

<b>CORPORATE CULTURE AND HUMAN RESOURCES MANUAL</b>	
<b>POLICY NO:</b> <b>CCHR-F-17</b>	<b>SECTION TITLE: Corporate</b>
	<b>SUBJECT TITLE: Environment Sustainability Policy</b>
<b>EFFECTIVE DATE:</b> <b>February 2020</b>	<b>AUTHORIZED BY: Senior Executive Committee</b>
	<b>REVISION DATES: NA</b>

**PURPOSE**

Chartwell recognizes the importance and shared responsibility of protecting our environment. Through our activities, we act responsibly and work to make a positive contribution to the environment and to the communities where we operate. Specifically, sustainability means that Chartwell constantly endeavors to balance environmental considerations and social responsibility with our business goals. As a result, we strive to evolve and implement our Environmental Sustainability Policy in addition to complying with environmental laws and regulations in the jurisdictions in which Chartwell operates.

This policy sets out how we work to achieve support for our activities through responsible social, economic and environmental performance and to provide employees with an understanding of Chartwell’s commitment to protect the environment and the guidelines employees are expected to follow.

**DEFINITION or TERMS OF REFERENCE**

“Chartwell,” “we,” or “us” means Chartwell Retirement Residences and its affiliates and subsidiaries. “Chartwell” includes properties and entities that are jointly owned by Chartwell and third parties.

“Employee” means every individual who is employed or volunteering at a Chartwell corporate office, retirement residence or long-term care residence operated by Chartwell.

**SCOPE**

This policy applies to all Chartwell owned properties across Canada and its corporate offices.

**POLICY**

Responsibility and Corporate Management

In order to ensure that Chartwell plays an active role in caring for the environment, and promoting and contributing to a sustainable future, an Environmental Officer has been appointed with the duties and responsibilities set out in herein. The Chief Executive Officer, in his or her capacity as Chief Risk Officer, shall have the overall responsibility for the implementation of this Environmental Sustainability Policy.

As at July 16, 2010, the Environmental Officer of Chartwell is the Chief Investment Officer.

1. The Environmental Officer is responsible for the following:
  - a. implementing, administering and updating this Environmental Sustainability Policy, including developing and implementing procedures relating to and in furtherance of this Policy;
  - b. monitoring compliance with all laws, statutes, regulations and permits;

- c. responding promptly and properly to any environmental issues identified that may negatively affect the health of Chartwell residents and/or personnel;
  - d. ensuring compliance with any orders issued by environmental regulatory authorities;
  - e. overseeing environmental assessments, and taking all appropriate and reasonable steps to respond to problems identified by environmental assessments including the retention of qualified experts where necessary;
  - f. ensuring that all relevant personnel are aware of this Environmental Sustainability Policy, procedures relating thereto, and any updates;
  - g. ensuring that all relevant personnel recognize the importance of identifying environmental hazards and risks, and appropriate emergency updates;
  - h. establishing and maintaining good relations with environmental regulatory authorities;
  - i. developing procedures to follow in the event of an environmental emergency;
  - j. ensuring that Chartwell strives towards environmental best practices, to the extent reasonable and practical, in the operation and management of seniors housing facilities and at its corporate offices;
  - k. following up on any report of any emergency or significant environmental incident to ensure that the necessary steps have been taken to remedy the situation;
  - l. maintaining a continuing education program for him or herself and all relevant personnel with respect to Environmental Matters; and
  - m. ensuring the Chief Executive Officer is informed, on a timely basis, of any environmental issues that have arisen during that quarter.
2. The Environmental Officer shall establish and maintain files of properties managed by Chartwell that include, for each property, the following information:
    - a. any environmental assessments for the property;
    - b. any other environmental studies or reports for the property; and
    - c. the information acquired pursuant to ongoing site monitoring and administration policies contained in this Environmental Sustainability Policy
  3. The Environmental Officer shall report, at least annually, to the Board of Chartwell or its delegate committee on the status of environmental matters generally and shall make a more detailed report if the need arises.
  4. The Environmental Officer shall keep records of the following information:
    - a. any difficulties encountered in the implementation of any of the environmental policies set out in this document and the steps taken or recommended to remediate the situation;
    - b. any instance which comes to his or her notice of non-compliance with statutes, regulations and permits by tenants of properties under management and the steps taken to secure compliance;

- c. any circumstances which come to his notice that could lead to environmental liability whether criminal or civil and the steps taken to avoid or mitigate liability;
  - d. any circumstances which come to his notice that give rise to a material risk to the environment and the steps taken to lessen the risk;
  - e. any instance which comes to his notice of a significant change in the environmental risk potential of a property;
  - f. any environmental emergency, the steps taken to respond and whether those were effective; and
  - g. any recommendations for revisions to this Policy.
5. The Environmental Officer shall review and update this Environmental Sustainability Policy on a regular basis and not less than annually.

### Acquisition, Disposition, Development, Ownership and Management of Chartwell Properties

#### Acquisition of Property

Chartwell strives for environmental stewardship through continuous improvement and modeling best practices in the following areas:

1. Before committing to purchase any property, the Environmental Officer or his or her delegate shall:
  - a. make inquiries of the vendor and its representatives on the environmental condition of the property;
  - b. obtain from the vendor any environmental assessments in the vendor's possession, as well as any disclosure statement required to be completed by any applicable legislation in the Province or State in which the property is located;
  - c. requisition or otherwise obtain a Phase 1 Environmental Assessment (or the equivalent based upon the jurisdiction) of the property from a qualified independent Environmental Consultant based on the Environmental Officer's judgment of the consultants' suitability for the work to be carried out and their expertise. The Environmental Officer shall engage the consultants in writing and require the consultants, as a minimum, to carry out the assessment, provide a report and make recommendations based on the assessment. The scope of Phase 1 reports shall include determination by the environmental consultant of the nature of any unknown materials or substances in the air plenums or building cavities and historic land use. Further, the environmental consultant should address in his or her report the presence of mould, asbestos, and any other commonly encountered environmental contaminants.
  - d. Undertake all further necessary reports at the Environmental Officer's discretion, which may include, a Building Envelope Investigation and a Building Condition Report performed by a qualified engineer;
  - e. obtain appropriate legal guidance on environmental matters relative to

the proposed transaction; and

- f. carry out appropriate governmental searches to determine if the environmental condition of the property is being investigated, if the property is being remediated or if any environmental orders have been issued relating to the property.
2. The Environmental Officer shall review the material described in paragraph 1 and shall decide whether or not a subsequent investigation of the property is required as a result of the findings of such material.
  3. If an additional assessment of the property is required it will be carried out by environmental consultants selected by the Environmental Officer, based on the Environmental Officer's judgment of the consultants' suitability for the work to be carried out and their expertise. These may or may not be the same consultants as those who carried out the Phase 1 Environmental Assessment. The Environmental Officer shall engage the consultants in writing and require the consultants, as a minimum, to address any risks identified in the Phase 1 Environmental Assessment.
  4. If, after reviewing the investigation referred to above, the Environmental Officer thinks that the proposed purchase should not proceed, then it shall not proceed.
  5. If a proposed purchase is to proceed, the Environmental Officer will ensure, where possible and if practical, that the property is remediated prior to the closing date (if this is necessary), and that the purchase agreement contains appropriate representations, warranties, covenants and indemnities by the vendor relating to the environmental condition of the property.
  6. If a proposed purchase is to proceed, and it is not feasible to have the property remediated prior to the closing date, the following is required:
    - a. A program for site remediation will be established and peer reviewed prior to closing that will enable the property to achieve compliance with applicable environmental regulations;
    - b. The program for remediation must address a specific and well-defined environmental pollution or non-compliance issue that can be rectified to the applicable guidelines and regulations, and within a specified (and reasonable) period of time; and
    - c. Appropriate safeguards against potential liability to Chartwell shall be obtained.
      - i. These could include indemnities, a holdback from purchase proceeds for the full value of the remediation work, and additional security and holdbacks to ensure the Vendor fulfills their obligations.

#### Disposition and/or Closure of Property

1. Where a divestiture or closure of a property is planned, the Environmental Officer shall consider and assess any environmental risks or liabilities associated with the sale or closure of the property. This will include:
  - a. the preparation of any site profile or similar disclosure statement required to be completed by any applicable legislation in the Province in which the

- property is located; and
- b. determination of whether a reasonable possibility of environmental contamination exists.
2. Chartwell shall wherever possible avoid any representations regarding environmental conditions in Purchase and Sale agreements, but shall disclose to the purchaser any information regarding environmental contamination at the date of sale that is within Chartwell's knowledge. Furthermore, the vendor will, where feasible, obtain from the purchaser a confidentiality agreement relating to such disclosure.

Land Held for Development:

*Pre-Development:*

A Phase 1 environmental assessment on land earmarked for development shall be conducted prior to the acquisition of the land to establish an environmental condition. An environmental assessment may also be conducted before construction commences at the request of the lander and with the Environmental Officer's coordination.

*During Construction:*

Construction contractors shall be required to carry environmental liability coverage. Any exported material shall be coordinated and managed by a qualified and regulatory approved remediation protocol and/or in accordance with industry best practices.

Any imported fill shall be assessed and approved by a qualified environmental consultant prior to introduction of the fill to the site.

Fuel storage, wetland monitoring and all sensitive material land issues will be addressed by an Environmental Officer or his/her delegate(s), and coordinated with contractors.

Financial Responsibilities (Applicable Only Where Chartwell is the Lender)

1. The Environmental Officer and the senior officer or employee responsible for lending activities shall consider and assess any environmental risks or liabilities where real property is the underlying principal security for a proposed loan.
2. The policy relating to the Purchase and Sale of Property contained in this document shall be applied to the extent possible and relevant to prospective loan proposals as determined by the responsible senior officer or employee in co-operation with the Environmental Officer.
3. The security documents entered into by the borrower shall include the following:
  - a. representations and warranties by the borrower:
    - (i) that it does not know of the presence of any hazardous materials on property and that any underground storage tanks or surface impoundments located on the property have been fully disclosed;
    - (ii) that it is not aware of any orders, claims or threatened litigation

- relating to the breach of any environmental laws; and
  - (iii) that the property and the use to which it has been and will be put complies with environmental laws and regulations.
- b. covenants by the borrower:
- (i) that it will not bring onto, use, release or store any hazardous materials on the property;
  - (ii) that it will remedy any breach of any environmental laws and will comply with all environmental orders;
  - (iii) that it will notify the lender if any hazardous materials are brought onto, released or stored on the property, or if it breaches any environmental laws, or if it receives any notice of any order, claim or threatened litigation relating to the property, or in respect of any permit that it is required to have;
  - (iv) that all documents required in this Policy will be provided at the expense of the borrower;
  - (v) that it will carry out any investigations, tests and samplings as may be requested from time to time by the lender and forward the results to the lender;
  - (vi) that it will take such actions as may be required to remediate the property if there are any hazardous materials in, on or under the property; and
  - (vii) that it will provide the lender with English copies of any notices of violations of any environmental laws or regulations that it receives within fifteen (15) days of receipt.
- c. a covenant by the borrower that it will allow the lender to enter on the property and take such action and incur such costs and expenses as it deems necessary to ensure compliance by the borrower with the above representations, warranties and covenants, at the borrower's cost;
- d. an indemnity by the borrower in favour of the lender to hold the lender harmless against any losses, costs, damages, expenses and liabilities suffered or incurred by the lender by reason of a breach of any of the above representations, warranties and covenants, which indemnity shall survive the discharge of the security documents; and
- e. Such other security, representations and warranties, and covenants as may be determined by legal counsel acting for the lender.
4. The responsible senior officer or employee for lending activities shall consult with the Environmental Officer and with legal counsel prior to the commencement of any realization or foreclosure proceedings to ensure that appropriate safeguards are taken in the context of this Policy.

## Sustainability Principles, Practices and Initiatives

The overall ambition within Chartwell's environmental responsibility is to protect the environment by actively trying to reduce our own and our residents' environmental impact, as well as to reduce the resource utilization both by activities carried out in-house and by third party vendors and service providers.

### Principles

1. All Chartwell Employees will comply with all relevant environmental laws and regulations and go beyond compliance by integrating the values of sustainability, stewardship, and resource conservation into their activities and fulfillment of services.
2. Chartwell will ensure that environmental protection and enhancement is considered in all decision-making for planning, growth, development and operations.
3. Chartwell will strive to maintain and enhance a community culture that respects, appreciates and reflects the surrounding environment.
4. Chartwell will provide its staff, residents and other stakeholders with the opportunity to be involved in promoting a sustainable community.
5. Chartwell will engage in pollution prevention activities and develop and promote practices that maximize beneficial effects and minimize harmful effects of operations and activities on the surrounding environment. Chartwell is committed to assessment of the environmental impacts associated with our activities and services, and will continue improving environmental performance through ongoing assessment, planning, monitoring and management.

### Practices

To ensure compliance with this policy, Chartwell will strive to meet the following practices when implementing Chartwell's programs, services and activities:

#### **Energy and Waste**

- Minimize energy consumption through daily practice (e.g.: turn lights and monitors off, use natural light, utilize programmable thermostats to minimize heating and cooling, encourage seasonal clothing).
- Reduce waste and recycle and compost whenever possible.
- Dispose of non-traditional waste safely (e.g.: batteries, toner, electronic goods).
- Utilize scrap paper and double-sided printing to its fullest capacity, and minimize unnecessary printing (e.g.: minimize colour printing).
- Prepare and review documents digitally rather than on paper.
- As much as possible and practical, encourage virtual meetings and training sessions.

#### **Travel**

- Prioritize sustainable travel options whenever possible and practical (e.g.: public transit, carpooling, train, walking, cycling, etc.).
- Coordinate travel dates within regions to minimize the number of individual trips, especially those that involve air travel.

#### **Event Planning, Programming and Annual Conferences**

- Prioritize technology to minimize total environmental impact of face-to-face events (e.g.: offer webinars and online events on a regular basis to minimize excessive travel

emissions, food-related waste and printing).

- Use reusable and/or biodegradable dishware and cutlery, wherever possible, with the ultimate goal of eliminating use of single-use/disposable products (e.g.: plastic water bottles, plastic straws).
- Communicate with and encourage event partners to adhere to environmental best practices.
- Circulate and share documents electronically to minimize excessive printing.
- Minimize excessive 'swag' at events.

### **Purchasing**

- Eliminate unnecessary purchases.
- Purchase fair trade, organic, local, in-season goods and catering, wherever reasonable.
- Reduce purchases of products with excessive packaging, wherever reasonable.
- Minimize purchases of disposable or single-use products, wherever reasonable.
- Purchase earth-friendly office supplies and cleaning products (e.g.: recycled-content paper, biodegradable cleaners), wherever reasonable.

### **Embedding Environmental Stewardship Culture**

- Ensure that all Chartwell staff, Board Directors and volunteers are aware of this policy and understand how it relates to their organizational roles and responsibilities.
- Give weight to environmental impact as a key factor in operational decision-making (e.g.: collaborate with partners and suppliers who share similar environmental stewardship values).
- Support the development and implementation of management and operation guidelines which enable the principles of this policy (e.g.: factoring environmental considerations into procurement processes; promoting good practices such as recycling; minimizing waste and conserving electricity wherever possible).
- Create a supportive environment that encourages good environmental decision-making.
- Promote and encourage environmental educational opportunities for staff, Board Directors, volunteers and stakeholders (e.g.: make time for environmental assessments and discussions; offer webinars or other awareness and capacity building sessions).