlighted in this report, makes me most proud of our team – when we have an opportunity to do what’s easy or what’s right, we choose the latter. Our values and commitments are more than words on a wall – we believe in doing what’s right in the long-term, even if it’s hard in the short-term. This mindset applies to the way we treat our employees, tenants, communities, and unitholders. Relationships are important to us, and integrity is at the heart of all our decisions.

Sincerely,



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



## About this report

Crombie's Sustainability Report covers material sustainability topics, issues, and accomplishments for the year ended December 31, 2020, in line with the REIT's financial reporting period. Material topics were identified through interviews with key internal stakeholders and the significant issues were identified by their importance to Crombie and our ability to impact those issues. Crombie is committed to our sustainability journey and to making responsible and transparent sustainability decisions. We will complete a submission to GRESB beginning with calendar year 2020. This Sustainability Report is for the calendar year ended December 31, 2020 and all metrics are as of December 31, 2020, unless otherwise noted.

For relevant supplemental financial performance results and governance-related disclosures, please refer to Crombie's website and Management Information Circular.

## Data boundaries

Crombie has put actions behind our commitment over the last year with resourcing the increased collection and analysis of ESG data, completing an initial materiality assessment, and developing a formal sustainability strategy and framework. We hired a third-party consultant to support this commitment and we strive to collect accurate

and verifiable data in a consistent and rigorous manner. Crombie uses a variety of data collection and management processes in the context of sustainability management and reporting, including Measurabl, a software as a service tool that specializes in tracking energy, water, and waste consumption from various utility providers on a consistent basis. The content of this report was vetted by Crombie's Disclosure Committee, as described in our Disclosure Committee Charter, and reviewed by our Board.

We were supported by an independent third-party consultant with expertise in sustainability reporting, who provided analysis on our current state assessment, benchmarking and gap analysis, facilitated our internal materiality assessment, visioning lab and future state development, and developed a strategic plan to evaluate our priority topics for this Sustainability Report.

If you have questions about this report, please contact us at [sustainability@crombie.ca](mailto:sustainability@crombie.ca).





## Response to COVID-19

Throughout the COVID-19 pandemic, Crombie’s sustainability commitment remained unwavering and continues to be at the heart of everything we do. We are committed to the health of the communities in which we operate, and to the health, safety and well-being of our employees, tenants, and customers. When the pandemic hit, Crombie established a Pandemic Planning Committee to develop robust, company-wide guidelines intended to minimize the risk of exposure to, and spreading of, COVID-19. Our Pandemic Planning Team, comprised of cross functional

leaders from across the organization, has been actively managing our ongoing response to COVID-19. We empower our employees to take appropriate precautions and respond to all confirmed or suspected COVID-19 cases at any of our properties. We implemented and regularly update business continuity plans with guidance from trusted sources (primarily the World Health Organization and Public Health Agency of Canada). Recognizing the tremendous toll that the pandemic has had, we have taken measures to provide resources and tools to enable resilience, and to support the mental health of our employees, which is highlighted later in this report.



## Spotlight:

### Crombie Values Small Business Program

COVID-19 has resulted in multiple ongoing lockdowns across the country, and many of Crombie’s tenants have been faced with substantial changes to the way they serve their customers. Our team responded to our tenants’ needs with empathy and a tailored approach to rent relief.

Crombie’s strong positioning with approximately 86% of our properties being grocery and pharmacy-anchored, enabled us to offer this CVSB program to these tenants. Effective April 1, 2020, small businesses within Crombie’s portfolio that demonstrated a need for assistance were able to begin applying for a deferral of a portion or all of their rent for two months. This Program, led by a cross-functional team who prioritized human connection, provided financial assistance. Once the government plans were established, the CVSB team then helped tenants receive funding through the Canada Emergency Commercial Rent Assistance (“CECRA”) program and Canada Emergency Rent Subsidy (“CERS”) program. In addition, for select tenants who did not qualify for CVSB, CECRA, or CERS, we performed case-by-case evaluations to determine appropriate levels of support for their business.

We are a team of people who care about people. We were proud to help our tenants weather this storm, and are very pleased with the success that our tenants have had with sustaining their businesses over the past 14 months.





# Corporate profile

## Crombie at-a-glance\*

Crombie invests in quality real estate that enhances local communities and is adaptable to long-term growth. As one of the country's leading national retail property landlords, Crombie's portfolio includes grocery-anchored retail, shopping centres, industrial, and mixed-use developments in Canada's top urban and suburban markets. Crombie is an unincorporated, open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario. Learn more at [www.crombiereit.com](http://www.crombiereit.com).

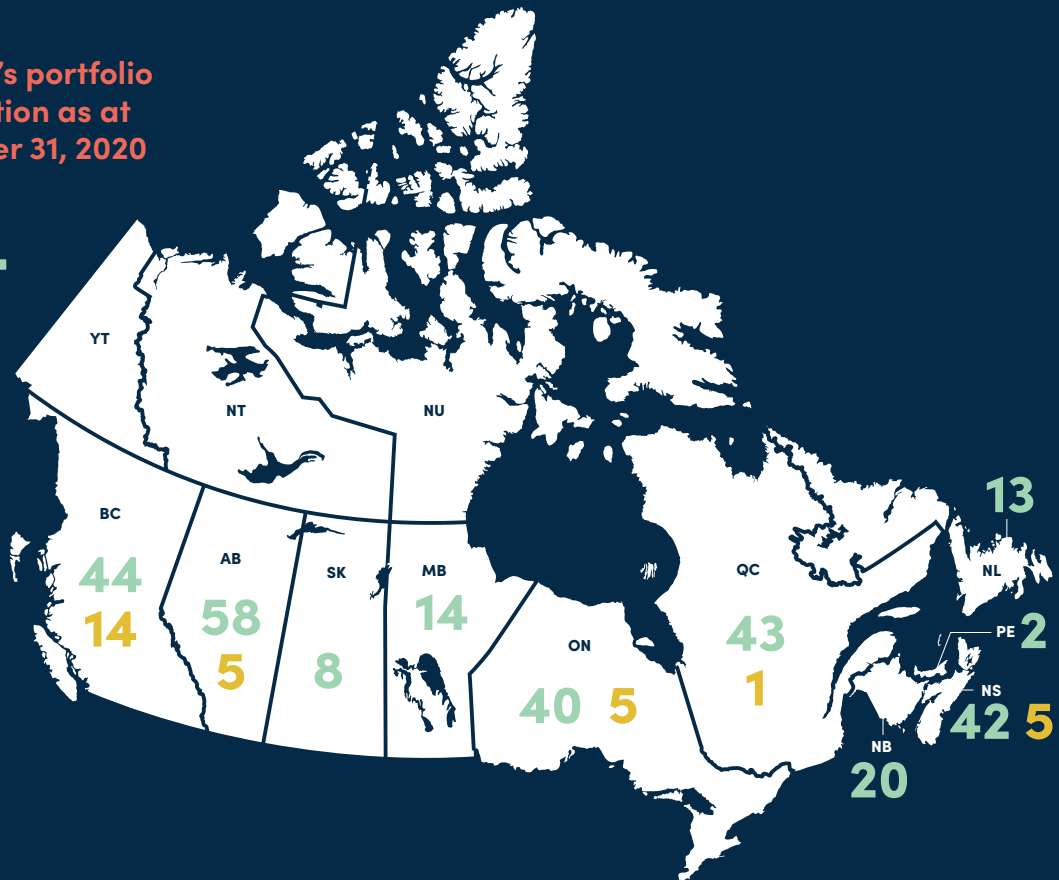
### Crombie's portfolio composition as at December 31, 2020

**284**

properties

**30**

mixed-use development opportunities



## Retailer-related REIT

Portfolio composition as at December 31, 2020		
Asset type	GLA	Number of properties
Retail plaza	8,168,000	116
Retail freestand	3,943,000	145
Retail-related industrial	1,983,000	4
Commercial	1,624,000	9
Retail enclosed	1,329,000	5
Office	953,000	5
<b>Total</b>	<b>18,000,000</b>	<b>284</b>

Empire owns

**41.5%** interest

**\$1.4b**

fair value of unencumbered assets

Rated **BBB(low) Negative** by DBRS\*\*

**\$4.8b**

fair value of investment properties

**18.0m**

square feet

Member of the **S&P/TSX Composite Index**, CRR.UN

\*Amounts shown are as of December 31, 2020

\*\*On June 7, 2021, DBRS confirmed Crombie's rating to be BBB(low) and changed the trend from "Stable" to "Negative"



## Who we are

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

We deliver steady income growth and asset value creation through the ownership, operation and development of high-quality grocery-anchored retail, shopping centres, retail-related industrial, and mixed-use residential/retail developments in Canada's top urban and suburban markets.

## Our purpose, mission, values, and vision

### Purpose

We enrich neighbourhoods through long-term, sustainable growth.

### Mission

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

### Values

Commitment  
Collaboration  
Excellence and Quality  
Innovation  
Integrity  
Relationships

### Sustainability vision

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



As at December 31, 2020, Crombie's property portfolio consisted of 284 properties containing approximately 18.0m square feet of gross leasable area ("GLA") across all 10 provinces. Crombie also holds partial ownership interests in four joint venture properties.

Our goal is to further develop our presence in fast-growing major Canadian markets. Over the last decade, Crombie has optimized the quality of our grocery-anchored portfolio by developing and acquiring assets in Canada's top markets, as well as recycling properties, mostly in secondary and tertiary markets.

At Crombie, we consider the long-term in all that we do - from our properties and developments, to our investments and relationships with partners and stakeholders. It's not enough to be good today - we are committed to building the sustainable future of tomorrow.

**While our name has changed in the 60+ years we've been operating, our commitment to our communities, tenants, investors, and team has never wavered.**







# Our approach to sustainability

Crombie has always been guided by the value we place on community, which has helped shape and strengthen our sustainability commitments. In the early days of Crombie, the focus was to ensure families could conveniently access everyday needs with limited travel in both urban and rural neighbourhoods. Our dedication to community remains evident today in our charitable donations and employee volunteer hours. Even our head office remains in the same community in rural Nova Scotia, where the Sobey family first established the REIT.

In 2017, Crombie embarked on a more formal national approach to environmental management with the creation of the Environmental Manager position. Duties of this position include the management of environmental site assessment, remediation

and hazardous material management, as well as reporting on green initiatives at Crombie. Since establishing the position, we have been able to identify and evaluate our partners, processes, and reporting frameworks that would allow us to formalize our sustainability journey, measure our sustainability performance and report against industry recognized frameworks.

Now we are excited to make our inaugural submission to GRESB and present this Sustainability Report. At Crombie, we feel that a sustainable approach to business operation is vitally important in the short-, medium- and long-term. Although sustainability principles have been embedded in Crombie's culture since its beginning, we are proud to be taking the next step to formalize our commitment and to share it with you.

## Our sustainability commitment

Crombie continues to be committed to the well-being of our communities. We have embedded sustainability principles into the way we do business since inception. To better understand Crombie’s sustainability performance, we are improving the measurement of our baseline performance and sustainability impact. We are developing policies and procedures that will enable us to set targets and implement actionable processes necessary to achieve our short- and long-term sustainability goals.

## Our sustainability strategy

Our sustainability strategy focuses on creating value by developing our properties in a way that enhances local communities and protects our environment. As a beginning, we identified seven material topics that will serve as the key pillars of our sustainability strategy over the next few years. These topics were identified through an internal materiality assessment with senior leadership and ESG management. With the goal of focusing on what matters most, this report explores the material ESG topics that we believe have a high impact on the success of our business.

We are on a journey to further implement the necessary policies, procedures, infrastructure and reporting measures to continuously improve our sustainability performance.

## Our material topics

Pillars	Environment	Social	Governance
Key Topics	Sustainable design and construction	Talent attraction, development, and retention	Board composition and governance
	Energy consumption	Diversity, equity, and inclusion (“DE&I”)	Risk management
		Health, safety, and well-being	





## Managing our sustainability through good governance

Good governance is integral to how Crombie does business, which is why it is important to formalize how sustainability is managed from the Board and senior leadership level through the entire organization.

With strong internal alignment and momentum on sustainability at the Board level, we are building on this foundation to formalize a sound governance structure, and assign formalized oversight and accountability of sustainability to the various committees of the Board.

We have a formalized management structure for our sustainability strategy with a committee that has the primary aim of accelerating our performance across each material topic and reporting on sustainability activities across the organization. This management committee consists of our President & Chief Executive Officer, Chief Financial Officer & Secretary, Executive Vice President & Chief Operating Officer, Chief Talent Officer & Vice President, Communications, Vice President of Financial Analysis & Treasury, Environmental Manager, and Director of Communications & Marketing. Donald Clow, our Chief Executive Officer, leads the committee, providing formal oversight of and accountability for sustainability.



## Management of Crombie’s sustainability program

Pillar	ESG	Environment	Social	Governance	Disclosure
Key Topics	All	<ul style="list-style-type: none"> <li>Sustainable design and development</li> <li>Energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>Talent attraction, development, and retention</li> <li>Diversity, equity, and inclusion</li> <li>Health, safety, and well-being</li> </ul>	<ul style="list-style-type: none"> <li>Board composition and governance</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>ESG reporting and disclosure</li> </ul>
Board Oversight	Board	Investment Committee	Human Resources Committee	Governance and Nominating Committee	Audit Committee
Executive Oversight	President & Chief Executive Officer	Executive Vice President & Chief Operating Officer	Chief Talent Officer & Vice President, Communications	Chief Financial Officer & Secretary	Chief Financial Officer & Secretary

## Supporting a multi-stakeholder universe

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. At Crombie, we strive to differentiate ourselves and create value for stakeholders by:

- Conducting our business in a way that prioritizes people and ensures it can meet the needs of future generations
- Engaging our communities in the planning of our projects and including them in benefits that come from their development
- 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
- In addition, ESG goals are now set in employee balanced scorecards annually. Those goals depend on and are customized 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. Crombie's stakeholder engagement has helped the company determine its strategy. We engage with our stakeholders across multiple platforms.

## Stakeholder engagement

Forum	Unitholders	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		●		●	
Enclosed mall 'COVID-19 ambassadors'		●			●
Engagement surveys		●		●	
Environmental and sustainability surveys		●		●	
External conferences	●	●			●
Focus group meetings with CEO				●	
Internal weekly and monthly publications				●	
Intranet				●	
Investor days	●				
Management information circulars	●	●	●	●	●
Materiality interviews				●	
Media releases	●	●	●	●	●
Monthly reports and surveys		●	●		
Offering our spaces for community projects		●			●
Quarterly conference calls	●	●	●	●	●
Quarterly town halls (monthly during COVID-19)				●	
Regular dedicated email communications (IR, Chair, CEO, etc.)	●	●	●	●	
Site signage		●	●		●
Social events (annual community clean up)		●		●	●
Social media	●	●	●	●	●
Training and development				●	
Website	●	●	●	●	●





# Environment

## Sustainable design and development

Crombie understands that developing properties impacts on the natural environment. We are dedicated to reducing this impact through responsible design and construction. We ensure ecological, environmental, and climate risk considerations are evaluated and mitigated. This process occurs both during acquisition, site selection, and development of our properties. Major developments provide an opportunity to start protecting the environment from the onset of a project. Our commitment to sustainability begins at the brainstorming stage. Visioning sessions are held to facilitate the consideration of environmental aspects into the design and development of our major projects. These sessions allow Crombie to look at the micro-market in which we are building, and to determine the best way to further enhance that

community. We align with zoning and municipal requirements, and also with the needs of the people and planet who will be impacted by any major development. The process also includes an evaluation of potential green building certifications, including but not limited to leading examples such as LEED, Zero Carbon, BOMA Best and Well.

At our existing properties, we lower their environmental impact by using smart technologies that support waste diversion, and energy and water use reduction. These initiatives also make our properties more attractive to tenants and decrease operating costs. In addition, the vast majority of our open-air retail properties support everyday needs, such as essential grocery retail and services, and, being centrally located, they reduce the need for customer travel and enable lower emissions. Approximately 78% of our portfolio

## Incorporating ESG considerations in leased spaces and operations, including lifecycle impact of new and existing assets.

GLA is comprised of retail plazas, freestanding stores, or industrial properties where Crombie has little to no control on utility, waste, and water usage. Of the remaining 3.9m square feet, 2.1m square feet of Crombie's properties have green building certifications. We are committed to increasing the percentage of our portfolio covered by a green building certification in the future.

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



## A message from our Executive Vice President & Chief Operating Officer

Crombie is committed to integrating environmental considerations into new developments and minimizing our environmental impact.

We are committed to measuring and tracking our sustainability performance so that we can remain accountable and institute policies and procedures that will be used to set targets and

achieve our sustainability goals. We include environmental considerations in the design of new and remodeled facilities and work to operate our business in an environmentally friendly manner.

Our responsibility is to enrich the communities in which we operate and, to achieve this, we must protect the planet for the betterment of our neighbours for generations to come. We believe that through the formalization of our sustainability program, we are on the right path to achieving this goal.

Crombie understands the importance of a sustainable design and development process in asset development and ownership, making it our first environmental material topic. From design to demolition, buildings impact the environment, the economy and the communities in which they operate. We have been committed for decades and we use this process to evaluate our portfolio and our major developments for sustainability aspects, including green building certifications.

Crombie's second environmental material topic is energy consumption. We are continuously looking for ways to conserve energy throughout our portfolio. In collaboration with Empire, in 2020, we completed LED retrofits at 147 open-air retail properties across the country.

Our Avalon Mall property in St. John's, NL, (552k square feet of GLA) has won three environmental awards since its major redevelopment in 2018, including the Clean St. John's Golden Broom Corporate Award in 2020 for Avalon's efforts to reduce waste through the implementation of multi-stream waste bins and installation of an industrial composter. The property also received the BOMA Newfoundland and Labrador Earth Award in the retail category. Several energy-saving projects

contributed to these awards, including the completion of upgrades to the NOVAR Building Management System, which allowed for better control of heating and cooling set points and time control for lighting. Installing occupancy sensors in all secondary corridors and upgrading all common area lighting to LED further controls and reduces overall energy consumption.

Our 1.5m square foot Scotia Square complex in Halifax, NS, is another example of the efforts we are making to drive Crombie's sustainability performance. The entire complex is BOMA BEST certified Gold and has received the BOMA Nova Scotia Award of Excellence. Individual buildings within the complex (Barrington Place and The CIBC Building) have been honoured with a national TOBY Award from BOMA Canada. Crombie also received a Carbon Crusader award for the use of the Ecopilot® technology at Scotia Square. Occupancy sensors have been installed in secondary corridors to reduce consumption in unoccupied areas and all common area lighting has been converted to LED. Over a 10-year period, we have saved 19.7m kWh of energy at Scotia Square and 72.6m litres of water.

Crombie recognizes that the real estate industry can be a significant contributor of greenhouse gas ("GHG") emissions, which are affecting the Earth's atmosphere. Buildings require a significant amount of energy, which is contributing to the acceleration of climate change. Climate change poses material physical and economic risks to Crombie's business and the communities where we operate. We have a responsibility to mitigate the carbon contributions of our company and to ensure we are increasing the resiliency of our portfolio against these climate risks.

We are committed to understanding our GHG contributions so that we can set meaningful reduction targets and institute appropriate policies and procedures to achieve our reduction goals. We are currently measuring our carbon footprint and reviewing scientifically reliable guidance on how we can manage and report on this issue in a portfolio as diverse and complex as Crombie's.

Crombie has taken a significant step forward in its sustainability journey in 2020. We are in the process of collecting our energy, water, and waste performance data and will use that to identify our baseline environmental performance. This data will allow Crombie to identify strengths and opportunities to improve our overall environmental performance. With baseline data in hand we can begin to set targets and implement policies and procedures to further reduce our impact on the environment.

Sincerely,

**Glenn Hynes** FCPA, FCA  
Executive Vice President & Chief Operating Officer

## Energy consumption

We are committed to reducing our carbon footprint through energy conservation initiatives and reducing our energy consumption when and wherever possible across the portfolio. As part of our commitment to include environmental considerations in the design of new and remodeled facilities, we are reducing the energy intensity of our operations and supply chain to operate our business in a sustainable manner.

Given electricity is our predominant energy source, we focus our efforts on lighting and heating, ventilation, and air conditioning (“HVAC”) retrofits to reduce our carbon footprint and improve efficiency. Lighting retrofits have included parking lot lighting, exterior plaza canopy lighting, and interior common area conversions. We also investigate commodity conversions to replace electric heat

**We are reducing the energy intensity of our operations and supply chain to address the growing challenge of climate change.**

sources where practical, continue to replace rooftop HVAC units with new high efficiency units, and use energy management software to control energy demand and consumption where appropriate.

Some key highlights of our 2020 initiatives include:

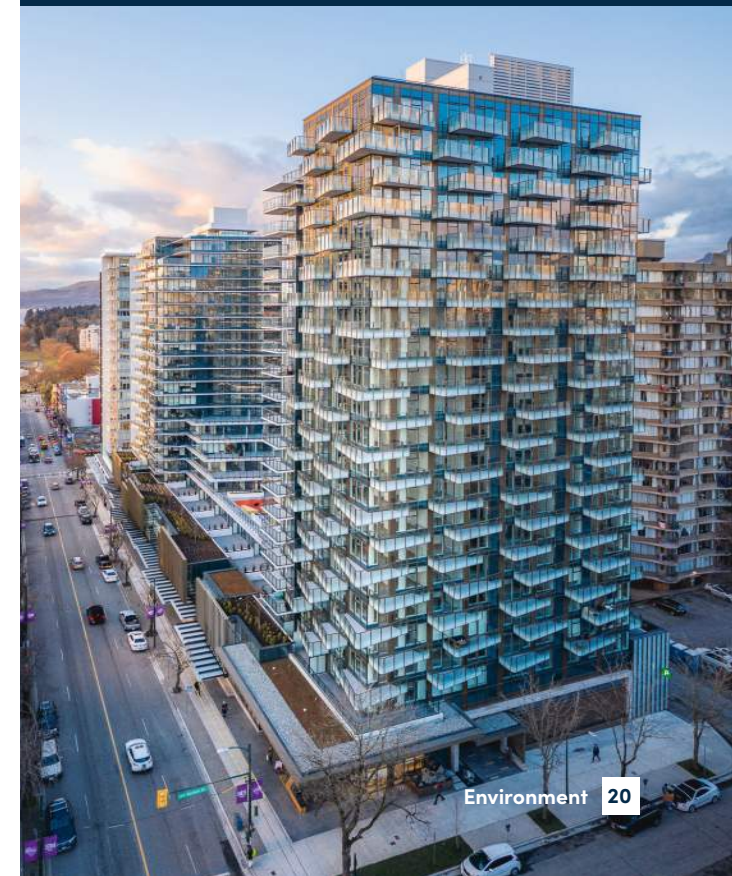
- Implementation of BOMA BEST certifications across almost 2.1m square feet of the portfolio
- Installation of 147 LED retrofits at 42 properties across Atlantic Canada, 25 properties across Ontario and Quebec and 80 properties across Western Canada in collaboration with Empire
- Installation of one electric vehicle (“EV”) charging station at Davie Street in Vancouver (total of 26 EVs charging stations installed in properties across Canada)

Our Tenant Design Guide for Sustainability provides tenants with guidelines and recommendations around water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality to be considered when completing their spaces.

## Spotlight:

### Davie Street, Vancouver, BC

- LEED Gold Equivalent project
- Six shared vehicle stalls on site
- 409 Bicycle stalls (1.25 per residential unit)
- 18 Short-term bicycle parking stalls for public use
- Public bike-share facility
- Designed to connect to a Neighbourhood Energy System if and when it becomes available
- One electric vehicle charging station provided for residential and commercial use





# Spotlight:

## Scotia Square Complex, Halifax

All buildings within this complex are currently BOMA BEST certified Gold, and all have received the BOMA Nova Scotia Award of Excellence. Barrington Place and The CIBC Building have both been honoured with a national TOBY Award from BOMA Canada. A number of mechanical and lighting projects and upgrades have taken place since we began our efforts to reduce energy consumption at Scotia Square.

- Ecopilot® is an artificial intelligence (“AI”) system used to predict the current and future requirement for heating and cooling in a building. We have installed this AI technology throughout the Scotia Square Complex. Crombie was recognized with a Carbon Crusader award for the use of the Ecopilot® technology at Scotia Square.
- We purchase 500 MWhr of energy annually from Bullfrog Power (Green Power). This is the amount of energy required to power our Parkade lighting system.

- An intensive redesign of our main plant occurred in 2016 which reduced consumption by 1,584,000 kWh annually.
- We installed new variable speed drives on our Main Cooling Towers, reducing consumption by 96,541 kWh.
- We recommissioned the HVAC system in our CIBC Building reducing consumption by 355,000 kWh.
- Upgraded to high efficiency, dual-fired boilers in Brunswick Place, which heat our main pad. This has reduced consumption by 1,530 GJ compared to 2016 performance.
- Interior and exterior lighting upgrades commenced in 2016 and all exterior lighting is now LED.
- Office tower stairwells have been retro-fitted with motion sensor lighting systems to reduce consumption and we have upgraded lighting systems in various lobbies and within client spaces to LED.

- We partnered with clients in Cogswell Tower to upgrade the floor lighting systems to LED panels. We converted four full floors to LED panel lighting.
- Approximately 900 new LED fixtures were installed during recent renovations.
- Brunswick Place has undergone an energy retrofit including a Photovoltaic Panel array on the roof.

## Awards





# Social

## Talent attraction, development, and retention

People are at the core of our success. We continue to grow our team with the very best in the industry, attracting people who share in our values, embrace our culture, and possess the passion to achieve our goals.

To do this, we have a robust Culture Dashboard that measures key people and culture performance indicators, including employee and candidate diversity metrics, turnover rates, leadership development program participation, and employee health and well-being. We actively recruit smart people with diverse perspectives, who are passionate about learning and thrive at problem-solving.

We also focus on true engagement metrics, identifying and addressing when there are opportunities to further enhance an

employee's sense of purpose in their work. A variety of engagement metrics are measured frequently throughout the year using Gallup pulse surveys and we are pleased to report that our engagement metrics exceeded our benchmark targets for 2020.

We support education opportunities and encourage our employees to develop their unique skills for future growth. In 2020, our employees attended professional development courses that included Board Governance, LEED, Elevating Women Leaders, Business Negotiations and Administration, Resilience, Leading through COVID-19, and Mental Health First Aid. Similarly, we also supported employees through their completion of designations such as CFA, CPA and RPA. Emergency Replacement Plans and Succession Plans are in place for all leadership and critical roles and, in 2020, 47% of our roles were filled through internal promotions.

We attract, retain, and develop some of the best talent in the real estate industry, at all levels across the organization who are committed to advancing Crombie's purpose, values, and overall business strategy.



On an ongoing basis, we evaluate current talent initiatives related to employee attraction, development, and retention to identify gaps and make improvements. In addition, we conduct and disclose assurance processes on ethical employee standards and have made strides to integrate ESG into our employee value proposition and performance expectations. For example, ESG goals are set in employees' balanced scorecards annually, which are dependent upon and customized to an employee's role in the organization.

Over the past several years, Crombie has consistently won **Atlantic Canadian and Nova Scotian Employer of the Year awards** because of our commitment to our people and culture. **In 2018 and 2020, we also won a Top Canadian Small and Medium Enterprise Award.** These awards are recognition of the work we do to engage our people in building a strong, caring culture. This is further demonstrated by our consistently low levels of voluntary employee turnover.

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



## A message from our Chief Talent Officer & Vice President, Communications

At Crombie, our caring culture means that our people, tenants, customers, and communities are at the heart of everything we do. It is imperative that we keep them safe while enhancing the lives and experiences of all those who live, work, shop, and play in our properties.

As part of our sustainability journey, we have identified priority actions for the short-term and long-term. In addition, we have identified three social material topics, which include:

- talent attraction, development, and retention
- diversity, equity, and inclusion
- health, safety, and well-being

In addition to these three key topics, tenant and community relations are important topics to Crombie within the broader social context.

Crombie's three social priorities were informed by internal stakeholder engagement, industry standards, and peer practices, and will guide the organization and delivery of our ESG strategic plans. It is our ambition to continuously increase our data gathering initiatives, social scores and disclosure with the aim of driving improvement, trust, and transparency.

Recognizing that building stronger communities requires an investment of additional resources, Crombie remains committed to offering our employees a safe, welcoming, diverse, and inclusive workplace that actively encourages continued well-being, learning, training and development, career growth, and a positive overall work experience. In addition, we prioritize our people and promote a culture where employees share in our REIT's sustainability vision and support charitable organizations that play a role in improving the health and well-being of their communities.

We believe that success is driven by our people and we strive to provide a safe, healthy, and engaging working environment, where everyone is treated with respect. Crombie's talent management programs are some of the best in our industry.

Crombie's inaugural sustainability report marks a milestone achievement in our sustainability journey. We are excited to continue to improve our performance with the aim of enriching our people and communities year after year.

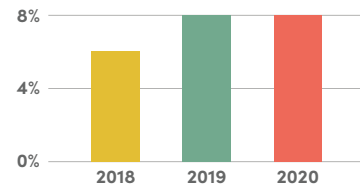
Sincerely,

A handwritten signature in black ink that reads "C Fraser".

**Cheryl Fraser** MES, ICD.D  
Chief Talent Officer & Vice President, Communications



## Voluntary turnover rate\*

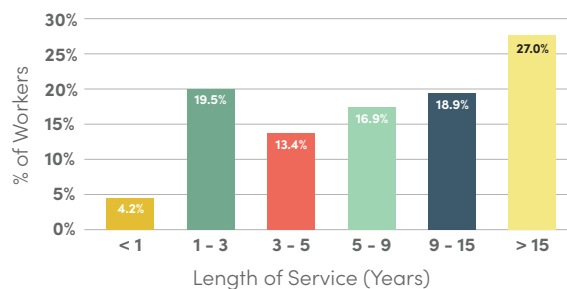


\*The voluntary turnover rate (excluding retirements) is well below industry standards. Crombie reports and tracks retirements separately.

To drive long-term integration and success of our sustainability strategy, we will:

- Incorporate ESG goals into key employee training, learning, and development opportunities
- Develop robust ESG KPIs within annual employee performance targets
- Align at-risk compensation to ESG performance

## Length of service diversity



## Health, safety, and well-being

**We foster a safety culture that protects physical and mental health of employees.**

At Crombie, we know that our long-term success relies on our people, which is why we foster a culture that provides physical and psychological safety and supports the mental health and wellness of our employees. Like so many others in Canada, Crombie's office employees moved to home offices in March 2020 and most still work remotely at the time this report was written.

Our Operations employees maintained our properties' high health and safety standards throughout the pandemic, upholding Crombie's commitment to our communities. Our people's health, safety and well-being continue to be our highest priority during the COVID-19 pandemic.

## Spotlight:

### Crombie's response to the impact of COVID-19 on employees' physical and mental wellness

From the outset of the pandemic in March 2020, we took every precaution to protect our people and visitors from COVID-19 and work diligently to adhere to public health advice. With much of the country in lockdown over the course of 2020, it became apparent that mental health was also suffering, so we provided increased communications and resources to our employees to support their wellness. Our leaders met weekly to discuss how to best support their teams, we held regular company-wide check-in calls, and our CEO sent weekly emails and met with employees virtually to answer questions and provide guidance.

- Our Pandemic Planning Team, comprised of cross-functional leadership across the organization, has been actively monitoring and responding to the needs of the business and our people throughout the past year
- We are proud to have offered support in the following ways:
  - Increased and evolving health and safety requirements in place across our buildings and development projects
  - Set of tools to support employee well-being (e.g. mental health first aid)
  - Flexibility in how and where our employees work to ensure work-life integration and balance

To support the well-being of Crombie's employees, we have a robust strategy to address health and safety risks throughout the organization. Key pillars include:

- Tracking and monitoring employee health and safety performance, such as leading and lagging indicators on Occupational Health and Safety
- 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
- Ensuring a psychologically safe workplace free from harassment, bullying, and discrimination

On a long-term basis, we will conduct external surveys to understand ways that Crombie can better support our external stakeholder base, while taking into consideration legal boundaries and restrictions that may apply.



## Diversity, equity, and inclusion

The success of our REIT is built on the people who drive our growth. The diversity of perspectives, skills, and backgrounds that make up our team equips us to effectively evaluate and execute projects and create sustainable, risk-managed, long-term growth. Crombie is committed to diversity and inclusion throughout our organization. Building and maintaining a diverse and inclusive culture that is reflective of the communities in which we operate is instrumental to Crombie's continued success.

Our commitment to workforce diversity is about creating an inclusive culture and a sense of belonging for everyone, which leads to more robust conversations and better business outcomes. Through leadership and action, Crombie's diversity and inclusion strategy is intended to ensure that our business benefits from a wide range of perspectives, ideas, and experiences.

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



To improve our diversity, equity, and inclusion performance, we work with our dedicated DE&I Committee to evaluate and revise our targets and policies annually. Key Crombie DE&I policies include, but are not limited to, our Diversity & Inclusion Policy and Aspirational Goals, Code of Business Conduct and Ethics, and Respectful Workplace Policy. Key targets and performance indicators today include diversity of participants in leadership development programs, representation by role level, compensation equity, promotion rates, and diversity of candidates short-listed and hired. In addition, we are in the process of defining and incorporating equity within DE&I targets, such as capital allocated to support development targeted to disadvantaged groups.

As part of our commitment to ending systemic racism, our President and CEO, Donald Clow, signed the BlackNorth Pledge in spring 2020. Led by The Canadian Council of Business

Leaders Against Anti-Black Systemic Racism, The BlackNorth Initiative is on a mission to end anti-Black systemic racism throughout all aspects of our lives by adopting a business first mindset.

Since implementing the DE&I Policy in 2018, gender representation on our senior leadership team increased to 24%. Our goal is to increase this representation even further in 2021. One of the ways we are making strides to achieve this goal is by steadily increasing the number of women participants in our leadership development program. For the year 2020, 56% of the leadership program's participants were women. Simultaneously, the number of women targeted for internal promotions has steadily risen since 2013. In 2020, 75% of internal promotions were women or other diverse groups.

Another key step in fostering a culture of inclusion and belonging was to ensure that





unconscious bias training was prioritized, and more than 75% of professional services employees hired before 2020 completed this training. Unfortunately, this training was impacted by COVID-19 in 2020, but continues to be a priority.

In the long-term, our strategy focuses on tracking our metrics and performance year-over-year, implementing processes to further monitor our DE&I targets, and providing additional disclosure of Crombie's DE&I recruitment processes (e.g. blind resume process implemented at the beginning of 2020). Our goal is to improve our DE&I performance across the board.

To support this goal, Crombie's Human Resources ("HR") Committee renewed its diversity, equity, and inclusion policy and aspirational goals in 2020. Initially, this policy and framework focused on gender diversity. However, the focus has expanded over the last two years to encompass a range of diverse groups including but not limited to race, gender, sexuality, and disability. Recent global events have further prioritized our work in this area. Aspirational goals have been set for the recruitment of Trustees and employees as follows:

- 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
- Minimum one qualified diverse candidate short-listed for every leadership, professional, and Trustee recruitment

The Committee reviews diversity and inclusion KPIs quarterly, and provides direction, if required. Management has placed a strong focus on diversity, equity, and inclusion. KPIs include, but are not limited to, diversity progress with respect to the following:

- The number of women or other diverse groups in leadership and management roles
- The number of women or other diverse groups in leadership development programs
- Recruitment of women or other diverse groups into executive, senior management and Trustee positions
- The number of women or other diverse groups in Crombie's succession planning pipeline



# Governance

## Board composition and governance

At Crombie, “doing right while doing good” is ingrained in our culture. We require all Trustees and employees to commit annually to an extensive Code of Business Conduct and Ethics. This Code, with its strong focus on values and guiding principles, governs how we conduct ourselves as members of the Crombie team. From the Chair of the Board to our operations and office staff, everyone at Crombie is expected to operate with integrity and the utmost regard for ethical decision making. Included in the Code is an ethics “whistleblower” line that is available for anyone to report a potential breach.

Unitholders elect seven Trustees annually to Crombie’s Board to ensure the interests of management are in alignment with the

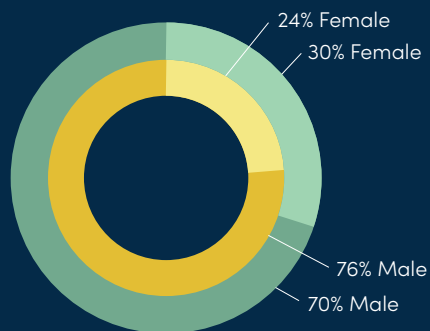
long-term interests of unitholders, while simultaneously addressing our impact on other stakeholders. Elected Trustees are reviewed annually by the Governance and Nominating Committee. Crombie ensures strong governance and accountability through a diverse Board and key policies.

Crombie has always taken a diligent approach to governance and ethics. While we have a strategic relationship with Empire, which owns a 41.5% interest in Crombie, we have taken every effort to ensure our independence. All related-party transactions must be voted on by our elected Trustees only, while all Empire-appointed Trustees must abstain from those votes. Annually, our Board reviews the related-party transactions, including any support services from/to Empire, in aggregate to ensure there are no issues or conflicts.

**Crombie ensures strong governance and accountability through a diverse Board to move the REIT forward and achieve its business strategy.**

We are committed to engaging with all our stakeholders through a variety of channels, including quarterly conference calls, news releases, social media, our annual meeting, and regular investor meetings. In addition, unitholders can contact the Chair of our Board via email at [chair@crombie.ca](mailto:chair@crombie.ca).

## Diverse and experienced leadership\*



■ Board ■ Management

\*Amounts shown are as of December 31, 2020

## As of December 31, 2020 Crombie can make the following statements:

# 100%

independent Board chair and committee chairs

**Audit, Governance and HR** committees are fully independent

Board Trustees have a **vast level of diverse experience** in accounting, M&A, strategy, finance, governance, real estate, retail, risk management, and talent management

# 50%

of our senior leadership are under the age of 50 (this is a significant change over the past two years, moving from a low of 21% of our senior leadership being under the age of 50)

# 24%

of our senior leadership are women

# 56%

of our leadership development program participants are women

Annual turnover rate is **less than**

# 12%

# 30%

of the Board is female





**Clinton Keay**  
Chief Financial Officer  
& Secretary



## A message from our Chief Financial Officer & Secretary

Crombie is a national organization with offices in Toronto, Calgary, Montreal, Burlington, St. John's, Moncton, Halifax, and New Glasgow.

Crombie's two Governance material topics include Board composition and governance and risk management. We have a strong leadership bench with many years of industry experience from both a landlord and tenant perspective. We have also carefully planned the next two layers of our organization to ensure we have a strong succession base and a talent plan for the next five to eight years. Succession planning is robust for all executives and key roles throughout our organization. We have carefully planned our talent pipeline and ensured both long-term runway and diversity as priorities. In addition, the management team has the skill and foresight to execute the strategic plan approved by the Board.

Our strategic corporate relationship with Empire provides Crombie with a key advantage in our sustainability journey. We have and continue to collaborate closely with Empire to implement sustainability measures including:

- LED retrofits at grocery anchored properties across Canada
- Modernization and expansion of grocery stores
- Store conversions
- Land-use intensifications
- Unlocking of major urban developments

To deliver against this strategic plan, we have formalized Board and management oversight across Crombie's seven material ESG topics as well as overall disclosure. We have assigned clear responsibilities and accountabilities at the executive level, including engagement across Crombie's operations to continue to drive our sustainability performance going forward.

Our organizational structure has been evolving alongside our strategy. A key role of the Board is to help shape the strategic direction and manage risks. Our Board works diligently to support and enable management's efforts to execute this plan and build an even stronger business for the future. The Board has been pivotal in the shift of our strategy towards growth through the development of properties in our pipeline. Crombie's Trustees are committed to value creation for all Crombie stakeholders.

To that end, the Board and management continue to collaborate to ensure that Crombie's strategy is implemented effectively and that we live up to our commitments.

Sincerely,

A handwritten signature in blue ink, appearing to read 'C. Keay', with a long horizontal stroke extending to the right.

**Clinton Keay** CPA, CA  
Chief Financial Officer & Secretary

## Risk management

Everyone at Crombie contributes to our risk management. It is essential that we play our part to protect our business and stakeholders from both known and unknown risks. These include 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.

To monitor and mitigate ESG risks, an extensive risk management and risk appetite framework is in place and reviewed annually by the Board and its committees. Crombie's top ten risks are identified and assigned to respective committees and regularly monitored. Risk mitigation strategies are designed and implemented to minimize residual risk exposure for any given risk.

## Board competencies matrix

Skill/Experience	Description
Accounting and financial literacy	Senior leadership experience in financial accounting and reporting as well as familiarity with internal controls
Acquisitions, dispositions, mergers and acquisitions	Senior leadership experience in acquiring and/or disposing of real estate or mergers and acquisitions
Business leadership and strategy	Senior leadership experience in leadership roles and strategy development
Finance, financing, and investment banking	Senior leadership experience in corporate finance, including understanding of various methods of financing and working with investment banking partners to access financing sources
Governance	Prior or current experience as a Board member of a Canadian organization (public, private or non-profit)
Real estate development and relationship management	Senior leadership experience in real estate development, either retail, office or residential where developing relationships with various partners is critical
Retail real estate and operations	Senior leadership experience managing or operating retail real estate assets or portfolios
Risk management	Senior leadership experience in managing enterprise-wide risk within all facets of an organization
Talent management and succession planning	Executive experience and/or Board, HR, and Compensation Committee participation with an understanding of employee programs/policies and the criticality of succession planning

**Evaluating and managing ESG-specific risks that could affect Crombie's operations or ability to achieve its corporate objectives.**

# Crombie's sustainable path forward

Crombie's goal is to continuously improve our level of sustainability disclosure over time. To achieve this goal, we are committed to collecting relevant data, while monitoring and tracking our sustainability performance. Key initiatives we will take to fulfil this commitment going forward include:



Collecting, monitoring, and tracking against our sustainability data using Measurabl



Assessing and incorporating recommendations for climate-related financial disclosure from the Task Force on Climate-Related Financial Disclosures ("TCFD")



Crombie is committed to incident prevention and believes that a zero-incident workplace is achievable. We continue to work to improve process safety and reliability performance – safety above all else



The world needs action to reduce carbon emissions and avoid the worst effects of climate change. We share in the global challenge to address climate change by harnessing technology and innovation to set us on a pathway to a low-carbon energy system. Our focus on GHG emissions intensity reductions is in these key areas:

- Implementing and improving energy efficiency
- Developing and deploying new technologies (installation of LED retrofits)
- Investing in low-carbon power (electric vehicle charging station)
- Implementation of BOMA BEST and other certifications where applicable, across our existing portfolio







To enrich communities sustainably through a tangible action plan and an ethical and diverse culture.