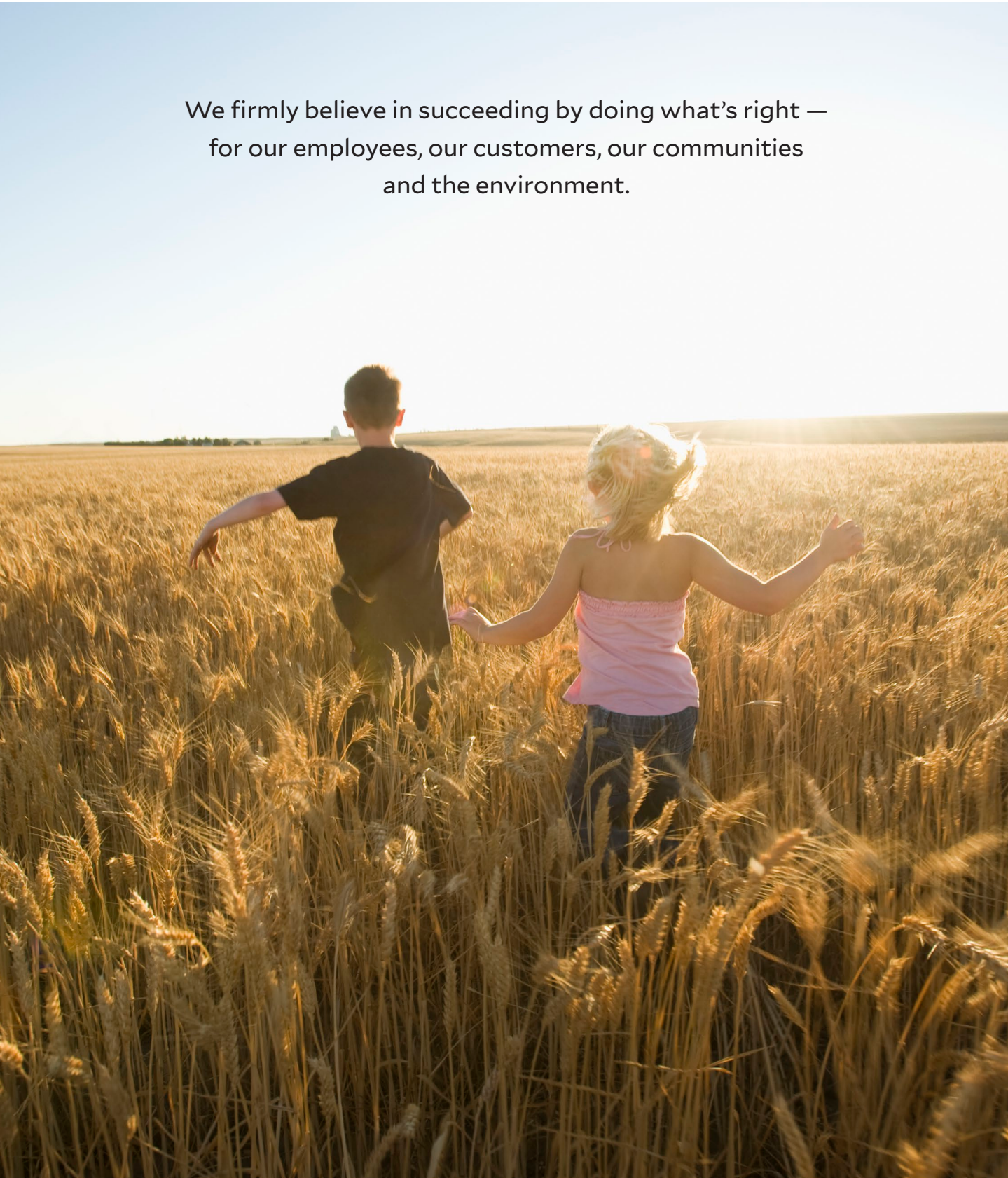


Environmental Social & Governance Initiatives

Section23 Developments
and Baywest Homes





We firmly believe in succeeding by doing what’s right —
for our employees, our customers, our communities
and the environment.

Our Environmental, Social & Governance Initiatives

Our Commitment

At Section23 Developments and Baywest Homes, our core purpose is to create community through dynamic, inspired built environments. As a team, we strive every day to recognize and emphasize our commitment to addressing our environmental and societal impact. This summary focuses on our business resilience through strong governance, meaningful connections with our communities and employees, and steps taken towards reducing our environmental footprint.

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01

ENVIRONMENTAL IMPACT

Land Development ←

Housing ←

Office ←



Rangeview, a Section23 Community

Land Development

Section23 Developments creates a positive environmental impact in its built communities in a number of ways, including preserving and enhancing natural areas, developing a multitude of green spaces, and committing to planting new trees.

For example, Section23's community of Rangeview in southeast Calgary has incorporated the following sustainability features:

- With agricultural urbanism as a central guiding principle, we're promoting locally-grown food production initiatives while also educating residents about the growth, processing, and preparation of the food they eat, with the goal of inspiring them to build on what they learned and apply it in their own homes
- 60.4 acres or 19% of the plan area is open space, a figure that exceeds what is required by governing authorities
- Over 1,500 new trees will be planted in Rangeview

- Erosion control measures are constructed as part of our land development projects:
 - › Developed land is protected from overland drainage erosion by constructing berms and ditches on serviced lots prior to vegetation establishment
 - › Storm water is pre-treated with engineered inlet devices to remove sediments and contaminants prior to release into storm ponds
 - › Storm ponds are constructed for final sediment treatment prior to release to natural water bodies
 - › Naturalized open spaces and natural wetlands are retained or re-engineered within the community, all while creating a safe and sustainable neighbourhood for all current and future residents
- Density requirements are exceeded in Rangeview, allowing for more residential living and less need for further development of agricultural lands



Housing

Baywest Homes is dedicated to building better, greener homes for a sustainable future. With a commitment to environmental stewardship and innovative construction practices, we set ourselves apart by prioritizing not only the comfort and quality of our homes, but also their impact on the planet. Baywest builds homes that not only meet the needs of today’s homeowners – they preserve the well-being of generations to come.

- With the assistance of an internal committee focused on reviewing and researching our readiness for Net Zero housing, Baywest has a sustainability action plan underway, even as we develop our long term “Road to Net Zero” action plan
- Our design team aims to position each home on its lot for additional solar gain
- In 2021, we invested in a new fleet of fuel efficient V6 trucks with stop/start technology to reduce air pollution and fuel consumption
- To reduce paper waste and decrease our economic footprint, our marketing initiatives prioritize digital efforts over traditional print-based marketing materials
- Energy efficiency is one of the key focuses when it comes to construction of our homes. Our standard specifications already include many energy efficiencies with the assistance of energy modeling/engineering
- For a detailed list of the environmental considerations included in our standard specifications please explore →





Office

Section23 and Baywest Homes prioritize positive environmental practices both externally and within our shared office space. Our corporate headquarters is located in a LEED Certified structure, emphasizing energy conservation, water efficiency, reduced carbon emissions, and improved indoor air quality.

Internally, the company utilizes SharePoint for web-based collaboration to minimize paper usage and divert paper waste from landfills.

Other initiatives include use of a filtration system instead of bottled water to reduce plastic waste, implementation of recycling programs for bottles, cans, paper, and electronic devices, plus contributions to resource conservation, energy efficiency and pollution reduction.

SOCIAL & COMMUNITY IMPACT

- Internal Initiatives ←
- External Initiatives ←
- Connecting with Homeowners & Residents ←
- Strengthening Our Communities ←



Baywest Homes Team Portrait

Internal Initiatives

Equal Opportunity Employer

Our recruitment processes consider all qualified candidates, and we hire the best talent, regardless of race, color, ancestry, place of origin, religious beliefs, gender, age, physical ability, marital status, family status, source of income, or sexual orientation. In keeping with the company's values, we are committed to maintaining an inclusive work environment where all employees are treated with respect and dignity.

Career and Skill Development

It is important to sustain employee development and continuous learning. Therefore, each year, we dedicate a budget to support employee training and development. This includes courses, seminars, webinars, professional membership sponsorship, lunch 'n' learn sessions, internal cross training opportunities, and more. In addition to sponsored training, we follow a coaching program for all employees, consisting of annual goal setting and various performance management sessions.

Social and Wellness Committees

Our Social and Wellness Committees are managed by employee volunteers who organize employee appreciation events throughout the year. We also host employee wellness events and initiatives, including:

- Annual golf tournament, Halloween potluck and costume contest, Calgary Stampede celebration, holiday party, and more
- Salad potlucks, office stretching and movement sessions, walking clubs, and more

Fair Pay

We have a corporate compensation philosophy: attract, retain, and motivate top performing talent and create a high-performance team with a total compensation and benefits package offered to employees. This program ensures that we provide equal pay for equal work.

External Initiatives

Connecting with Homeowners & Residents

To deliver on our promise that “Together, we create community through dynamic, inspired built environments”, we prioritize connecting with our communities and stakeholders through multiple avenues and engaging events year-round.



Baywest Homes

Baywest is well known for our innovative, customer-focused design, and above all, our relationships with homebuyers. With a vast customer base ranging from first-time homebuyers to growing families and empty nesters, we focus our efforts on thoughtfully designing our home plans with our customers’ lifestyle needs in mind. From the beginning, we strive to create meaningful relationships with our homebuyers and have implemented a multitude of connection touchpoints throughout the construction of their home. We strive to continuously educate homeowners about best practices in home maintenance, as a supplement to our already comprehensive warranty programs.

To identify strengths and opportunities for improvement, homeowner satisfaction surveys are conducted regularly through a third-party company. We share survey results with our internal team, and together we develop and implement action plans to address any service issues and provide ongoing support to our homebuyers. Customer surveys play a significant role in our commitment to continual innovation, and inspire new processes and solutions that grow from the insights offered by our customers.

The Rangeview Homeowners Association

As one of our corporate initiatives, the Rangeview Homeowners Association (RHOA) was implemented to assist in bringing social connection and strengthening the social fabric of the community. The RHOA offers numerous opportunities for residents to connect through a year-round calendar of social events, community and garden programming, and Garden-to-Table lifestyle-focused education.



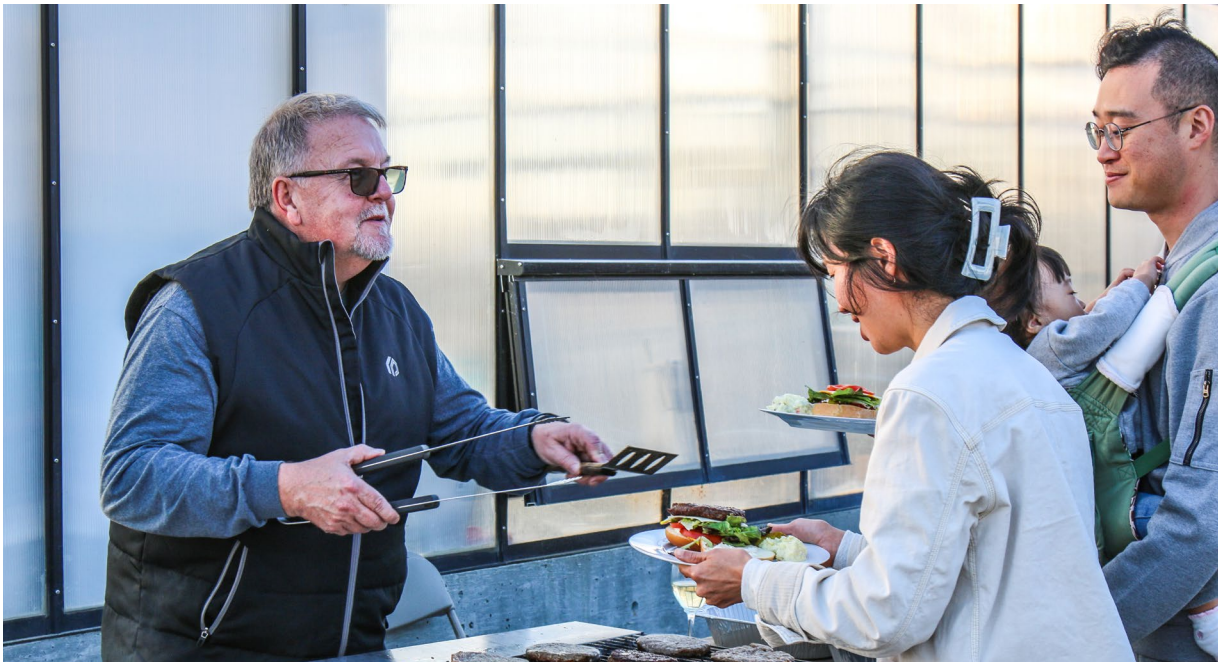
The Edward

Brought to life by Section23, The Edward is a boutique-style seniors’ residence in the established inner-city residential neighbourhood of South Calgary, located on a block shared by King Edward School, a historic sandstone school that has been redeveloped into the cSPACE arts hub. Our vision was to create a community for residents who share a healthy, active, and engaging lifestyle while offering personal value-added services.

Robert Ollerenshaw – Section23’s founder – envisioned that at The Edward, instead of “aging in place”, residents of this new independent living residence would “age in community”. Through The Edward’s innovative design and programming, residents connect with one another, with the outdoors and with the larger cSPACE community.



Amenities like the Greenhouse managed by the Rangeview Homeowners Association bring residents together for programming and connection



Rangeview

As the developer of Rangeview, we are tasked with creating a community that residents are proud to call home. Thoughtful planning went into the concept for Rangeview, where we envisioned a vibrant and social gathering place for neighbours to connect in a setting surrounded by amenity rich residential living, community gardens, garden-to-table food celebrations and more. As food is intrinsically connected with the social and cultural fabric of communities, the celebration of food will be used to build social cohesion and provide residents with fresh food and opportunities for community engagement, education, and skills development.

Through developer-hosted events, we not only engage new visitors, but current residents as well. The events we plan are rooted in the community’s Garden-to-Table theme, and bring new buyers and Rangeview residents together in celebration of Rangeview’s distinct lifestyle. Past community events include:

- In 2021, we hosted our Community Grand Opening, which included a farmers’ market with local vendors, food trucks, a petting zoo, family games and activities, and seven new show homes for attendees to explore
- In 2022, we hosted our first Fall Festival, featuring food trucks, outdoor lawn games, a DJ and more
- In 2023, we hosted Avenue Magazine’s ‘Best Things to Eat’ Market – an event featuring over 20 Calgary-based food suppliers. We also hosted our Laned Show Home Grand Opening in 2023, and featured six new show homes, live music, lawn games and activities, an ice cream truck and other refreshments. Both events and others like them, although publicly marketed, were fun and exciting for those living in Rangeview
- In 2024, we will host more unique events, including another show home parade grand opening, and another edition of the Best Things to Eat Market with Avenue Magazine

Community life
and events in
Rangeview



Our corporate donations support the work of vital Calgary-based charitable organization

Strengthening Our Communities

Integral to Section23's founding philosophy is a firm belief in caring for others by offering support and assistance that builds strong families and communities. It is a simple principal rooted in our founders' traditional rural values, and is a value shared company-wide today. For this reason, Section23 is honoured to provide ongoing support to a number of community-based organizations that share the belief we all benefit when we work together to improve the lives of our neighbours. By volunteering time, pledge matching, and direct financial support, we contribute to improving the lives and livelihoods of Calgarians.

We are proud to make a difference with recent philanthropic efforts for organizations including:

-  THE MUSTARD SEED
-  WAYFINDER WELLNESS CENTRE
-  CALGARY DREAM CENTRE
-  LEIGHTON ART CENTRE
-  homefront
-  CALGARY FOOD BANK
-  spac e
-  END OF THE RAINBOW FOUNDATION
-  TRADES GUILD
-  iNN FROM THE COLL

GOVERNANCE & BUSINESS RESILIENCE

Board of Directors	←
Business & Accounting Ethics	←
Cybersecurity & Data Privacy	←
Industry Engagements & Leadership	←



Board of Directors

As a private company, Section23 is proud of the comprehensive governance structures we have established. Our Board is comprised of a majority of independent directors (60%) with diverse backgrounds and a breadth of industry experience that provides strong oversight, accountability, and objectivity to our management group. We are proud to have 40% female directors in our governing body.

Our Board of Directors meets quarterly to review progress across all business segments. Additionally, the Executive Team creates an annual 5-Year Business Plan that is presented to the board and used as a benchmark for success each year.

Business & Accounting Ethics

We are committed to consistently maintaining the highest standards of ethical business and accounting practices. Such practices include financial reporting accuracy, confidentiality, compliance with laws and regulations, proper use of funds, corporate social responsibility, and more.

Cybersecurity & Data Privacy

The following controls have been implemented to mitigate cybersecurity risks, and are monitored by our external IT and cybersecurity consultants.

- BullPhish Training and Awareness training
- Monthly phishing simulations
- Monthly dark web monitoring
- Datto data safety add-on to Microsoft Outlook
- Two-factor authentication requirements
- Security audits



Industry Engagement & Leadership

We actively engage with regulators to provide input as they shape industry requirements like building codes and development initiatives, and are proud members of BILD (Building Industry & Land Development Association). BILD is the unified voice of the residential construction industry representing home builders, land developers, professional renovators, suppliers and skilled trades at local, provincial and national levels in Canada. The Association advocates for the advancement of our industry, providing recommendations to affect legislation, regulations and policies in order for members to create affordable, attractive, innovative, and energy efficient homes and communities.

BILD Calgary Region, our local chapter, has over 30 committees, subcommittees and task forces that report to an elected Board of Directors. As a member company, we recognize the value of participation in BILD committees, and support employee involvement. To that end, we participate in and support the following industry groups:

- BILD Developer Advisory Committee
- BILD Economic Advisory Committee
- BILD Financial Advisory Committee
- BILD Planning Committee
- BILD Technical Builder Committee
- BILD Safety Committee

ESG Principles: The Heart of Our Business

At Section23 Developments and Baywest Homes, our fundamental mission is to foster community through the creation of dynamic and inspired built environments. The heart of our operations is an unwavering dedication to acknowledging and emphasizing our responsibility towards our environmental and societal influence.

This summary has centered on our business resilience, underscored by robust governance, meaningful connections with our communities and employees, and our determined efforts to diminish our environmental footprint. Together, these principles drive our commitment to a sustainable and prosperous future for all.



We Connect People & Places

Homes, communities, workplaces, gathering spaces –
every Section23 development is consciously designed to
bring people together in meaningful ways.



Learn more about Section23 Developments and Baywest Homes

Section23.com | BaywestHomes.com

320, 110 Quarry Park Boulevard SE
Calgary, Alberta T2C 3G3