

Hopewell Residential ESG Policy



Hopewell[®]

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Hopewell acknowledges that we operate on traditional lands, referred to as Treaty 6 Territory in the City of Edmonton and Treaty 7 Territory in the City of Calgary and the Town of High River. These treaties encompasses the traditional territories of numerous western Canadian First Nations, including Cree, Dene, Sioux, Sauteaux, Ojibwe, Siksika, Piikuni, Kainai, Tsuut’ina, Stoney Nakoda First Nations (including Chiniki, Bearpaw, and Wesley First Nations) and Métis homelands. Hopewell is dedicated to ensuring that the spirit of Treaty 6 and Treaty 7 is honoured and respected. We make this acknowledgement as an act of reconciliation and gratitude to those whose territory we reside on.

President's Message

A MESSAGE FROM JILL MACKENZIE, PRESIDENT

At Hopewell Residential we create the spaces and places where people love to live.

Our vision is supported by a strategy of thoughtful home and community design, striving for excellence in operational efficiency and backed by robust market research. We always put our team members first, ensuring our culture is strong and founded in four key values: collaboration, thoughtfulness, accountability, and efficiency. These values ensure that we are thoughtful in our actions that impact key stakeholders, and that ultimately impact our Environmental, Social and Governance (ESG) policies and plans.

Our ESG practices permeate through everything we develop and create – becoming part of our legacy.

ENVIRONMENTAL

Our designers and planners are committed to reducing waste, supporting biodiversity, and minimizing our carbon footprint. We are leaders in Alberta working with other real estate experts and industry committees toward a future where our homes are net zero ready.

SOCIAL

Since Hopewell Residential began more than 30 years ago, we have prioritized relationships. Internally, we support employees with strong human resource policies and an award-winning culture, proud to be a 2023 Platinum Club winner of Canada's Best Managed Companies, and a Canada's Best Managed Company winner since 2016. Our external stakeholders count on Hopewell Residential to make the investments necessary to ensure our homes and communities are healthy and vibrant.

GOVERNANCE

At Hopewell Residential we have a solid governance foundation. We conduct our business with the utmost ethical standards – striving for mutually beneficial results in every business transaction.

Our ESG policy outlines where we are today, along with our plans for the future of ESG for Hopewell Residential. It is an ever-evolving initiative that will ensure that Hopewell continues to live up to our purpose of building a better tomorrow – one person, one home, one neighbourhood at a time.



Jill Mackenzie



We're Hopewell Residential. It's Nice to Meet You.

As part of the Hopewell Group of Companies, Hopewell Residential has been building homes and creating communities across Alberta for over 30 years. With our core operations focused on the development of successful master-planned communities, alongside the design, sales and construction of both multi-family and single-family housing products, Hopewell offers a wealth of experience and expertise from its Calgary corporate office.

We are known for our high-quality, desirable new communities and new homes. From Calgary's Elbow Valley, to Edmonton's family-friendly Secord, to south Calgary's Mahogany –which features Calgary's largest lake – our community developments are second-to-none. Our single-family and multi-family homes are no different, each one built to Master Builder and Energuide standards, and boasting a wide range of floorplan options and finishings.

OUR VISION

To build the lasting spaces and places where people love to live.

OUR PURPOSE

We're in the business of building a better tomorrow – one person, one home, one neighbourhood at a time.

OUR STRATEGY

We are an operationally efficient production builder who addresses customer needs through product market fit and an options catalogue that is founded in the voice of the customer. We leverage our expertise to provide comprehensive real estate services to maximize return for our stakeholders.

OUR VALUES

Collaborative, Accountable, Thoughtful, Efficient

AWARDS

Hopewell has several highly-esteemed awards to its credit, including:

- Canadian Community of the Year (Mahogany and Elbow Valley)
- 5-time Canadian Home Builder's Association Developer of the Year
- Multiple CHBA Calgary Community of the Year awards
- Two-time CHBA Calgary Multi-Family Builder of the Year



¹ "Hopewell Residential", the "Company", or "We" refers to Hopewell Residential Limited Partnership and its fully and partially owned subsidiaries

A Proven Success Story

30+ YEARS
& MORE THAN
5,000
HOMES
CONSTRUCTED

OVER
30
HOME & COMMUNITY
AWARDS

1,000+
HOPEWELL
GROUP
EMPLOYEES

**BEST
SELLING**
NEW COMMUNITY
DEVELOPMENTS

2,800+
ACRES
OF LAND SERVICED


PROUD ESG
FOCUSED COMPANY



Key Differentiators: Our People

OUR THOUGHTFUL APPROACH STARTS WITH OUR PEOPLE

ONE OF CANADA'S
100 BEST
COMPANIES
TO WORK FOR

PLATINUM CLUB WINNER
**CANADA'S BEST
MANAGED**
COMPANIES

Corporate Sustainability Policy Statement

As a 2023 Platinum Club winner of Canada's Best Managed Companies, Hopewell Residential¹ is committed to understand, implement, and uphold practices that are designed to promote both environmentally and socially responsible operations. Our approach is a long-term plan to manage our business and create economic prosperity all while empowering best practices in sustainability.

The three pillars of sustainability – Environmental, Social and Governance (ESG) – are top of mind in day-to-day decisions and corporate ambitions. We are constantly monitoring our activities to ensure that our goals are aligned with ESG values.

Guided by our Code of Conduct and our core values of collaborative, accountable, thoughtful and efficient we endeavor to operate our business in an ethical and responsible manner. A BIPOC-owned business, Hopewell Residential strives to be an advocate for sustainable value for our key stakeholders, which include customers, employees, investors, lenders, owners and business partners. Each of our key stakeholders has a different role and approach to sustainability and it is Hopewell Residential that bridges them together to make our community stronger. Sustainability is the foundation for creating the spaces and places where people **love to live**.



HOPEWELL'S PURPOSE:

We're in the business of **building a better tomorrow** - one person, one home, one neighbourhood at a time.

Key Stakeholders

At Hopewell Residential we created our ESG policy with our key stakeholders in mind and incorporated their feedback into our needs assessment.

STAKEHOLDER	ESG NEEDS
FINANCIAL INSTITUTIONS	Large financial institutions have been at the forefront of the focus on sustainability, and the trend is moving to preferential pricing for “green” deals. Many institutions already include an ESG assessment in their annual file review process. Eventually, we see a future where lenders may have a mandate to “lend green”, and therefore having strong ESG policies is imperative to ensure that Hopewell Residential can continue to get competitive lending rates and terms.
CURRENT EMPLOYEES	Current employees help form the policies and company culture based on their feedback through regular engagement checkpoints. They want to understand the Code of Conduct and other key policies and procedures and have an ethical leadership team who ensures that it is adhered to. They also want to ensure that ESG policies are followed and not just documented. Hopewell Residential’s ESG framework and tone at the top is essential in maintaining a strong company culture and retaining top performers.
PROSPECTIVE EMPLOYEES	Prospective employees are looking at more than just compensation when assessing a potential employer. They are increasingly viewing company culture and purpose as a main deciding factor in determining whether to sign on with a company. They want to know that they are working for an inclusive company with a purpose that shares their ethical values. Having a competitive ESG framework will keep Hopewell Residential competitive in attracting new talent.
TRADE PARTNERS	As a land developer and homebuilder, Hopewell Residential relies heavily on its trade partners to execute its vision. A clear ESG framework will assist in onboarding trades and ensure that they subscribe to the company culture, as they are essentially an extension of Hopewell Residential. The effectiveness of ESG policies can only be as good as the policies of the trades we deal with.
BOARD OF DIRECTORS	The Board of Directors’ core goal is to monitor and maintain governance over the organization, and to ensure its long-term success and viability. A strong ESG framework is a key tool to ensuring that the organization has strong governance policies and procedures to operate ethically. Additionally, this framework can help ensure that Hopewell Residential is ahead of key environmental and social trends to ensure the company’s ongoing success.
INVESTORS	Investors have long been trending towards looking beyond the potential return on their investment, but also looking at the quality of the company that they are investing in. This includes a deliberate focus on ESG. A comprehensive ESG framework is imperative when looking to seek new investment from the market to ensure that we are competitive in this space.
HOME BUYERS	Buying a home is a significant investment and customers want to know they are purchasing from an ethical and diverse company that cares about the environment and community. They also want options to make their houses more sustainable. Our ESG policies must provide confidence to home buyers that they are selecting a builder that embodies these characteristics.
BUILDER PARTNERS	Builder partners that sign on to build in a Hopewell Residential community need to ensure that we are building sustainable communities and that we will act ethically in our dealings with them, and the greater community in the municipalities that we deal with.
COMMUNITIES AND MUNICIPALITIES	We build communities, and that impacts more than just those who live in them. It also has impacts on the greater community and the municipality, as one community has a trickle-down impact on the resources of the rest. Our ESG framework, reinforced through community engagement, must provide comfort to those in the greater community that we will develop in an ethical and sustainable way. It must also provide reassurance to the municipalities that we deal with that we are a forward-looking, trustworthy developer.
PROJECT OWNERS	We build communities and houses not only on land that we own, but we’ve also expanded our service offering to do the same for other landowners as a management services company. As a key service provider, Hopewell Residential must maintain a strong ESG mandate to meet the needs of various project owners. We will have our core ESG policy, but we are also nimble enough to adopt new policies to conform with the needs of various project owners.

Comprehensive Topic Listing

Based on the needs of our key stakeholders, the following table sets out the topics that are important to our business:

TOPIC	DESCRIPTION
ENVIRONMENTAL	
CARBON EMISSIONS	Working to minimize our carbon emissions during the build process by working with local trades in each community to share in the goal of a low-carbon economy
PRODUCT CARBON FOOTPRINT	Encouraging a focus shift within our products to develop energy efficient and responsible homes
FINANCING ENVIRONMENTAL IMPACT	Offering our investors the opportunity to support a sustainable product line that responds to global climate change challenges
CLIMATE CHANGE VULNERABILITY	Examining the degree to which the home building industry is susceptible to the adverse effects of climate change
WATER STRESS	Operating with the objective to conserve water at any opportunity
BIODIVERSITY & LAND USE	Incorporating the protection of natural habitats and ecological features as part of the community development process
OPPORTUNITIES IN GREEN BUILDING	Prioritizing the development of net zero ready home options for prospective buyers interested in responsible building
OPPORTUNITIES IN RENEWABLE ENERGY	Investigating the ability to include renewable energy options in our homes and the build process
RAW MATERIAL SOURCING	Engaging contractors and vendors that conduct their business with a responsible ESG mindset whenever possible
ELECTRONIC WASTE	Focus on minimization of our e-waste to help conserve resources while also responsibly recycling or disposing of end of life items
OPPORTUNITIES IN CLEAN TECH	Collaborating with industry leading consultants and partners to find ways to offer energy saving smart technology in our homes



TOPIC	DESCRIPTION
SOCIAL	
DIVERSITY & INCLUSION	Fostering a work environment that encourages and benefits from different perspectives
PRODUCT SAFETY & QUALITY	Ensuring our homes are build and finished with quality and exceed industry safety standards
HEALTH & SAFETY	Safeguarding both the physical and mental health of our workforce through policies and programs
PRIVACY & DATA SECURITY	Protecting the Company, its assets and its data from data privacy threats through strong IT practices
RESPONSIBLE INVESTMENT	Involving ESG factors into investment decision making
COMMUNITY RELATIONS	Be a leader in establishing and maintaining relationships in the communities in which we build.
ACCESS TO FINANCE	Staying abreast of the lending climate to ensure our products and options are financially accessible
AGILITY & INNOVATION	By communicating priorities and building a resilient workforce with the right skills, our Company is poised to embrace innovation and rapid adaptability in an ever changing market.
ACCESS TO COMMUNICATION	Establishing open communication through all levels of our Company
CHARITABLE GIVING	Encouraging everyone to give both time and resources as they are able to charitable organizations in our community.
LABOUR MANAGEMENT	Implementing policies for compliance with laws and regulations that encourage above expectation activities to ensure employees are provided with a fair and safe work environment
HUMAN CAPITAL DEVELOPMENT	Support and retain people aligned with our culture and engage them in opportunities to develop for long term collaboration within the Company
GOVERNANCE	
BOARD DIVERSITY	Ensuring the Board has diverse experience and relevant expertise to responsibly oversee and support the Company
COMPANY POLICY	Maintain complete and up to date listing of internal policies that are easily accessible
OWNERSHIP & CONTROL	Navigating the balance between ownership and control and the various stakeholder interests they address is key to the governance structure at Hopewell
ACCOUNTING	Implementing a robust and structured accounting framework as a foundation for effective corporate governance
BUSINESS ETHICS	Conducting business ethically and responsibly within our operations as well as business partnerships. Demonstrating and upholding Company values with documented Code of Conduct, policies, and processes.
MANAGEMENT STRUCTURE	Establishing clear and direct rights and responsibilities within the Company to set the tone for efficient and empowered decision making
FINANCIAL SYSTEM INSTABILITY	Oversight of the economy and business activity to stay on top of any factors that may cause instability by a proactive and educated finance team.

An aerial photograph of a modern residential development. The houses are arranged in a grid-like pattern with dark roofs and light-colored siding. In the foreground, there is a large, winding water feature with several small islands of green grass and trees. The background shows a vast, flat landscape with a distant city skyline under a clear blue sky. The overall scene is bright and green, suggesting a focus on environmental sustainability.

Environmental Pillar

Environmental Pillar

At Hopewell Residential, stewardship of the environment is fundamental to our corporate vision: creating the spaces and places where people love to live. We are committed to reducing waste, resource management and supporting biodiversity. Every effort counts in minimizing the carbon footprint of our homes, from the build process to the utilization as a family home.

CARBON EMISSIONS

We are working to minimize our carbon emissions through corporate initiatives including LED lighting, low flow water fixtures, light sensors, online record keeping and various in-office recycling programs.

Hopewell Residential is an active member of BILD Calgary and CHBA Edmonton, organizations that bring the Alberta homebuilding industry together to discuss trends and industry standards. Hopewell Residential team members actively participate in both the BILD Calgary Technical Committee, which ensures we remain current on industry practices including Energy Efficient construction methods; as well as the BILD Alberta Provincial Regional Technical Committee ('PRTC') which is working towards the future targets of net zero ready (NZR) homes by 2030.

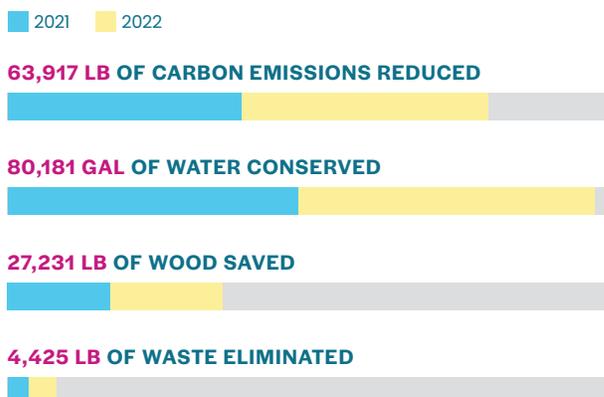


In current communities, Hopewell has set aside more than 400 acres of land as municipal and environmental reserve. We ensure lasting greenspace for residents and wildlife is a core part of community now and into the future.

PRODUCT CARBON FOOTPRINT

Encouraging a focus shift within our products to develop energy efficient and responsible homes is paramount to reducing our product carbon footprint. Hopewell Residential has entered into the Energuide home rating program for a third party evaluation of overall energy performance, with a focus on the future of Net Zero Ready and carbon emission reduction for both operational and embodied carbon. In 2022, we added to our solar ready and smart home options, giving homeowners included and optional features that make their homes more efficient and sustainable. Hopewell Residential uses recycled building products whenever we can and it's standard practice in our construction process to use crushed concrete in place of gravel as one of the most efficient and environmentally-friendly ways of handling waste concrete. It significantly reduces landfill space usage, helps conserve natural resources used in the manufacturing process of new concrete, and minimizes carbon emissions generated to transport and dispose of concrete. It is the Hopewell Residential standard to install warm air fuel fired furnaces with a higher annual fuel utilization efficiency (AFUE) rating than the current minimum building code requirement, and have undertaken a research and development project to explore alternate heating and cooling system options to improve indoor air quality (AIQ) and enhance overall occupant comfort, while working toward Net Zero Ready. Choices like this increase the efficiency of our homes while reducing utility bills for our customers. Home building traditionally included substantial amounts of paperwork, including marketing materials, sales materials and contract documents. Hopewell has made significant strides in removing paper from our work environment by moving to DocuSign and electronic documents.

IMPACT OF TRANSITIONING FROM PAPER TO DOCUSIGN



THIS COMPARES TO:

-  REMOVING **5 CARS** FROM THE ROAD
-  SKIPPING **57 LOADS** OF LAUNDRY
-  CONSERVING **81 TREES**
-  ELIMINATING **73 CANS** OF TRASH
-  SAVING **241,354 PAGES** OF PAPER

CLIMATE CHANGE VULNERABILITY

We are continuously examining the degree to which the home building industry is susceptible to the adverse effects of climate change. Although we are working collectively to try to reduce the occurrence of climate change and drastic weather patterns, it is evident that we are already in the midst of unpredictable weather. Part of being responsible to the environment is ensuring that our products will last and withstand what nature presents. In some of our communities, we have constructed our homes and multi-family buildings with climate resilient exterior cladding with no vinyl siding.

All communities we build have comprehensive storm water retention areas assuring surface drainage is controlled to acceptable risk levels. Our response to climate change is to ensure our homeowners are safe while doing our part to reduce the effects of our business operations on the future.



THE HOPEWELL APPROACH

Hopewell Residential proudly acts as the provincial representative at the Canadian Home Builders Association (CHBA), Technical Research Committee (TRC) Management Committee. This is a national level committee established to assist in the development of future national building codes. Climate change and Resiliency continue to be significant topics where discussions held at this committee will influence the development of codes issued that will followed by builders Canada-wide.

WATER STRESS

Water stress occurs when the demand for water exceeds the available amount or when poor quality restricts its use. We are fortunate to live and operate in Western Canada where water stress has not been prevalent. To be a proactive world citizen Hopewell Residential strives to operate with the objective of conserving water at any opportunity. To assist with this, we use certified low flow plumbing fixtures in our homes.

BIODIVERSITY & LAND USE

Incorporating the protection of natural habitats and ecological features is part of the community development process. As we develop our land, Hopewell Residential is committed to a higher density of the development by utilizing a single side yard approach, or generally smaller home sites and limiting the amount of urban sprawl.

The relationship between land use and biodiversity are fundamental to understanding the links between people and their environment. Hopewell Residential continues to develop land with significant Municipal and Environmental Reserve areas that have pedestrian friendly connections and outdoor amenities for the residents to enjoy. We plan communities that people will want to invest in, live in and grow in – this supports business objectives, and also supports a healthy and thriving community that will last for decades to come. Hopewell Residential is building the future of the cities in which we operate. We work closely with our stakeholders, including municipal governments and environmental groups, to ensure we are aligned with the needs and wants of the marketplace, the environment, the surrounding residents and businesses, and the wildlife in the area.

Every community we build includes natural and manicured spaces with an integrated pathway network to promote the use of walking, biking and other carbon free methods of transportation. Integration between surrounding neighborhoods and amenities by crossing existing natural and physical barriers creates a truly integrated community, maximizing the land use for everyone.



THE HOPEWELL APPROACH

When planning and developing our communities Hopewell Residential focuses on plans and designs that protect wetlands and other naturalized areas while capitalizing on existing natural amenities. Our community development process considers how to enhance and protect the natural assets like wetlands, greenspaces, native plantings and wildlife found in the area.



MAHOGANY IS A PROUD
MEMBER OF THE 138-KM
ROTARY/MATTAMY
GREENWAY



74 ACRES
OF NATURALIZED
WETLANDS
IN MAHOGANY

OPPORTUNITIES IN GREEN BUILDING & RENEWABLE ENERGY

Hopewell Residential is prioritizing the development of NZR home options for prospective buyers interested in responsible building. New construction offers a significant opportunity to integrate sustainable strategies in building design from the project inception, helping to maximize the financial benefits that come from sustainability savings and avoid the need for the cost and waste in retrofitting. The range of commitment to NZR homes among our buyers is vast, at Hopewell Residential we have established a specification level better than minimum code to not only ensure the design of the home is compatible and functional but also affordably suit any buyers' commitment to sustainability.

At Hopewell Residential all of our single family homes are now third-party rated for energy consumption through the Energuide program. With all home models, we design for natural daylighting by using techniques such as 'light shelving' to allow light to bounce from a reflection and penetrate the deeper parts of the structure to reduce reliance on artificial lighting. We design for cross-ventilation to allow for maximum air flow to penetrate through the building by strategically positioning window openings throughout the home.

Our strategy is to start with the fundamentals and make energy efficiencies affordable for all customers. Our designers are investigating the ability to include renewable energy options in our homes and the build process. We offer a solar ready option that can be selected by our customers, and all homes come standard with triple glazed windows and solar-protection strategies such as low-emissivity glass coatings to protect from heat penetration and strong sunlight. We have a research and development team constructing a trial home with a high velocity heating system in place of a traditional furnace. This group is also exploring solar photovoltaic panels for adaptation to current or future roof designs to offset the grid demand while working towards the NZR target of 2030. The decision to install a renewable energy system is a significant investment by our customers so we want to ensure that we can provide them with the best options to leverage the monetary outlay that will be offset with reduced electricity bills in the long-term and stability in energy costs.



RAW MATERIAL SOURCING

Hopewell Residential looks to select contractors and vendors that conduct their business with a responsible ESG mindset whenever possible.



In 2022 we added sustainability questions to our Vendor Onboarding packages to ensure that the responsibility is top of mind with all our stakeholders.

Raw materials for Hopewell Residential do not only include the materials we use to build our homes. We also operate several show homes and sales centres across the Province of Alberta, which are furnished and decorated spaces. Design trends change over time and we like to be on the forefront of the wants and needs of the marketplace. Often this means buying new furniture, accents and office finishings as our spaces age. Hopewell Residential proudly donates any items that need to be refreshed, but still have a lot of life left in them to Habitat for Humanity and other charitable organizations.

ELECTRONIC WASTE

At Hopewell Residential we focus on minimization of our e-waste, not only to reduce the expense to our stakeholders but also to help conserve resources. This includes responsibly recycling or disposing of end-of-life items. An electronic recycling program exists at our corporate office where employees are encouraged to bring their personal electronics that have reached the end of their life. Our Administration and IT teams coordinate with external companies to reuse or recycle the items responsibly.



Implementing the exclusive use of rechargeable batteries in 2022 is one more way we reduce waste



Social Pillar

Social Pillar

The social aspects of ESG are extensive and constantly shifting, however, the root of any topic is essentially relationships. At Hopewell Residential we have the opportunity and responsibility to contribute to the future of our communities and workplace. The social partnerships we foster with our neighbourhoods and employees can help incite change and encourage progress for us today and future generations. We are building the future of the cities in which we operate, where we live and where we work. Hopewell Residential is fully invested in nurturing healthy and thriving communities that will last for decades to come.

INTERNALLY, THE SOCIAL ASPECTS OF ESG ARE REFLECTED IN TOPICS INCLUDING HUMAN CAPITAL, DIVERSITY & INCLUSION, HEALTH & SAFETY AND MORE.

HUMAN CAPITAL DEVELOPMENT

Key to Hopewell Residential's success is the support and retention of people who are aligned with our culture and engaged in opportunities within the organization. Hopewell Residential's values are clearly and consistently shared at every level of the company; they are the foundation on which we base career development and coaching. Strategic and formalized strategy sessions at the management and executive levels take place on a regular basis, with clearly defined action items and priorities that are shared with staff, allowing everyone to understand the business strategy – in turn, working both independently and collectively towards results. Learning and development opportunities abound at Hopewell Residential, with time and financial support for training courses during business hours to facilitate ongoing learning for team members. Seminars, off-site programs and guest speakers are commonplace, allowing team members to learn, network, develop new skills and provide high-quality work to the company.



2023:

Haskayne School of Business & Hopewell Residential partner on Hopewell Senior Leaders Development Program, focused on innovation, leadership and collaboration.



UNIVERSITY OF CALGARY

Additionally, professional third-party coaching is available to senior levels of management, and certain members of the Executive are members of TEC Canada, which is an organization that brings together like minded C-suite members from various industries to share business insights.



2023:

Launch of Cascade, a company-wide software program that unifies all employee goals under a shared corporate strategy.

DIVERSITY & INCLUSION

A BIPOC-owned company, Hopewell Residential is proud to foster a work environment that encourages and benefits from different perspectives – we believe that diversity drives innovation.

At Hopewell Residential our workforce reflects the diversity of the communities in which we live and work. We have the responsibility to shape a more equitable future for all. By sponsoring equal opportunity hiring and internal promotion through resume blinding we remove bias and create a level playing field for applicants. Leadership training is offered to employees based on merit. Wages are based on salary bands, with employees compensated at mid-range or higher whenever possible, based entirely on experience. Our HR team works in partnership with our legal team to be sure all staff decisions are above-board and nondiscriminatory. At Hopewell Residential we strive for an environment in which all employees feel a sense of belonging and are valued. Each employee is empowered to participate and contribute freely. Our differences make us stronger as a whole and as a company we are committed a culture of integrity and respect.

51%
OF ALL EMPLOYEES
ARE FEMALE



53%
OF STAFF MANAGERS &
HIGHER ARE FEMALE



SURVEY RESPONSE:

In 2023, 99% of employees answered "yes" to recommending Hopewell Residential as a place of employment to others

LABOUR MANAGEMENT

Hopewell Residential implements policies for compliance with laws and regulations that encourage above expectation activities to ensure employees are provided with a fair and safe work environment. Construction site health and safety practices are vital to a safe work environment. All site staff must undergo and maintain extensive training sessions including:

 WHMIS	 Fire extinguisher	 Propane on the work site
 First Aid	 Drug and alcohol awareness	 Legislation awareness
 Confined Space	 Construction Safety Training Systems	 Fall protection training
 Ground Disturbance	 Aerial lift	 Contractor management
 Leadership for Safety Excellence	 Skid steer	 Master hazard assessment review

Each work site completes two safety inspections per month and bi-weekly safety meetings. Hopewell Residential maintains the best possible safety rating with the WCB, going claims free since 2020. Hopewell Residential maintain a continuous knowledge of construction safety activities and best practices through membership in BILD – Building Industry and Land Development Association (Calgary) and CHBA – Canadian home builders association (Edmonton).

HEALTH & SAFETY

The workforce of the future has identified a culture of health as a key factor in career decisions, and investors are increasingly aware that good health and wellness is smart business. Hopewell Residential has responded to this movement by implementing policies and programs to safeguard both the physical and mental health of our workforce. By embracing employee health and well-being as a pivotal strategy, Hopewell Residential aims to create a resilient, agile workforce that's well-positioned for the future.

Employment with Hopewell Residential means a robust and extensive, yet affordable, health care plan. This includes access to employee assistance programs and virtual healthcare for both employees and their eligible dependents. Needs and priorities change and we want to ensure we capturing that with our workforce by sending out employee engagement surveys to measure engagement and satisfaction.



HOPEWELL RESIDENTIAL LISTENS:

80% paramedical coverage was launched in 2022 as a direct response to feedback from a 2021 employee engagement survey

Hopewell Residential recognizes and supports a healthy work/life balance. We encourage flexibility, with employees being entitled to three work from home days per week. Flex days, sick days, bereavement days, Employee Assistance Programs and overtime policies are in place for all employees.

ACCESS TO COMMUNICATION

Establishing open communication through all levels of our Company starts at the top with modelling the action. Both our President and COO send regular updates to all staff which includes business updates, strategic information, corporate news, staff news and more. A bi-annual Town Hall provides the Executive team an opportunity to share strategy and interact with all employees, while the Q&A format of the Town Hall provides staff the ability to ask questions, share feedback and generate ideas. Engagement surveys are sent periodically to understand corporate culture and morale, with clearly defined action items identified and implemented from the results. Hopewell Residential safety officers have a direct line to the President to ensure that they are not being asked by their direct manager to do anything that they are uncomfortable with.

EXTERNALLY, HOPEWELL RESIDENTIAL PRIORITIZES COMMUNITY RELATIONS, CHARITABLE GIVING, AGILITY & INNOVATION AND MORE AS PART OF OUR ESG PLATFORM.

COMMUNITY RELATIONS & CHARITABLE GIVING

Hopewell Residential is a longstanding member of the communities in which it builds. Community Relations is core to Hopewell's ongoing brand, reputation and community support initiatives, and is not only appreciated by staff and community members alike, but is integral to the success of our business.

Ongoing community sponsorships include both financial support and volunteerism, which brings Hopewell Residential to the communities in which we build. As a business, we offer regular free public events as we develop neighbourhood spirit in our communities.

With several Hopewell Residential employees on the Board of Directors of the Mahogany Homeowners Association, we continue to support our flagship community through volunteerism and event participation. Fostering community relations also means financial sponsorships of local organizations including Wellspring Calgary, the Calgary Public Library Foundation, the Fraser Community League in Citadel; Calgary Southwest United Soccer Club, Calgary Buffaloes Hockey Association in Mahogany and Hotchkiss; plus various local sports teams and community programs throughout Calgary and Edmonton. Our community involvement does not stop there – members of our senior management team are fully supported to act as Board or Committee members for organizations that are important to them. Organizations that we support include the Calgary International Film Festival, Making Changes, cSPACE, Canada Powered by Women and more.

Community and home-building referral programs incentivize purchasers to recommend their family and friends to purchase with Hopewell Residential which keeps the momentum of building stronger communities going. In our product catalogue there are home types and prices for all ranges of buyers, from first-time condos/townhomes, to Paired homes, Laned homes and Front Garage homes. We have made a focused effort on meeting the needs of first-time buyers, move-up buyers, downsizers and New Canadians. Everyone can find a home and community with Hopewell Residential.

**CHARITABLE
MATCHING**
OF EMPLOYEES'
PERSONAL DONATIONS

 **GROUP
VOLUNTEER DAYS**





ACCESS TO FINANCE

Staying abreast of the lending climate to ensure our products and options are financially accessible is the focus of our Pricing Committee, which is an internal cross-functional committee that meets weekly. Led by the Market Intelligence team, the Pricing Committee reviews market data, customer data and anecdotal data around pricing and affordability. Changes to process, promotions, pricing and more are made based on this information, allowing Hopewell Residential to be best positioned in the marketplace, while also supporting internal profitability objectives.

We have partnerships with mortgage lenders at all the big banks and dedicated third party mortgage brokers, in several languages, allowing Hopewell Residential to offer best possible rates to purchasers.

Hopewell Residential is aware of lending rates and addresses price pressures as required with lower-priced product when needed; wide selection of options to allow for lower-cost purchases; expansive home model library at a range of sizes and prices; programs to support purchasing a new home.

AGILITY & INNOVATION

By communicating priorities and building a resilient workforce with the right skills, Hopewell Residential is poised to embrace innovation and rapid adaptability in an ever-changing market. Our internal innovation team focuses specifically on scalability, innovation and operational excellence; working with all departments to implement new programs and ideas, improve processes and create scalable efficiencies.

Alongside several internal innovation programs, Hopewell Residential has partnered with Groundbreak Ventures, a Hopewell Group company which invests in Property Technology (PropTech) start-ups. This partnership allows Hopewell Residential to work with PropTech companies at an early stage, with low capital investment. We partner with companies like OpenHouse.ai, that are innovative and support our business, driving towards better scalability, automated operational excellence, automated customer experience support and AI for prospecting and converting leads.

CUSTOMER-FOCUSED AFFORDABILITY

Hopewell home buyers enjoy programs that cater to affordability, including:



Home Buyer Academy



Realtor List for Free program



Mortgage partners and legal fee coverage



Deferred down payment programs



Credit support/advice

and more!

PRIVACY & DATA SECURITY

Protecting our customer and company data from privacy threats, both cyber and traditional, is vital to Hopewell Residential. Our robust privacy policy is available on our website. Additionally, Hopewell Residential has a designated Privacy Officer who monitors and ensures compliance with applicable policies or legislation. The role of the Privacy Officer is also to investigate and act on any privacy concerns or complaints, both internally or externally.

Strong IT practices are imperative to control cyber privacy threats. Hopewell Residential employs an outside consultant to assist in managing the cyber threats to the Company and its data. We are an active participant in the Hopewell Residential Group of Companies CyberSecurity Team that meets regularly to provide a forum for dialogue, design security goals, discuss common strategies to enhance security and work together to educate staff on best practices related to cybersecurity. We have recently had an external security assessment done by a third party service provider, and have worked on implementing the recommendations from this assessment. Employees are kept abreast of changing threats through regular communication from our internal IT resources, and are tested through regular phishing campaigns to ensure awareness of the threats. Additionally, Hopewell Residential maintains a Cyber Insurance policy to ensure that we can act quickly and thoroughly if there is any sort of cyber attack.

There are several policies in place to protect our people, our data and our customers. Employees must stay updated and adhere to these policies communicated through HR:



Employee Confidentiality Agreement



IT Resources & Acceptable Use



Online Social Behaviour & Communication



Employee Personal Information Protection

RESPONSIBLE INVESTMENT

Being a leader in establishing and maintaining relationships in the communities in which we build starts with planning and developing communities intentionally to be walkable, connected and focused on gathering. Greenspace, playgrounds, parks, shopping and other amenities are intentionally located to bring neighbours together. Involving ESG factors into investment decision making considers both the financial return as well as the social and environmental good of each investment. A company's choice on where and how they spend their dollars can bring about social change.

At Hopewell Residential our vision is creating the spaces and places where people love to live. We undertake stakeholder engagement for all planning of new communities. We work intensively with stakeholders to keep them informed while also working with third parties to ensure impartiality and appropriate engagement throughout the process. Our community plans and designs are influenced by stakeholder feedback to balance Hopewell Residential's vision with the social fabric of the surrounding community.

Hopewell Residential encourages housing diversity by providing a variety of residential products to accommodate a range of demographics, lifestyles and income levels. We plan commercial, mixed-use and higher density residential areas in neighbourhood nodes and adjacent to collector road system to maximize access to transit and community amenities. The establishment of multi-modal transportation and active modes network that is efficient and safe, with clear and direct routes to key destination points is central to our design. Access and efficiency in our communities is important when it is in balance with the provision of a variety of open spaces including active and passive parks, and linear pathway connections. Life is about work and play; development spending is done to ensure our communities are home to both.

We can facilitate community gathering through active interfaces with adjacent land uses and provision of amenities with a unique draw. We endeavor to design street networks, public open spaces and regional and local pathways to implement Crime Prevention through Environmental Design principles. At Hopewell Residential we desire to develop a neighbourhood identity in our communities through unified urban design and architectural controls to tie together the range of residential housing types.

HOPEWELL'S THREE-POINT STAKEHOLDER ENGAGEMENT PROCESS



RESIDENTS



COMMUNITY BUSINESSES



CITY OFFICIALS



PRODUCT SAFETY & QUALITY

Ensuring our homes are built and finished with quality and exceed industry safety standards starts with the people who build them. At Hopewell Residential 75% of our Operations Management are Certified Master Builders. This certification is earned through expertise, education, code of conduct; and time in management. Almost 400 hours is required to qualify for Master Builder certification, with ongoing training required annually.

Our goal is to provide the best possible product safely and at the highest quality following industry-leading building practices. Part of this is being a member of the Alberta New Home Warranty Program (“ANHWP”), which Hopewell Residential has been involved with for over 28 years. ANHWP sets minimum guidelines for builders to protect homebuyers; Hopewell Residential has and continues to perform well above the minimum ANHWP guideline standards.

ANHWP and the Professional Home Builders Institute (“PHBI”) created the Moisture Control Technician (MCT) course to proactively address the leading cause of failure in building envelopes: unwanted moisture. The world’s first initiative of its kind, this self-study course, offered through the Southern Alberta Institute of Technology (SAIT), equips home builders with crucial skills for designing, building, and assessing wood frame buildings. Completion of the MCT course will show how dampness can invade a building and empower builders with the knowledge on how to prevent and correct moisture problems in residential construction projects. Warranty Technicians and Site Supervisors at Hopewell Residential are encouraged to take this course, financially supported by Hopewell Residential. 70% of our eligible Construction and Warranty staff team members have completed the MCT course.

Hopewell Residential has a stringent and exhaustive Quality Control (“QC”) process with QC checks completed seven times for each new home build, in addition to detailed Orientation and Possession walkthroughs completed with the homeowner and the Site Supervisor. The goal for every home built is zero deficiencies, and our team works tirelessly with the homeowner to make this happen.

INDUSTRY MEMBER AFFILIATIONS



ALBERTA NEW HOME WARRANTY PROGRAM



ENERGUIDE RATING SYSTEM REGISTERED BUILDER



BILD ALBERTA BUILDER TECHNICAL COMMITTEE



BILD CALGARY REGION BUILDER TECHNICAL COMMITTEE



CHBA EDMONTON REGION



CHBA NATIONAL TRC MANAGEMENT COMMITTEE

Hopewell Residential uses trades and subcontractors as the normal course of business in home building. Each of our trades and partners must adhere to clearly communicated rules and processes, including but not limited to:



National Building Code (“NBC”) and ANHWP guidelines which we call Hopewell Standard



Plumbing, HVAC, Electrical codes, and standards of Canada



Hopewell Residential Quality Controls



City Inspections



Hopewell Residential specific Construction details



Manufacturer installation guidelines

MEMBER SPECIFIC ASSOCIATIONS



Alberta Floor Covering Association of Canada



Mechanical Contractors Association of Alberta



Electrical Contractors Association of Canada



Hopewell

Governance Pillar

21 AVE SW
LACOMBE STREET

Governance Pillar

Strong governance is critical to successful and sustainable business operations. At Hopewell Residential we conduct our business according to the uppermost ethical standards, starting with the composition of our Board and Ownership.

BOARD DIVERSITY

The Board oversees the business operations at Hopewell Residential, including quarterly review of activity, staying informed of industry changes and challenges, approval of strategic initiatives and timely updates on ESG undertakings. The Board has extensive experience in the industry and encompasses both gender and ethnic diversity with 67% of the members holding the ICD.D designation.

The Board is integral in communication and oversight of all governance matters including strategy, financial reporting, internal controls, risk management, and ESG. Hopewell Residential recognizes that risk management is an integral part of sound corporate governance. The Board approved Risk Matrix is an important component to the execution of the company's strategic plan and sustainability. The attention to a risk framework ensures that current and developing risks that could impact the achievement of the company's strategic plan are identified and understood.

OWNERSHIP & CONTROL

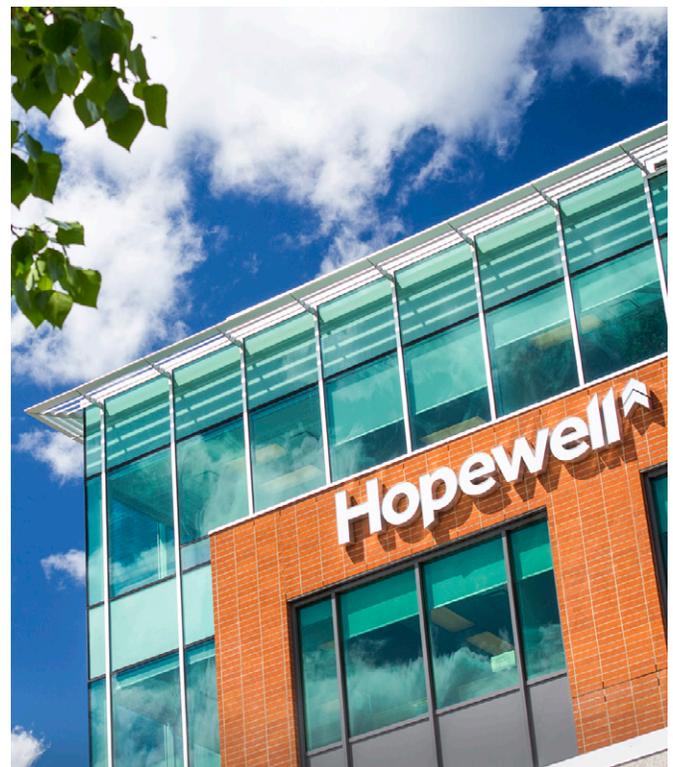
The ownership group prioritizes an environment of inclusion, equity & diversity and ongoing learning, training and development. Hopewell Residential began as an Alberta owned group in 1991. Core ownership has remained the same since this time, however other partners are brought in on a project-by-project basis to allow for growth. In selecting owner-partners, Hopewell Residential reviews the culture and track record of investors to ensure that they share the same ethics and ideology. Ultimate control over Hopewell Residential hasn't changed. The owners themselves are involved in the oversight of Hopewell Residential through Board representation and regular reporting from Management.

In 2017, a number of members of Senior Management of Hopewell Residential were offered to buy-in to a part of Hopewell Residential to allow for a better alignment of interests between Management and Ownership.

**CANADA'S BEST MANAGED
COMPANY WINNER**



Platinum member



COMPANY POLICY

All employees at Hopewell Residential are required to read and agree to standard Company Policies. This process is tracked and maintained by the Human Resources team with the full support of management. Published and accessible policies enable a transparent workplace to encourage both integrity and respect among all team members.

The following are a sample of some of the material policies in place at Hopewell Residential. These policies are updated regularly and housed in a central location within the Company's HR platform.



ACCOUNTING & COMPLIANCE STRUCTURE

Hopewell Residential has a clearly defined organization chart with clear reporting lines. Financial reporting is in compliance with Generally Accepted Accounting Principles and RealPac standards. Internal accounting decisions and policies are discussed and documented within an accounting policy manual that is made available to our Auditors at their request. The accounting team is led by, and is primarily comprised of designated CPAs or CPAs in training. Several accountants have obtained their CPA designation while working for Hopewell Residential. Hopewell Residential is a CPA training office and in 2023 was authorized as a pre-approved program provider. This means that CPA students in training and employed by Hopewell Residential will have significantly less reporting requirements for experience verification than if they worked at other organizations.

Transparency of decision making and financial reporting are a cornerstone of good governance as evidenced by external reviews performed by a Big 4 accounting firm. This accounting firm has direct access and reporting to the Board of Directors.

Hopewell Residential has a dedicated Manager of Internal Controls who maintains a listing of internal controls over financial reporting and other key processes. This list is continuously reviewed, approved and presented to our Board to ensure that controls are sufficiently designed to mitigate risks. Hopewell Residential also has internal Legal Counsel who monitors and ensures compliance with applicable laws and regulations.

BUSINESS ETHICS

Conducting business ethically and responsibly is core to our operations and our business partnerships. We have established a Code of Conduct to ensure that as a Company, at all levels, we are committed to a culture of accountability, thoughtfulness, collaboration, efficiency, honesty, integrity and respect. All of our employees and Directors acknowledge and are held accountable to this policy. Our Code of Conduct reinforces some of the material policies in place at Hopewell Residential and also includes anti-bribery, corruption and whistleblower policies.

FINANCIAL SYSTEM INSTABILITY

Hopewell Residential works exclusively with top tier financial institutions. We maintain close relationships with these institutions, including senior team members, and communicate with them regularly to ensure that we keep on top of banking trends. To combat the risk of instability in concentrated markets, Hopewell Residential deliberately diversifies banking relationships with a mix of local/regional, national and global financial institutions. This gives the best chance of availability of capital when there are levels of instability in the financial system.

Hopewell[®]

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