

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE (ESG)
INSIGHTS**

2021

**Helping
people
live
better**

EXTENDICARE INC.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INSIGHTS

Caring for Today, Growing for Tomorrow

Introduction

In keeping with our mission to help people live better, Extendicare is pleased to share our inaugural Environmental, Social and Governance (ESG) Insights.

Like everything we do, our approach is focused on people. Driven by our ongoing commitment to improve our own care programs and the sector in which we operate, our primary goal is to provide exceptional care for all those we serve in long-term care and home care communities today, while building capacity to serve the growing needs of those who will need our care tomorrow.

Our mission to help people live better is led from the very top of the organization, with the clinical expertise and health sector experience of our CEO, Chief Medical Officer, senior leadership and Board of Directors, through to the dedicated, passionate teams that deliver frontline care.

Being of service to residents and their families and fostering a community where they can thrive is at the core of our values. As a leader in seniors' care in Canada, we recognize that we have a great responsibility – and privilege – to create a place where residents are safe, cared for, and feel they belong. We are continuously working to increase our social impact both in the very personal moments with an individual in our care, and in our efforts to improve systems, processes and programs that will create positive change year over year – and for generations of Canadians to come.

This year's ESG Insights, which marks the beginning of Extendicare's annual ESG disclosure, is overseen by the Board's Governance and Sustainability Committee, with ongoing support and engagement from the rest of the Board and management. Our ESG Insights reflect the commitment of our Executive Leadership Team to deliver care at the highest level, across the company. While this is our first opportunity to explicitly detail our ESG initiatives to date, we have a long tradition of advancing ESG strategies to improve the communities where we live and work.

Our Care

Committed to Improving Care, Every Day

The COVID-19 pandemic – which continues at the time of this report – exposed systemic societal issues, including chronic weaknesses in our health-care system and significant challenges that have burdened the long-term care sector in particular for decades. Tragically, the pandemic has halted or reversed progress in public health and shortened life expectancy in many countries ([un.org](https://www.un.org/)).

At Extendicare, we are embracing this opportunity to lead change in the sector, applying both our clinical expertise and experiences from the pandemic to build a better future for seniors' care.

In 2021, we launched [Improving Care](#), our national, multi-year plan to improve the care we provide.

The plan consists of five pillars with a focus on quality enhancement and enhancing team members' skills to:

1. Improve the quality of life for those we care for;
2. Support the success of our team;
3. Engage residents and families as partners in care and organizational change;
4. Replace or upgrade older long-term care homes; and

5. Increase transparency and accountability.

We have committed to providing regular updates that communicate our progress.

Evolving Our Practices

Our organization-wide commitment to enhance the quality of care we provide across every home we operate and the care we deliver to our home health care clients means we are always seeking new ways to evolve our practices.

Key highlights:

- In 2020, we hired our first Chief Medical Officer, Dr. Matthew Morgan, to develop clinical strategies and coordinate their implementation organization-wide. Dr. Morgan has extensive experience as a health systems leader with a strong background in performance management, quality improvement and digital health.
- We greatly expanded our team of quality, infection prevention and control, resident safety and resident-experience experts, providing support across the organization. Our newest team members have advanced graduate degrees and experience in acute care, rehabilitation medicine, community care and system planning.
- As part of our commitment to continuous improvement, Extendicare voluntarily participates in Accreditation Canada's national standards program, to assess our services and help us improve our quality, safety, effectiveness, and experience for residents and families. We successfully completed a review of Extendicare's long-term care homes across Canada in 2021, achieving Accreditation with Commendation. ParaMed will complete a similar accreditation survey this year.

Our objective is to make continuous improvements in the experience and satisfaction of residents, home health care clients, and their families in alignment with the UN Sustainable Development Goal #3 – *To Ensure Healthy Lives and Promote Well-Being for All at All Ages*. We do this by improving the overall experience for residents and supporting their physical, psychological, emotional, and social needs. We recognize seniors as active agents of societal development and value their contributions. Doing so – and helping others to do so – will help us achieve transformative, inclusive, and sustainable development outcomes.

Health Care Expertise Serves as our Foundation

Our mission to deliver quality care starts with the senior leadership of the organization. Members of our Board and senior management team bring deep experience as leaders from health care organizations in the life sciences, nursing, medicine, and pharmaceutical sectors, which has been and will continue to be instrumental in developing a clear vision for the organization, including:

- Dr. Michael Guerriere, President and CEO of Extendicare since 2018, brings nearly three decades of expertise in medicine and health care operations and technology to his role. A physician with specialty training in internal medicine, he has 10 years of hospital operations experience, including as Executive Vice President and Chief Operating Officer at the University Health Network. He also serves as Chair of the Healthcare and Life Sciences Advisory Board at the Rotman School of Management, University of Toronto. He is an Adjunct Faculty member at the Institute of Health Policy, Measurement & Evaluation, Faculty of Medicine, University of Toronto.
- Board Chair Alan Torrie has led many healthcare organizations during his career, including as President and CEO of Morneau Shepell Inc. (a predecessor of LifeWorks Inc.), COO of Retirement Residences REIT (a predecessor of Revera Inc.), President of Medical Diagnostic Laboratories (MDS), and President and CEO of Joseph Brant Hospital. He also served as Chair of the Board of Trillium Health Partners and currently chairs Green Shield Canada.
- Board Director Norma Beauchamp has twenty-five years' experience as a senior executive in the pharmaceutical industry. She served as CEO of Cystic Fibrosis Canada and also sits on the boards of

Ontario Caregivers Organization and ALS Canada.

- Board Director Donna Kingelin is a Registered Nurse and former Chief Operating Officer of Revera. She chaired the Board of Lakeridge Health and currently sits on the Board of Pallium Canada, a national, non-profit organization that aims to improve the quality and accessibility of palliative care in Canada.

Collaboration and Innovation

Our commitment to continuous improvement across the health care system calls on us to deliver value and contribute to innovative concepts, beyond our own operations and services. By working in collaboration with health system partners, we can achieve results faster and implement new solutions that will benefit Canadians. Extendicare works with the acute care sector and various public bodies to innovate and close care gaps.

Extendicare recently joined a McMaster University research consortium, sharing our long-term care data with researchers exploring clinical and health systems questions. Results from these studies will provide valuable insight on how best to manage the impact of an aging population on Canada's need for a range of supports and residential options, including home care, retirement and assisted living homes, and long-term care/nursing homes. These studies aim to elicit preferences for eldercare and residential options and how these preferences may have shifted because of the pandemic. These results will be critical to Extendicare and the entire seniors' care sector as we assess how to optimize infrastructure and human capital planning. We believe strongly in transparency and enabling access to information for research today that will improve the lives of Canadians tomorrow.

Building Partnerships across the Health System

Partnerships are essential to bridging care gaps and leading innovation in the health sector. In the past year we have established several partnership opportunities with like-minded organizations in the public sector as well as health care associations and hospitals, including:

- In May 2021, Extendicare partnered with The Ottawa Hospital to deliver collaborative care outside of hospital at our West End Villa transitional care unit. The unit's 55 beds are offered to alternate level of care (ALC) patients who no longer require acute-level hospital care. By working together, Extendicare and The Ottawa Hospital are better able to meet the diverse health care needs of the Ottawa community, while also alleviating hospital capacity pressures. Clinical staff from the hospital provide extra care beyond what would be available in a standard long-term care home. All of the residents at West End Villa benefit from having access to the hospital's academic family health team.
- Throughout 2021 and into 2022 as Omicron surged, ParaMed collaborated with Waterloo Region Public Health to operate a mobile COVID-19 vaccination clinic, offering vaccine doses to thousands of home-bound patients and 1,500 educators prior to the return of in-person learning in schools. Our dedicated ParaMed nurses travelled through the region enabling critical access to vaccines at early stages of both the second and third dose provincial roll-out initiatives.

We also work closely with government, public service, and sector partners in all regions where we operate:

- We support Extendicare Bayview resident Devora Greenspon's advocacy work as a member of the Technical Committee on national long-term care standards and Extendicare Brampton resident Murray Woodcock as a Board Member of the Ontario Association of Residents' Councils, benefitting residents across Ontario and Canada.
- Extendicare hosted five consultation workshops to help inform the development of National Long-Term Care Standards, and several subject matter experts across our engineering, clinical and quality teams participated in federal sessions to share firsthand learnings and help inform policy development.
- In January 2021, prior to the implementation of COVID-19 rapid testing across health care settings and communities, Extendicare conducted a rapid testing pilot initiative within several of our Ontario long-term care homes. We pioneered the use of rapid testing in long-term care homes in the province

and shared findings with government to help inform policy development early in the health system's testing policy journey.

- In July 2021, we coordinated with a community health partner, a hospital, a regional health body and the Alzheimer Society of Canada to submit a proposal to create a dedicated unit in one of our homes to provide specialized services to residents with complex behaviours.

Prioritizing Team Growth and Workforce Development

Ensuring our team members are well-equipped with the tools they need is a significant focus of our ESG initiatives and a key pillar of our Improving Care plan. This includes training and development to build the leadership and technical skills needed to serve residents.

Highlights of our work in this area include:

- The Leadership Academy is a comprehensive development program that provides leaders with the opportunity to build critical operational, clinical and leadership skills. The Academy delivers learning in various formats and equips leaders with skills to effectively lead their teams and increase care excellence.
- We hosted approximately 400 leaders from across the organization at our virtual National Conference. The theme of the conference in 2021 was *Leading Change*, providing support to leaders across divisions as we collaborate on a journey of organizational change and health sector transformation. In addition to receiving training on specific leadership expectations and learning about key corporate initiatives, participants were able to connect with colleagues and build skills and knowledge as change leaders.
- Over the last year, Extendicare:
 - Organized the National Leaders Orientation quarterly for new long-term care administrators, executive directors, directors of care and new head office team members.
 - Provided clinical training to 1,700 students, between ParaMed and long-term care, helping to educate a new generation of care providers.
 - Organized dedicated forums to share best practices across Resident Care and ParaMed, leveraging our national scale for the exchange of success stories across demographic regions.
 - Focused on a range of recruitment initiatives to build employment skills, including relationships with colleges, the Ontario government, the YWCA, the Centre for Skills, and the Newcomer Job Centre.
- To support and improve the care we provide we launched a number of new team training initiatives, including:
 - A regional advanced practice nursing education and practice model for skin and wound care, ostomy and continence, piloted first in Ontario and then rolled out across our network.
 - A gold standard palliative care education program, to train all clinical team members and supporting physicians in a holistic approach to end-of-life care, in partnership with Pallium, the national leader in palliative care training.

Engaging Residents, Families and Teams

Working in partnership with our primary stakeholders strengthens our efforts to serve residents, their families, and team members. We make a considerable effort to actively engage their feedback on a regular basis, provide channels for open dialogue and to share ongoing progress through surveys, regular updates, and face-to-face meetings.

- Our annual long-term care satisfaction survey provides an opportunity for residents and families to

make their voices heard and provide input on where they think we can make improvements. This year, we heard from more than 6,000 residents and family members, and their valuable perspectives will continue to guide and improve our day-to-day operations.

- In 2021, we launched a dedicated Partners-in-Care email inbox to invite suggestions from team members, residents, and families on changes we can advance now and into the future.
- All families and team members connected to our long-term care homes receive monthly letters directly from the CEO, including updates on recent initiatives and information about upcoming activities.
- At the regional level, we host monthly meetings via the Resident Experience Action Council for Homes, which provides an opportunity for residents, families and team members to share their concerns, challenges and develop solutions collaboratively.
- At a home level, we engage residents, families and team members in a variety of ways, including via the Family Council, the Residents' Council, virtual townhall meetings, in-person family meetings and monthly email updates.

Our People

Our dedicated team is the foundation of Extendicare's ability to provide high-quality care to residents and patients. We take a multi-pronged approach to supporting teams at all levels to prioritize safety and wellness, build workplace culture, and create a strong and diverse leadership team.

Prioritizing Safety, Wellness and Support for Our Team Members

Protecting the physical and mental health and safety of our team members has always been a priority and taking extra measures including introducing new and additional supports for our teams, was a critical focus during the pandemic.

Our teams across Extendicare continue to work courageously on the front lines and demonstrate their resiliency, compassion, and dedication to care on a daily basis. In response to the additional challenging demands as a result of the pandemic on our team members and their families, we expanded our employee services to meet their needs.

Additional supports provided to team members and their families included:

- Recruiting a Director of Health, Safety & Wellness to focus specifically on health and safety protocols for staff during the pandemic.
- Offering unlimited paid time off for any team member who was required to quarantine or self isolate following COVID exposure. For staff who felt more comfortable staying in hotels during the pandemic in order to protect their families, we covered the full cost of accommodations to support individual and family needs.
- Leveraging our Employee and Family Assistance program to support our team members and their families 24/7. This program helped to support our team members and their families who needed additional support, whether it was in emotional well-being, managing relationships and family situations, dealing with workplace challenges, financial guidance, or other needs.
- Providing employees with a new wellness app called LifeWorks with easy-to-access education, well-being programs and resources to support their physical and mental health.
- Sponsoring educational and counselling sessions to support our team members in managing mental health through the pandemic.

Leading Our Sector with Mandatory Vaccinations

In August 2021, we partnered with the largest seniors' care operators in Canada to implement a national [mandatory vaccination policy](#) for all team members working in our long-term care homes, home care and

retirement homes.

We supported our team by offering paid time off for all team members to get vaccinated, including reimbursement for travel expenses that may have been incurred to get to a clinic. Our extensive national education campaign to educate and encourage vaccination for staff was offered in more than 20 languages and helped us to achieve a 100% vaccination rate among our team members currently working across all retirement homes, long-term care and ParaMed teams. We are grateful for their commitment to help protect themselves, their peers, their families and the clients we care for.

Recognizing and Rewarding Exemplary Work on Our Teams

In spring 2021, we introduced the national Care Champion Program to celebrate and recognize the hard work, dedication, and passion of our incredible team across all divisions of the organization, who help improve care every day.

All Care Champions are nominated by fellow team members, residents, patients, and families for going above and beyond in their work. Since the program's inception, 30 Care Champions have been recognized with a suite of prizes and an online profile outlining their exemplary service.

Building a Strong Work Force for the Future

At Extendicare, we work continuously to support our team members and foster their development, learning and career advancement.

Extendicare works hard to ensure and maintain positive, strong and collaborative relationships with the various unions that represent our team members across the country. Nearly 15,000 of our more than 20,000 team members are unionized, including almost 95% of all long-term care team members. We recognize and respect our team members' right to union representation.

Scholarship Programs

Every year, we invest in scholarships for children of Extendicare employees.

- In 2021, we awarded 18 scholarships of \$2,000 each to children of full-time or part-time team members from across our organization (ParaMed, Extendicare LTC, Esprit and SGP).
- Our scholarship program includes the Livergant Scholarship, notably named after Extendicare Canada's founder who dedicated his life to improving the Canadian health care system with a focus on long-term care. This scholarship program – initiated in his honour – is awarded to the children of Extendicare team members who are pursuing careers in health care.
- Extendicare provides financial awards for health sciences students, including the Extendicare Nursing Award and the ParaMed PSW Award at George Brown College, the Extendicare Masters Scholarship in Gerontology and the Extendicare Nurse Practitioner Scholarship through the Canadian Nurses Foundation.

Establishing a Strong and Diverse Leadership Team

Effective leadership starts at the top and we recognize the value of diversity in our organization. We are committed to ensuring the highest standards for our organization through a strong governance framework and leadership at our board and executive level. This includes ensuring that our board and executive team represent the diversity of our teams, patients and the communities we serve.

We are proud to be recognized within the Globe and Mail's top 500 Canadian companies, through the 2022 Women Lead Here list, for representation of women in leadership roles. We earned this award in part due to our robust diversity policy, which is reviewed annually by our Governance and Sustainability Committee and seeks to promote diversity throughout our board, executive and management ranks.

We pursue gender balance throughout all our teams, including the leadership teams. Currently, women

represent:

- 33% of Extendicare’s Board Directors; and
- 43% of executives and vice-presidents.

In total, nearly 70% of leadership positions across Extendicare are held by women.

Ensuring Ethical Leadership and Strong Corporate Governance

Building a better future for seniors’ care demands that we also continuously seek to strengthen the management framework for our internal operations.

Our Extendicare Board is composed of nine directors, eight of whom are independent, including the Chairman of the Board. Our Code of Business Conduct guides ethical operations across our organization by providing rigorous policies that address:

- Conflicts of interest
- Privacy and Confidentiality
- Workplace Harassment and Discrimination
- Fair dealing
- Compliance with laws, rules and regulations

Increasing Accountability Through Our Whistleblower Program

Our Whistleblower Policy and program is another way that we are increasing accountability across our homes and communities as part of our Improving Care plan. This anonymous and confidential program provides a channel for team members, residents, clients, families, and other community stakeholders to share concerns with us regarding:

- Potential violations of any company policies or laws and regulations
- Health and safety and resident/client/patient care
- Accounting, internal controls or audit matters
- Potential violations of our Code of Business Conduct

The program is managed through an independent service provider, overseen by our Legal Department and managed by Human Resources. We are committed to investigating every concern brought to our attention about wrongdoing responsibly, openly, and professionally.

Fostering a Robust Risk Management Approach

Our Board of Directors plays an important role in overseeing an enterprise-wide approach to risk management. The Board’s focus on effective risk oversight is critical to setting the tone and promoting a culture of effective risk management through strategy setting, formulating high-level objectives, and approving broad-based resource allocations focused on risk mitigation.

We leverage both a top-down and bottom-up approach to assess risk across the organization. The top-down risk identification and assessment supports a formalized, ongoing understanding of the enterprise risk profile, while the bottom-up approach produces the operational and corporate risk profile.

Our Communities

Giving Back to Our Communities

In the early days of the pandemic, when COVID-19 began to make its unprecedented impacts on the health care system, Extencicare co-founded the Canadian Alliance to Protect and Equip Seniors Living (CAPES), to procure sufficient personal protective equipment (PPE) for the senior living sector nation-wide. During the first wave, when local supplies of PPE were inadequate or not appropriately accessible, CAPES procured and distributed more than 15 million pieces of PPE, mobilizing an online supply hub to connect nearly 200 smaller retirement and long-term care home operators across Canada with critical safety supplies that would later become entrenched within pandemic response.

Inspired by the dedication and extraordinary efforts of team members in Canada's seniors' living sector, Extencicare also helped to establish the Senior Living CaRES Fund, together with Chartwell Retirement Residences, Revera Inc. and Sienna Senior Living.

- The CaRES Fund provides one-time financial grants of up to \$10,000 to eligible employees of long-term care and retirement operators in Canada facing challenging financial circumstances amid the COVID-19 crisis.
- As of January 2022, more than 872 frontline staff in the sector have received funds totaling more than \$2.9 million in emergency financial assistance since contributions first began in May 2020.
- The CaRES Fund is open to all operators, sector partners and the community to join in expanding the legacy and resources that will continue to recognize the dedication of employees in the sector for years to come.

In addition to the CaRES Fund, Extencicare continues to support initiatives that share in our mission and vision of improving seniors' care in Canada.

- Since 2013, Extencicare has been a proud partner of the Alzheimer Society of Canada (ASC) and we have hosted fundraising events that raised almost \$1 million in support of their important work.
- Over the past three years, we have donated more than \$150,000 to the Research Institute for Aging (RIA). These funds have helped to support RIA's work in developing and sharing resources, services, education, and training to support enhanced quality of life and care for older adults, while enabling research to be applied in real-time in real-life settings.

Modernizing Care Environments Today and into the Future

Each of us can help improve the environment for the residents we have the privilege of serving today and the growing number of seniors who will need care tomorrow.

To help create a sustainable future, we recognize enhancements to care must be anchored by ongoing investment in the places residents call home and our foundational systems that support our teams' work.

We are proactively upgrading or enhancing all homes, regardless of age, to ensure that IT capacity does not stand in the way of connections with loved ones. We are actively working to upgrade Wi-Fi at every home in our network. Existing buildings are receiving upgrades to improve air conditioning and new furniture that can be easily wiped down and sanitized to better support infection prevention and control.

Across Extencicare, we are doing our part to increase the use of technology and digital solutions to limit paper waste. Our IT roadmap prioritizes initiatives that digitize administrative requirements, reduce paper use, and minimize administrative work for frontline workers, allowing them more time for care. Efficient, online systems replace time-consuming, manual forms, and new tools designed to improve communications with every one of our more than 20,000 team members will ensure they have access to information and support resources in real-time.

Building Environmentally Sustainable Communities for the Future

We are committed to replacing or redeveloping all older long-term care homes in our network. Starting with three projects underway today in Ontario, we have committed over \$400 million to construct new homes to modern design and sustainability standards.

We have been awarded new and replacement beds for 14 redevelopment projects from the Government of Ontario to replace older homes, and replace them with new, state-of-the-art designs, including the three redevelopment projects currently under construction.

We will continue to advance development across our network, modernizing current homes and adding capacity to strengthen the system for the future. The recent announcement of our partnership with Axiom Infrastructure will also help us in achieving this goal. Axiom is a Canadian investment firm with an enduring commitment to long-term care. Working together, we will expand our current redevelopment plans in even more communities across the country.

In parallel, we are investing in energy-efficient retrofits to existing homes, including replacing lighting with LED fixtures and installing high-efficiency boilers.

In addition to the above, through our redevelopment program our new buildings are designed to include the following energy- saving initiatives:

- Low flow toilets
- Heat recovery (HRU) mechanical units
- Ozone friendly refrigeration units and air conditioners
- High insulation values in walls and roofs
- Energy monitoring
- Occupancy sensors for lighting in service rooms and areas

Our new builds underway today in Stittsville, Kingston and Sudbury, ON, also include low-flow plumbing fixtures throughout for water conservation, operable windows in all resident areas to provide natural ventilation and light, variable air flow systems in all non-resident areas for energy conservation, and on-site bike parking. These design initiatives are a standard part of our new building program that will be used in all future projects.

Looking Ahead

We are very proud to share our first ESG Insights with you. Our commitment to Extendicare's ESG journey is a priority for the Board and senior leadership team and is an integral part of our entire organization. Our dedication to serve residents and patients at the highest-level demonstrates our readiness to deliver continuous improvement for residents, patients, our community and the environment. We look forward to sharing more details on our progress in this regard next year.