

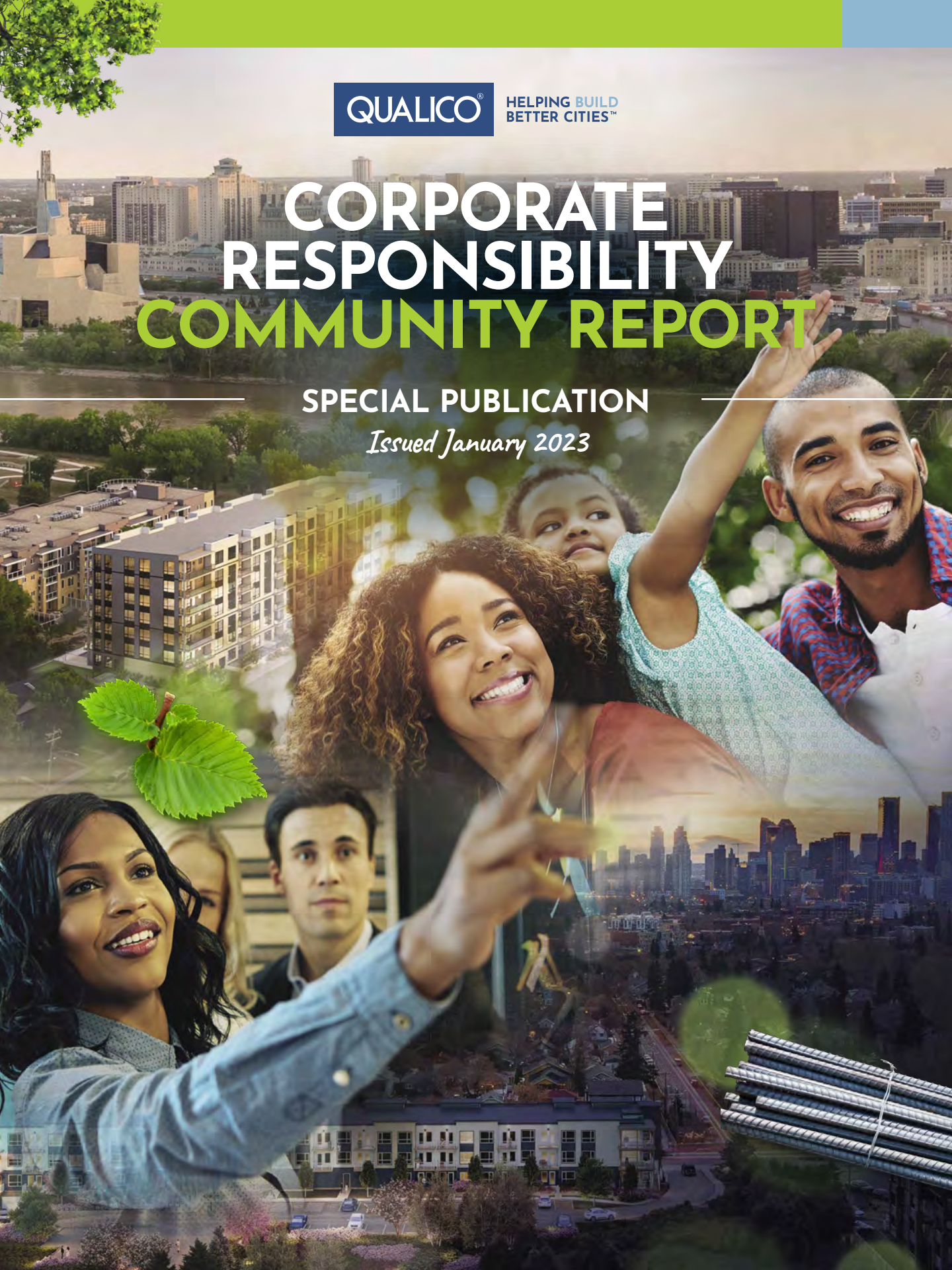
QUALICO®

HELPING BUILD
BETTER CITIES™

CORPORATE RESPONSIBILITY COMMUNITY REPORT

SPECIAL PUBLICATION

Issued January 2023





MESSAGE FROM THE PRESIDENT & CEO

I'm a proud third-generation leader, husband and father of three daughters. I'm passionate about leaving a lasting legacy, not only for my own children, but for all future world-changers in our midst. I care deeply about fostering a strong culture of employee engagement, and the core of my business philosophy relies on balancing positive outcomes for people, profit and the planet.

A city that is growing and thriving can only mean good things for all of us. We have a vested interest in the big picture—there's nothing simple about this—corporate responsibility is an ongoing commitment that we have in each of the cities we do business in. As business leaders, our desire is to earn your confidence regarding environmental and social action, whether you're an employee, a business partner, a customer, or a community member.

At a human level, we're focused on the legacy of our planet, and building an inclusive and healthy community. At a business level, we're invested in the viability of our industry, including raw building materials and land management, having a talent base that reflects and serves the needs of our customers, and delivering a profitable product that meets the housing demands in our markets.

At Qualico, our commitment is to do what we do best—design and build neighbourhoods that tirelessly consider what better cities can and should look like, now and into the future.

FLEXIBLE FOCUS AREAS ACROSS OUR PORTFOLIO



SVP, Qualico Properties
Mike Saunders

Our portfolio sees the highest volume of community members, across all regions that experience our products and services, compared to other verticals at Qualico. I want us to lead by example as community builders and stewards of energy resources as we manage over 3.5 million sq. ft. of space and influence the future build-outs and improvements of properties.



RVP, Manitoba & Saskatchewan
David Eggerman

Our region has the largest footprint of integrated companies, which creates an opportunity to optimize waste reduction throughout the construction process. We're ready to scale up our proven success and set a new benchmark for waste reduction as a cornerstone of how we build sustainably.



RVP, Northern Alberta
Shane Erickson

When I look at the 30,000-ft. view of the influence and potential we have in our market, I'm confident we will epitomize what it means to build better, that is founded on operational change—not simply a catchy news headline. It's time we deliver on what we're responsible to do and deliver it better.

WHO IS ACCOUNTABLE

*to ensure Qualico delivers
on its CR journey?*

Qualico's business is organized in such a way that the leadership of the regions and each of their respective business units within them get to own and drive their success. There are dedicated roles in Qualico's corporate office to champion CR; however, the expertise and know-how of where and how our day-to-day operations can benefit people, profit of the business, and the planet resides in each and every employee.



**RVP, Southern
Alberta**
Claudio Palumbo

The future for our region is about innovation and sustainability, which means relying on the talent of our employees who have been through a challenging economic cycle. In Calgary, we don't stop at good enough—and at the heart of that is utilizing our diverse workforce to achieve our objectives.



**RVP, British
Columbia**
Gary Mertens

The Lower Mainland has witnessed the significant impacts of climate change. We're committed to complying with some of the highest legislative municipal development requirements in the country, and balancing the need for housing against the needs of sustainable resource management and natural habitats.



**RVP, US
Texas**
LaNelle Deardorf

As one of the top 100 homebuilders in the US, we have the opportunity to lead by example. The labour shortage has been a real challenge and in Texas we are doing something about it. We're actively starting and strengthening relationships with education institutions to build a pipeline of skilled talent entering our markets.

WE BELIEVE IN THE POWER OF PARTNERSHIP.



Our aim is to support organizations within our communities that are subject matter experts.

We balance our CR efforts across our impact areas and embed them in business actions organized into philanthropy, developing current and future talent and operational innovation.



PHILANTHROPY



**DEVELOPING
CURRENT AND
FUTURE TALENT**



**OPERATIONAL
INNOVATION**

QUALICO IMPACT AREAS



**END THE CYCLE
OF POVERTY**

We support organizations that are working to help people at each point of the poverty cycle and provide support to provide wellness services, food, shelter and safety.



**GENDER
EQUALITY**

We aim to support women personally to build a sense of community, independence and safety, as well as professionally supporting the growth and leadership and advancement of women in sectors of our industry.



**BUILDING
SUSTAINABLY**

We make a combined effort of operational impacts and community support to collaboratively work towards improving how our cities are designed, built and lived in, sustainably.



**LIFELONG
EDUCATION**

We understand that equal access to education should be encouraged and made accessible throughout a person's life. We support organizations that provide inclusive personal and professional development.



**HEALTHY
LIVES**

We support organizations that deliver progressive and accessible programming on what it means to have good physical and emotional health and well-being.



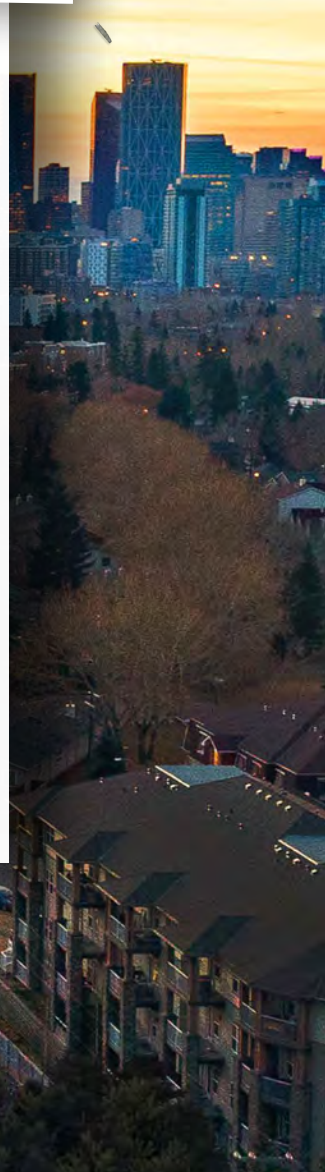
THREE GENERATIONS OF CONNECTIONS TO OUR IMPACT AREAS

Qualico's founders personally experienced homelessness, poverty and starvation as their families escaped persecution in Russia to start a new life in Canada. As a result, for over 70 years, the family has been dedicated to the safety and health and shelter of families. This underscores the commitment to impact areas of *healthy lives* and *ending the cycle of poverty*.

Qualico is a company that was founded as a wife and husband team who built the company side-by-side. Qualico's current President & CEO is a proud father of three daughters and is committed to the impact area of *gender equality* to ensure the opportunities for accessing education, leadership training, professional advancement, and the pay and compensation for women, are equal to that of men.

Katherine Friesen started her career as a teacher, and our founder, David Friesen, received his Ph.D. in his 60s. For three generations, the culture at Qualico has embodied a commitment to lifelong learning. The impact area of *lifelong education* ensures education is accessible within the community, both for personal and professional development.

With a commitment to continue to build Qualico's legacy as a builder of better cities, it is imperative that Qualico have a long-term vision and immediate operational strategies that recognize the impact area of *building sustainably*.



IMPACT AREAS

Philanthropic and Operational Highlights



ENDING THE CYCLE OF POVERTY

Qualico is taking steps towards Truth and Reconciliation Call to Action #92 to ensure that Indigenous peoples have equitable access to respond to tenders and apply for direct/indirect employment in the private business sector.

Qualico is building employment relationships with newcomer-serving organizations across Western Canada. Successful traction in recruitment referral programs in Star Building Materials in Calgary builds both community amongst employees and a reliable workforce.

Qualico donated \$4 million in the past 10 years towards areas connected to the root causes of those experiencing homelessness, including addictions and substance abuse, transitional services, and mental health.

Since 2017, 6,000 hours of volunteering have been provided by Qualico employees across 25 Habitat for Humanity team builds.

BUILDING SUSTAINABLY

Qualico has a building sustainably operational strategy focused on residential construction with both upstream and downstream operational enhancements to improve construction best practices and reduce resource/landfill waste. A dedicated corporate role was introduced in 2022 for residential construction innovation and development.

Sustainable procurement for Star Building Materials in Winnipeg and Calgary sources 95% of lumber from FSC or SFI certified mills. The SFI-certified mills that provide 98% of Winnipeg's lumber adopt the newest certification requirements, which include supporting the restoration of forests following wildfire damage and expanded at-risk species assessments.

With a partnership dating back nearly 20 years with the Nature Conservancy of Canada, Qualico's support allows for innovation in land stewardship for natural prairie restoration, agriculture watering systems, migratory shorebird research and other urgent conservation related to rapid biodiversity loss and climate change.

Qualico has provided sponsorship, design and procurement support for Habitat for Humanity Manitoba's first-ever net-zero project. The solar-powered fourplex housing unit boasts the very best in energy-efficient technology, including superior insulation levels and building seal.



GENDER EQUALITY

HEALTHY LIVES

LIFELONG EDUCATION

Qualico delivers leadership sessions focused on unconscious bias hiring and mentorship practices, and how to implement the best practices for advancing women in the workplace, including the metrics required to ensure accountability.

In 2022, 93% of Qualico employees in Texas became first aid certified as part of a commitment to healthy lives within Qualico's Corporate Responsibility program.

Over five years, Qualico's sales and marketing professionals have logged over 6,000 hours of exclusively procured professional development opportunities as it relates to the real estate market, hitting sales targets and increasing customer satisfaction.

Quarterly dashboards report to leadership on gender breakdowns across operations. Over 40% of the senior manager level positions in Qualico are held by women.

In two years, 240+ employees or one of their dependents or family members accessed counselling support through the provided Employee and Family Assistance Program (EFAP), of which Qualico pays 100% of the coverage premium.

Within the 2022 programming year, one in every four employees attended a live virtual education event related to inclusion, diversity or mental health.

For over 15 years, Habitat for Humanity Manitoba's Women Build has grown and received support from women at Qualico. With fundraising campaigns spearheaded by Ruth Hastings, along with annual fundraising events with Qualico volunteers, over \$110,000 has been donated to this program, which has helped nearly 20 homes get built for single moms.

Since 2018, Qualico's support of the Kids with Cancer Society Edmonton has provided over 400 nights of accommodation for families with children receiving cancer treatment. A flagship facility, Papa Ken's House was built on land donated by Qualico and its construction was funded through donations from Qualico and a trusted network of suppliers and trades.

Understanding that it takes a well-nourished mind to absorb and learn new skills, over the past decade, Qualico volunteers have prepared food or contributed funds to feed an estimated 158,600 lunches to school-aged children in Alberta.

Over five years of support to Big Brothers Big Sisters Calgary, Qualico spearheaded fundraising campaigns totaling over \$350,000 that ensured at-risk youth in Calgary received programming and mentorship that helped them develop confidence, a sense of belonging and emotional well-being.

With BC's Lower Mainland being one of the fastest growing areas in Canada, Qualico has donated \$1 million to the expansion of regional hospital operating rooms, emergency departments and an MRI suite.

Qualico donated \$500,000 towards Ka Ni Kanichihk's facility expansion that will deliver opportunities for single parents to earn post-secondary education while their children receive early childhood education, all within the same facility with wrap-around community supports.

Our philanthropic roots reach over *70 years deep*.

Qualico has donated time, materials and money from the beginning, and we've increased our philanthropic efforts proportionately as our company has grown. Over the past 15 years alone, Qualico has donated over **\$30 MILLION** to benefit local communities.

Over 7,000 hours volunteered since 2016 for company-organized and self-directed days with employees.

QUALICO
VOLUNTEER DAY



Acts of Kindness **QUALICO**

Qualico's Acts of Kindness program is an opportunity for every employee to champion a cause to receive a \$1,000 donation from the company. A truly employee-driven program, every application for funding is reviewed and evaluated by a group of fellow employees.



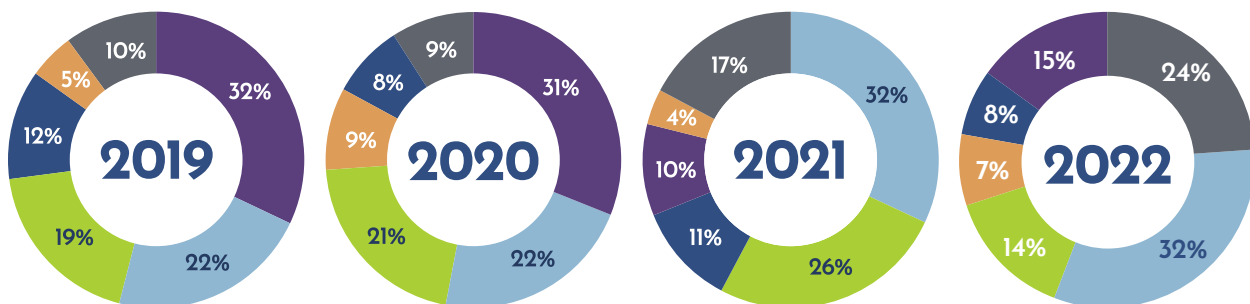
SINCE 2016, QUALICO'S ACTS OF KINDNESS PROGRAM HAS DONATED OVER

\$375,000

TO CHARITIES AND NON-PROFITS IN OUR COMMUNITIES

Each year since 2007, Qualico has donated back a minimum of **\$1 MILLION** to the communities that it's part of.

Here is a look at the allocation of donation funds over the past years:



Qualico's corporate responsibility philosophy spills into all aspects of operations. As a result, the responsibility spreads across the full company instead of resting in a single office or role.



ENVIRONMENTAL

Influenced by:

- Product offering
- Building practices
- Supply chain purchasing
- Innovation commitment
- Philanthropy
- Operations



WORKPLACE & COMMUNITY IMPACT

Influenced by:

- Policies and programs
- Operational innovation
- Developing current and future talent
- Philanthropy
- Health and safety



BUSINESS CONDUCT

Influenced by:

- Ethics
- Policies
- Executive and Corporate Committee oversight
- Decision-maker diversity
- Equitable compensation structure



Regional offices in WINNIPEG AND EDMONTON ARE GEOTHERMAL POWERED

3 MILLION POUNDS OF CONCRETE

will be recycled during the construction of **Station Lands** in downtown Edmonton

13 NATURALIZED WETLANDS AND 82 ACRES

of uplands in the *Qualico community of Sage Creek* annually sequester

92 TONNES OF CARBON

(equal to nearly 40,000 L of fuel)



ENVIRONMENTAL LEADERSHIP

IN HOUSING AWARD
earned in Regina, SK

Regional offices in *Austin, downtown Edmonton and Winnipeg* are built to

LEED SILVER OR HIGHER SPECIFICATIONS



EXCLUSIVE
PARTNERSHIP
with a paint manufacturer that sets a *global standard* for products that are

**ENVIRONMENTALLY
SAFE,**
*sustainable and improve
indoor air quality*

MEASURING OUR IMPACT



ENVIRONMENTAL

Influenced by:

- Product offering
- Building practices
- Supply chain purchasing
- Innovation commitment
- Philanthropy
- Operations

As Tarkett's first Canadian flooring company signed on for their *ReStart Program,*

THE FLOOR SHOW has
**DIVERTED
22,000 LBS
OF FLOORING**

from the landfill
back into the
circular economy



ACCOUNTABILITY

through partnerships with reputable hauling companies, allows StreetSide Developments BC to confidently track waste diversion for core building materials, including gypsum wallboard, cardboard, concrete, steel and wood.

Their Port & Mill project saw

**OVER 1 MILLION
POUNDS
of landfill diversion
over a 12-month period.**



HELPING PRESERVE SALMON SPAWNING GROUNDS

at Yorkson Creek in BC's Lower Mainland with one of *the largest underground stormwater detention facilities in North America*

QUALICO VEHICLE FLEETS IN ALBERTA
REDUCE CARBON FOOTPRINT
and **MAXIMIZE** routes via **GPS** technology

Innovative and
AWARD-WINNING,
highly efficient, narrow-lot townhome products
that *meet customer demand and contribute*
towards meeting community density targets



Over **1 MILLION**
LEASABLE SQ. FT.
in Qualico Properties'
asset portfolio meets
LEED SPECIFICATIONS

Embarked on
North America's first-ever
ENERGY-EFFICIENT
master-planned solar community
in Okotoks, AB

We will have a
NET-ZERO
CERTIFIED
homebuilder in every
western Canadian
province **by 2023**

276,664
TONNES OF CO₂
has avoided emission through
the perpetual securement of
9,368 ACRES OF HABITAT
in MB and SK through Qualico's
Revolving Land Conservation Program
with Ducks Unlimited Canada

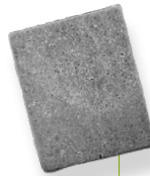
9,000
boxes from **Gypsum Drywall**
Interiors are
DIVERTED FROM
LANDFILLS ANNUALLY

100% OF
VIABLE LUMBER WASTE
CONVERTED to secondary
consumer
products at **Star Building Materials** Winnipeg



Average of
250,000
PIECES OF PAPER
SAVED ANNUALLY
through DocuSign electronic
signature software

In Manitoba, **BP Concrete** recycles about
32 MIXER TRUCKS'
WORTH OF CONCRETE
on average per month during its peak production period



In Calgary every
month, precision
cutting technology
saves **Star Building**
Materials on average
enough linear feet of wood
to stack up to the height of



The **water treatment facility** in the Qualico community
of Harmony supplies the Mickelson National Golf Club
with **RECLAIMED WATER** that saves
OVER 112 OLYMPIC-SIZED
SWIMMING POOLS of fresh water
annually

9 **CALGARY**
TOWERS



**BUILT WINNIPEG'S FIRST
RAPID-TRANSIT ADJACENT**
multi-family condo project



OVER **25**
YEARS

of supporting
**THE DREAM
FACTORY'S**

mission to make dreams
come true for kids
in Manitoba battling
life-threatening illnesses

30%

of employees **access** Qualico's

NEW E-LEARNING

centre to help advance
professionally
and personally

17 HOMES BUILT FOR
SINGLE MOTHERS

with *Habitat for Humanity's
Manitoba Women Build*

MEASURING OUR IMPACT



**WORKPLACE &
COMMUNITY IMPACT**

Influenced by:

- Policies and programs
- Operational innovation
- Developing current and future talent
- Philanthropy
- Health and safety



12+
CARPENTERS

earned their

**RED SEAL
CERTIFICATION**

while employed with *StreetSide
Developments in Winnipeg*

**\$20
MILLION
INVESTED**

for the **LARGEST
HISTORIC
RESIDENTIAL
CONVERSIONS**

in the *Exchange District
in Winnipeg*



*Qualico's high-performance
housing working group
designs and builds*

**ENERGY-
EFFICIENT
HOUSING**



200+ **INDIGENOUS
STUDENTS**

accessed **first-of-its-kind programming**
through the Qualico Bridge to Success
Program at the *University of Manitoba's
Indigenous Student Centre*

\$3 MILLION

donated to **HABITAT FOR HUMANITY**

AND **\$4 MILLION**

donated towards the areas connected to
the **root causes of those experiencing
homelessness**, including addictions
and substance abuse, transitional services,
and mental health

Helping build **FIRST-OF-THEIR-KIND** wrap-around **SUPPORT FACILITIES** for child abuse and substance abuse



main street project



toba
Centre for Children & Youth
SAFETY, JUSTICE & HEALING

BOYLEstreet
COMMUNITY SERVICES

Since 2007, approximately **\$30 MILLION DONATED** back to the communities that Qualico helps build

Collaborated with *Habitat for Humanity Manitoba* to build their **FIRST-EVER NET-ZERO HOME**

1,000+ HOURS donated annually through Qualico's **PAID DAY TO VOLUNTEER PROGRAM**



Donating resources and employee time to prepare **18,000 LUNCHES**



for *Brown Bagging for Calgary's Kids' meal program*

100,000 PEOPLE ACCESS

community programming through the Qualico Training Centre at *Canada Games Sport for Life Centre in Winnipeg*

\$25,000 local business spend through **EMPLOYEE-FOCUSED BUY-LOCAL** recognition program in Edmonton



SCORING IN THE TOP **25%** of companies in North America for employees valuing the opportunities they have to actively support the community

10% of eligible employees registered for **VITALITY,** a physical and mental well-being health benefits program



56 COMMUNITY GARDEN PLOTS DONATED to local gardening groups on Qualico's undeveloped land in Winnipeg



\$375,000+ IN EMPLOYEE-DIRECTED GIVING through the *Acts of Kindness program*



8 TRUCKLOADS OF FURNITURE DONATED by Qualico Winnipeg-based homebuilders in a single year

MANDATORY RESPECTFUL WORKPLACE TRAINING

during employee onboarding



Financial control activities
are documented and
**FRAUD RISK
ASSESSMENT
IS CONDUCTED**

Compensation program
and structure facilitates
**EQUITABLE and
BIAS-FREE
COMPENSATION
DECISIONS**

SUSTAINABLE
PROCUREMENT
of LUMBER
MATERIALS through



**SFI OR
FSC**
CERTIFIED MILLS
for 95% of inventory at
Star Building Materials

MEASURING OUR IMPACT



BUSINESS CONDUCT

Influenced by:

- Ethics
- Policies
- Executive and Corporate Committee oversight
- Decision-maker diversity
- Equitable compensation structure



Corporate resources
allocated to develop
**DIVERSITY,
EQUITY,
AND
INCLUSION
PLANS**

Employee Engagement
score for Qualico strongly
supporting safety,
**exceeds the average
of the top**

25%
of companies in
North America

95+%
**ELECTRONIC
WASTE**

DIVERSION RATE
TARGET for corporate
-issued devices



**IMMEDIATE
NOTIFICATIONS** for
**SAFETY
HAZARD
ASSESSMENTS**

and **INCIDENTS**
with added analytics
to investigate
ongoing issues

Third-party conditions
for employees cover
**RESPONSIBLE
BEHAVIOUR
OF TRADES**



Over **2,000
HOURS**
of annual training on topics like
UNCONSCIOUS BIAS and
TRUTH & RECONCILIATION

In 2 years,

240+ **EMPLOYEES OR ONE OF
THEIR FAMILY MEMBERS**
accessed counselling support through
QUALICO'S EFAP PROGRAM

EVERY EMPLOYEE
will have and can initiate an
ANNUAL
PERFORMANCE
development discussion



Building employment relationships with
NEWCOMER
SERVING
organizations across western Canada



Over
80%

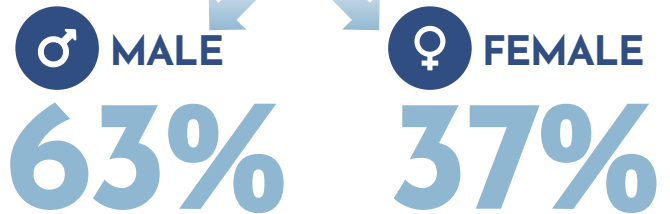
OF EMPLOYEES agree that
employees from all backgrounds have an equal
opportunity to succeed at this organization

40%
of Senior Managers
at Qualico are
FEMALE

LEGAL FRAMEWORKS
to promote, enforce, and monitor
EQUALITY
and **NON-DISCRIMINATION**

Policies that reasonably accommodate
JOB APPLICANTS
AND **EMPLOYEES**
who face barriers due to disability

1,955 EMPLOYEES



Introduced a dedicated Director's Level position focused on
CYBERSECURITY AND
INFRASTRUCTURE

Protects sensitive data and business disruption
by applying the *globally recognized*
CENTER FOR
INTERNET
SECURITY (CIS)
CYBERSECURITY FRAMEWORK



Started the
momentum in the industry
towards adoption of a
RESIDENTIAL
CONSTRUCTION
SAFETY
PROGRAM
in Winnipeg



All our
Canadian
builders are

COR[®]
CERTIFIED
with internal and external
auditing processes in place

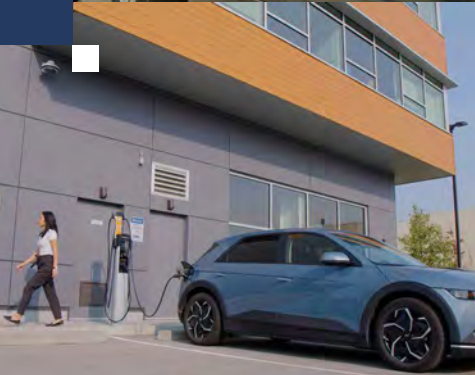
Developed
LARGEST-SCALE
NATURALIZED
STORMWATER
RETENTION BASIN
and wetlands concept in
Winnipeg, *later adopted as the*
standard by city planners



We need to take **EVERY OPPORTUNITY** to improve the way our cities grow and interact so that the legacy we leave behind is one that **FUTURE GENERATIONS** will be proud to continue."

—Kevin Van

President & CEO, Qualico



qualico.com/corporate-responsibility



This publication was made with **100% recycled** material