



**BROOKDALE**  
— SENIOR LIVING SOLUTIONS —

Creating **Enduring Value**  
2016 Sustainability Report



## About This Report

We are pleased to provide our first Sustainability Report. It shares the early stages of the sustainability journey we are undertaking, outlining where we are now and where we are heading. Our commitment to sustainability is rooted in our sustainability mission of enriching the lives of those we serve by creating enduring value with our people, in our places, through our performance. Brookdale cares deeply about our residents and associates, and that naturally extends to caring about the environmental, social, and economic impacts of our enterprise. The scope of this report covers all of the more than 1,100 senior living communities we operate in 47 states throughout the United States. The data and performance are for the 2015 calendar year unless otherwise noted. We prepared this report with reference to both the Global Reporting Initiative (GRI) G4 standards and the Sustainability Accounting Standards Board (SASB) issues and metrics for the health care delivery industry. While we have worked diligently to ensure the accuracy of all the data presented here and believe this report is a fair and transparent statement about our sustainability performance and plans, the data have not been audited or externally assured. This report is not intended to be a solicitation or advertisement for the sale of Brookdale products and services, does not characterize them, and cannot be relied upon for such purposes.

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## Welcome To Our First Sustainability Report

Brookdale has always been about caring - it is our mission. We care personally about enriching the lives of our seniors and their families. We care about building bonds, about nurturing relationships. Our work at Brookdale is much more than a job - for all of us, it is a calling, focused on caring. Over the years, this commitment to caring has become extended to an even wider circle. It now also includes caring about the larger environmental and social impacts of our operations. This new commitment to sustainability matters to us, to our associates, and importantly, to our residents and their loved ones. Environmental impacts, water conservation, waste. Meaningful engagement. Safety and security. Creating real value. All of this and more make up how we view sustainability.

Like everything we do at Brookdale, we began our sustainability journey with a sense of humility and a commitment to deeply understanding all the basics and then building a robust approach to achieving those basics at a world class level. We engaged key stakeholders to understand which sustainability issues matter most to them. We benchmarked peers, competitors, and global leaders. We upgraded, and built where needed, all the elements of a robust measurement system - no small task. We established the Brookdale Sustainability Leadership Council that is chaired by an Executive Vice President and includes our President and CEO. The Council reports to the Nominating and Corporate Governance Committee of our Board of Directors. We constructed a three-year Sustainability Implementation Roadmap to guide every function in our organization toward creating, in an integrated fashion, the education,

improvement activities, culture, and investments needed to achieve our sustainability goals. This report provides an overview of where we stand today, and shares our plans going forward.

In addition to our systemic sustainability program, we have also engaged in a wide range of more organic activities across our operations, and we highlight examples of some of the exciting work that have already been improving our sustainability performance.

This sustainability journey is important to us. We welcome the opportunity to share it with you and look forward to all our stakeholders joining with us in understanding and advancing our efforts. Caring about our environmental and social impacts is part of caring about our residents. And at Brookdale, caring is what we do best.

Our  
**Sustainability Mission:**  
Enriching lives every day by creating enduring value  
with our people, in our places, through our performance.



## About Brookdale: Enriching The Lives Of Those We Serve With Compassion, Respect, Excellence, And Integrity

Brookdale Senior Living Inc., is the largest operator of senior living communities in the United States, with more than 1,100 communities in 47 states. Our 82,000 associates support nearly 110,000 residents. In 2014, we acquired our largest competitor, Emeritus Corporation, and with the integration now behind us, we currently provide the industry's leading combination of both national scale and local touch across the full range of senior living needs. We are located in 330 separate markets, covering 81% of the country. While we are the biggest, our primary goal is to be the best, fulfilling our mission of enriching the lives of those we serve with compassion, respect, excellence, and integrity.

We offer a full continuum of services across all the major sectors of the senior living industry. Our **Independent Living** communities are designed for seniors who want to live in an apartment home with access to meals, recreational and social activities, and more. In our **Assisted Living** communities, our trained caregivers assist with medication management, activities of daily living, engaging activities, and coordination with outside healthcare providers. Our **Alzheimer's and Dementia Care** communities offer specially designed environments and associates trained to care for seniors who are living with cognitive challenges. Our **Continuing Care Retirement Communities (CCRC)** offer multiple levels of care all in one location, to provide lifelong care and transitions as residents' needs increase. This includes Skilled Nursing for 24-hour nursing and medical care, fully supporting all of the activities of daily living, nursing, and therapy for short- or long-term stays. Through our **Ancillary Services** programs, we offer a range of outpatient therapy, home health, personalized living, and hospice services to residents of many of our communities and to seniors living outside our communities.

**\$5 billion**  
2015 revenue

.....

**#1**

Assisted living and  
memory care provider in  
60% of the top 99 markets  
in the United States

.....

**+87 million**  
Square feet of  
senior living space



## A Message From President & CEO Andy Smith

Sustainability has become an important part of the Brookdale approach to bringing new life to senior living. There are, of course, economic reasons to formalize a focus on sustainability-driven improvements. But sustainability is also, simply, the right thing to do because Brookdale cares about the health and well-being of our residents, families, patients, and associates, and we care about the impact our buildings and operations have on the environment. To sum it up - Brookdale Cares!

Our Sustainability Mission is to enrich lives every day by creating enduring value with our people, in our places, through our performance. I am pleased to let you know that as part of Brookdale's leadership in senior living and related services, we have developed a robust sustainability plan to engage our residents, families, associates, and other stakeholders, to reduce our environmental impact, and to create excellence through continuous improvement.

Our **Sustainability Roadmap: 2015-2018** details the carefully developed plan we've created for meaningful change and improvements in three areas of focus - **People, Places, Performance**.

### **Brookdale Cares about our People**

From cherished residents and their families, to dedicated associates, to essential suppliers and valued business partners, Brookdale cares about all our stakeholders, about building closer relationships and enriching their lives every day. We seek and develop innovative programs and trusted partnerships that lead to the creation of connected communities in which to live and work.

### **Brookdale Cares about our Places**

Understanding and reducing the environmental impact of our communities is a primary focus. We are committed to reducing the intensity of our GHG (greenhouse gas) emissions and energy consumption 15% by 2019, as well as achieving measurable reductions year over year in our water usage and landfill waste.

we have developed a  
**robust sustainability plan**  
to engage our residents, families, associates, and other stakeholders, to reduce our environmental impact, and  
to create excellence through continuous improvement.

Because we care deeply about  
**creating value**  
now as well as for generations to come, you can  
count on us to take the lead in integrating sustainability  
in service to our residents and their families.

### Brookdale Cares about our Performance

We create value for all our stakeholders and pursue excellence through strong governance, transparency, innovation, and a cycle of continuous improvement. We are committed to creating and maintaining an annual sustainability report, as well as an ongoing reporting structure that provides insight and guidance to enhance our programs and processes. We also recognize that performance includes sharing in the value we create, and so we are committed to philanthropic activities at the local level as well as nationally.

I invite you to engage with this sustainability report to learn more about both what we have already accomplished and what we are planning. Because we care deeply about creating value now as well as for generations to come, you can count on us to take the lead in our industry, integrating sustainability throughout our organization and especially in service to our residents and their families. Simply put, we see all of this as an integral part of enriching the lives of those we serve.



**T. Andrew Smith**  
President & Chief Executive Officer





## Our Most Material Sustainability Issues

Engaging our stakeholders to better understand our most material sustainability issues is a key goal for us. Moving forward, we have plans to make this engagement process more routine, more in-depth, and more closely linked to our ongoing sustainability work. To begin our sustainability journey, though, we reached out to several key stakeholders using different approaches, and used that engagement to help develop our initial prioritization of sustainability issues.

### We engaged key stakeholders...

At Brookdale, we believe that feedback is truly a gift, as it allows us to understand what expectations people have and how we are doing compared to those expectations. We approached our key stakeholders and engaged them using several different methods to better understand what sustainability issues were most important to them and therefore important for us:

- Dialogue with investors
- Surveys of residents
- Consulting with health care partners
- Surveys of Brookdale executives, executive directors, and associates
- Supplier summit meeting
- Consulting with sustainability experts
- Benchmarking the sustainability priorities and performance of competitors and peers
- Referencing Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) guidelines

### Nine sustainability priorities became clear...

After months of conversations, research, data collection, benchmarking, and review, nine key priorities emerged. In the years ahead, we look forward to refining and making more robust our materiality assessment process, but this first engagement with our key stakeholders has laid a strong foundation for guiding our sustainability work.

#### PEOPLE:

- Engaging Our Residents & Their Families
- Engaging Our Associates
- Engaging Our Suppliers

#### PLACES:

- Reducing Our Energy Use
- Reducing Our Water Use
- Reducing Our Waste To Landfill

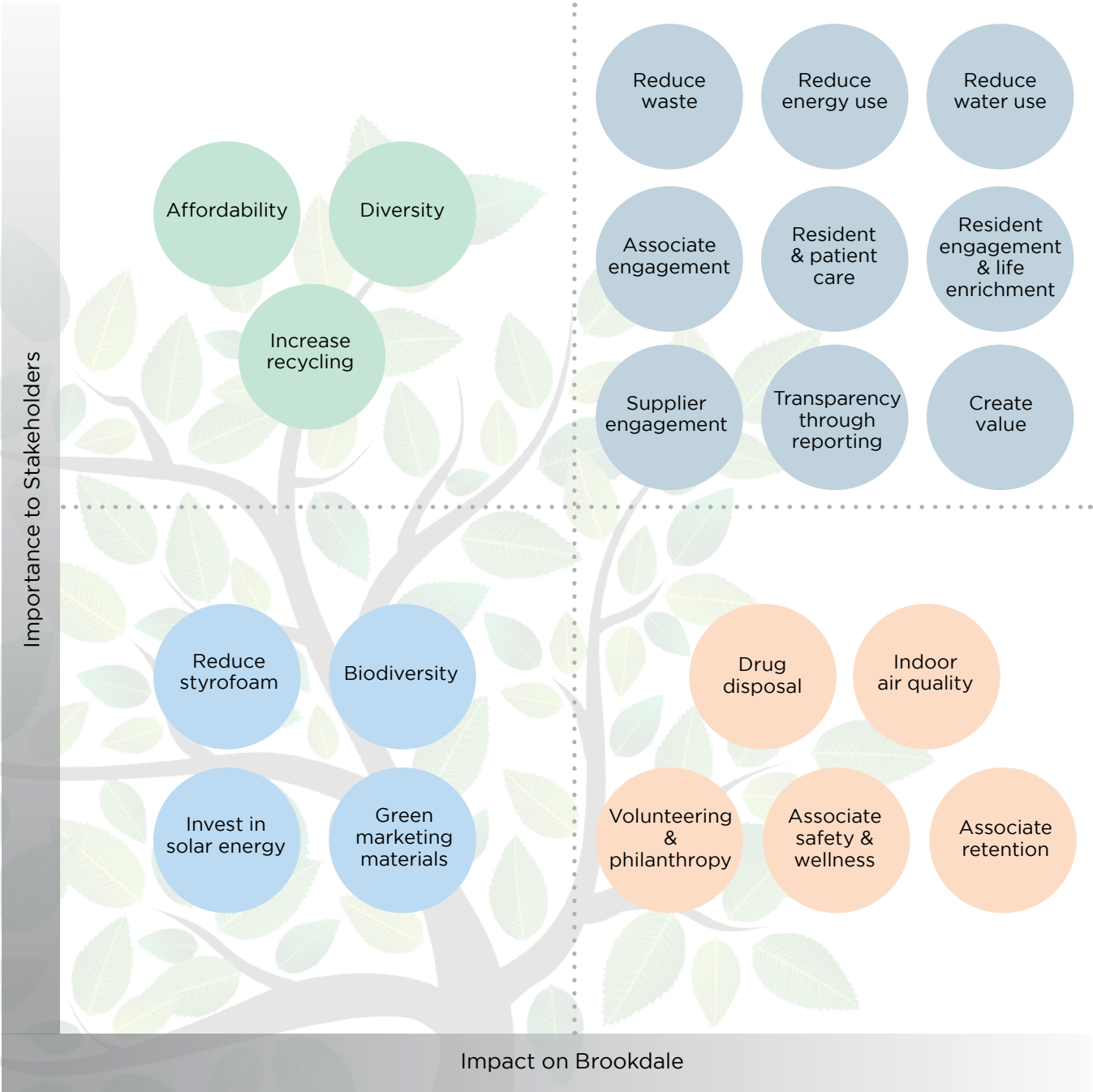
#### PERFORMANCE:

- High Quality Care For Our Residents
- Reporting On Our Progress
- Excellence Through Continuous Improvement



Brookdale’s First Materiality Analysis

We developed our initial materiality analysis by engaging with key stakeholders - and used that to guide our choices for immediate sustainability goals and initial implementation roadmap. Over time, we will refine our stakeholder engagement and materiality analysis to stay aligned with evolving stakeholder perspectives and our improving performance.





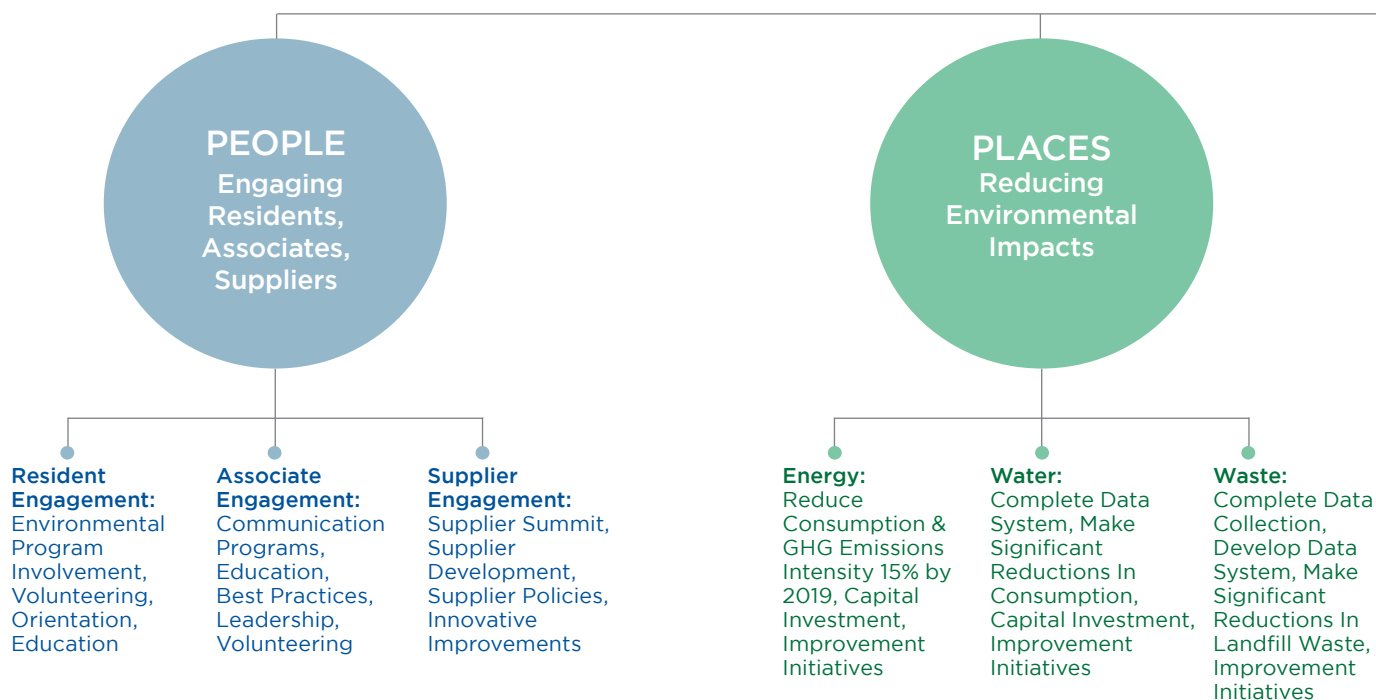
## Sustainability: Part Of Brookdale's Commitment To Caring

The core of Brookdale's approach to running our business is simple: Brookdale cares. We care about genuinely enriching the lives of our residents and families. We care about supporting and empowering our associates. And we care about delivering excellence in all the operational basics required to achieve these commitments.

In formalizing our focus on sustainability, we are expanding this commitment to caring. Sustainability for us means we care about our impact on the environment. And sustainability also has a social component. So, it means we are dedicated to building richer, more meaningful lives for our residents and associates, creating opportunities to participate in activities that offer a greater sense of purpose and contribution.

Pursuing these sustainability commitments is central to caring with compassion, respect, excellence, and integrity. We cannot just care for individuals in isolation. All of us are connected in this world together; therefore, for us to truly care with integrity about any one of us, we must also include this commitment to sustainability.

### Overview Of Our Sustainability Implementation Roadmap



### Sustainability Leadership Council

To lead our new focus in this area and provide the sustainability governance we need, we have created our Sustainability Leadership Council, which reports to the Nominating and Corporate Governance Committee of our Board of Directors. The Council is chaired by an Executive Vice President, includes our President and CEO, and has executive representation from

every function in the company. Meeting quarterly, the Sustainability Leadership Council takes a hands-on approach to guiding our sustainability work. Working in collaboration with the rest of the organization, the Council has created a 3-year implementation roadmap to assure the coordinated, thoughtful implementation of our major sustainability priorities.

## Sustainability at Brookdale

People • Places • Performance





# People - Engaging Residents & Families, Associates, Suppliers

The first major stream of work in our sustainability journey is engaging **people**: our residents, their families, our associates, and our suppliers. We exist to serve our residents and their families, and we can only achieve the environmental and performance goals we have set through the shared effort and commitment of all our people.



**In 2015**, we advanced our clinical care for residents, improved safety performance and increased training for associates, and laid the groundwork to bring our suppliers together to engage them in driving sustainability improvements.

As we look ahead in 2016, we have plans to:

- Further improve resident care and engage residents in sustainability activities,
- Increase associate education and create integrated strategic volunteering and philanthropic opportunities, and
- Build comprehensive sustainability-driven supplier policies, development, partnering, and innovations.







## People: Engaging Our Residents & Their Families

All our sustainability work begins with the premise that we pursue sustainability initiatives in order to better serve our residents and their families. For us, a central part of how we define sustainability includes its “social” component: we are committed to helping our residents continue to live with meaning. Therefore, to be truly “sustainable” at Brookdale, we create caring, healthy, and supportive situations for our residents and their families, both now and for generations to come. A key part of this is engaging our residents in the work of sustainability, helping them contribute to a greater good and live with purpose.

### **The Brookdale Clinical Excellence Scorecard: Improving caregiving in the senior living industry**

First and foremost, we are committed to providing high quality care for our residents. This is a vital part of how we think about sustainability. Our Sustainability Roadmap includes our three-year plan for continuously improving the quality of resident care. We completed the first step of that journey in 2015 by developing and implementing our comprehensive quality control measure, the Brookdale “Clinical Insights and Analytics Scorecard” - a data-driven approach to understanding and improving the care we provide residents. Our Clinical Scorecard measures key resident wellness criteria. The data for all these criteria are now systematically collected and integrated across Brookdale communities. The scorecard establishes a model



## People - Engaging Residents & Families, Associates, Suppliers

of Key Quality Resident Care Criteria and helps us align all our systems and training to that resident care model. The now-fully-developed and automated Clinical Scorecard, one year in development, provides three months of trending data, along with daily, weekly, and monthly red and green color coding to highlight progress and problems. This scorecard is a benchmark in the senior living industry and exemplifies Brookdale's leadership in creating high standards of resident care.

### We are supporting a wide range of resident-focused sustainability activities

In addition to superb clinical care, part of living well also includes living with purpose and meaning. In 2015 across many Brookdale communities, sustainability-related activities directly included our residents - often involving them in various leadership roles.



At [Woodside Village in Ohio](#), for example, residents helped to create a 500-square-foot vegetable garden - ringed with an 8' deer fence - and in the spring go together to the local garden center to personally select everything that will grow there. The bounty from the garden is freely available to any resident who wants it and provides fresh organic produce for the community's dining room. The residents at [Brookdale Athens in Tennessee](#) teamed up last year with local Boy Scouts to build a raised vegetable garden - and celebrated their harvest together with the boys at a shared homemade salsa social!



At [Brookdale Solana in Germantown, Tennessee](#), dozens of residents are members of the Random Acts of Kindness Club. The club's simple request to collect snacks for local firefighters turned into "not just some snacks ... but an avalanche of 6-foot tall bags filled with snacks," says Resident Program Director Deb Kornrumpf. Now both firefighters and residents - including the 102-year-old resident who leads the way - meet regularly in emotionally moving get-





together. The club also donates coats to the homeless, sends get-well and anniversary cards to those near and far, holds concerts for the homeless, and participates in home repairs for local shelters. “This is a true win-win,” Deb says. “Our residents’ involvement in our Random Acts of Kindness Club helps give them a sense of purpose; they’re certainly helping others, but at the same time, they are in a very real sense enriching themselves too.”

In our **Ft. Myers, Florida, Brookdale College Parkway** community, residents participate in a meaningful tradition each year continuing a legacy in their butterfly garden. Residents receive locally appropriate butterflies and individually hand-warm them in order to release them into the community’s flower garden as a living memorial. Being in direct touch with nature nourishes the spirit and creates a daily bond of memories and joys.

Many Brookdale communities have begun recycling activities in which residents play an important role. Funds raised from recycled

paper, aluminum, and glass at numerous communities provide donations to hospitals and schools. At **Brookdale Roslyn near Denver, Colorado**, residents gather plastic bottles, cardboard boxes, and poster board to donate to the Denver Zoo, where they are used for enrichment activities for the Great Apes - and residents are thrilled to visit the zoo, learn about the apes, and see their contributions in action.



All these kinds of efforts also create radiating positive impacts in the neighborhoods and towns where we operate, strengthening the social fabric of many people’s lives. Taken together, these activities illustrate how we think about sustainability: actions that reduce environmental impact - while simultaneously making people’s lives richer and more meaningful - and providing or improving economic value.





## People - Engaging Residents & Families, Associates, Suppliers



**Optimum Life®** - At Brookdale, we know every resident has unique dreams and passions that continue throughout life. That's why we strive to create a place that goes well beyond physical support to a socially connected community with opportunities to challenge the mind, lift the spirits, revitalize purpose, and nurture the heart. We call this Optimum Life®, and believe it provides the ultimate in senior health and wellness. And we believe that everyone can live an optimal life regardless of the challenges that may come with age. We blend the unique spirit of each community and its residents with our award winning, evidence-based programs to provide a customized, integrated pallet of opportunities designed to support the pursuit of living well. These programs include integrated fitness, exercise, tai chi, meditation activities, health and wellness educational opportunities, life-long learning and intergenerational programming, and purposeful, meaningful opportunities that make a real difference in the lives of so many. We are committed to leveraging technology to enrich the lives of our residents, offering unique experiences to stay socially connected.



**Sustainability in Dining** - By promoting healthy lifestyles, we can positively impact both our residents' quality of life and our environmental footprint. Our philosophy is to make our meals using fresh quality ingredients, with produce, dairy, and food products sourced locally whenever possible. Optimum Life® cuisine provides our residents with nutritious foods that are lower in sodium, fat, and cholesterol. For residents who require a specialized diet, we offer eight dietitian-approved therapeutic diets as well as our regular diet option. Across our dining programs, we are continuing to pursue a range of sustainability initiatives, including more environmentally friendly cleaning chemicals, sustainably produced food, and sending out used grease to be utilized in other processes.





**Wish of a Lifetime™** - Our residents' desires, dreams, and wishes remain at the heart of what we do. That's why one of the most inspiring and heart-warming aspects of our sustainability-related work with our seniors is our founding sponsorship of Wish of a Lifetime™. Brookdale and Wish provide a helping hand in making some of the long-held dreams of our residents come true. Residents at Brookdale communities nationwide are invited to share and submit their wishes to Wish of a Lifetime; through the granting of these wishes, our residents are able to find fulfillment in the six dimensions of our wellness platform: purposeful, emotional, physical, social, spiritual, and intellectual.

With the partnership of Brookdale, Wish of a Lifetime has granted more than 1,250 lifelong wishes for Brookdale senior residents. These life-enriching wishes are designed to reconnect loved ones, renew and celebrate passions, fulfill lifelong dreams, and commemorate service. Brookdale and Wish of a Lifetime are engaged in a multiyear initiative to grant wishes for hundreds more seniors annually nationwide. Our collaborative relationship builds on the joint commitment of each organization to serve seniors and raise awareness about the importance of helping to keep older adults dreaming, daring, and discovering, as well as changing the perception and experience of aging.



Olive H., 97, from the Brookdale Chanate community in California, on her day-long VIP tour of Google headquarters, fulfilling her long-time wish to understand the inner workings of computers, virtual reality, and the internet.

“I wish I could take each of you in my arms and let you know  
how you each impacted my life. You will always have a  
**special place in my heart.”**

Carol S. - Brookdale Lakeway, Lakeway, Texas





## People - Engaging Residents & Families, Associates, Suppliers

### People: Engaging Our Associates

Because our associates are central to the services we provide residents, we want our associates to be well-trained, deeply engaged, and supported with effective tools and work processes.

More broadly, we are actively building a culture of caring for our associates, a culture in which we look out for and support one another and have confidence that we are in this together as

kindred spirits. It is a special bond we all share, and sustaining that culture is an important part of the sustainability-related work we do every day.

In addition, our Sustainability Roadmap has a range of sustainability-related new education and internal communications that will enable associates to more fully participate in integrating sustainability into all of our daily work.



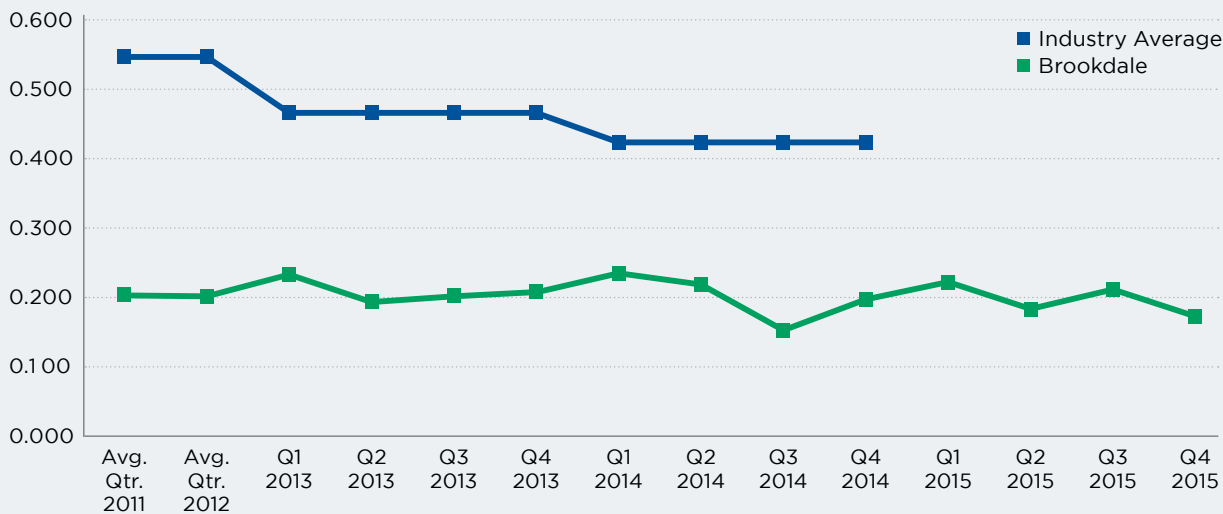
### Brookdale is a leader in the senior living industry in reducing lost-time injuries

Our number one commitment to our associates is their safety, and we are proud of our industry leading performance when it comes to lost-time injuries. We work hard to ensure that our associates operate in safe environments. We have 12 dedicated full-time safety specialists throughout the country who lead our safety effort, assure the highest levels of safety performance, and help us provide monthly safety training in our communities. Companywide, we held 50 mock safety audits in 2015, and we used our BEST methodology (Brookdale Excellence

Standards Tool) to design and monitor our safety work. Brookdale's total incidents safety rate has historically been, and remained this year, at approximately the same level as the industry average (about 2 incidents per quarter per 100 full-time equivalents). Our lost-time rate, however, due to our strong emphasis on prevention of the most serious injuries, has been and continues to be approximately 50% lower than the industry average. We are looking to reduce our total incidents rate, and we are proud of and committed to keeping our lost-time injuries rate as low as possible.

#### Our lost-time injury rate has historically been low - and we got even better in 2015

Lost-Time Injuries Rate  
(per quarter per 100 FTE)



Industry average is the annual rate reported by the Occupational Safety & Health Administration (OSHA) for the "continuing care retirement communities and assisted living facilities" industry, divided by four to obtain a rate-per-quarter. Both Brookdale and industry average are lost-time injuries (i.e., injuries resulting in days away from work) per quarter per 100 full-time equivalent employees (the OSHA standard). OSHA data for 2015 has not yet been published.

Brookdale's data includes Emeritus Corporation beginning July 31, 2014, the effective date of our acquisition.



## People - Engaging Residents & Families, Associates, Suppliers

### Brookdale has a diverse workforce and we look to become an industry leader in diversity

Part of what contributes to high quality engagement for our associates is a diverse workforce. We have high percentages of women throughout every area of the company, including among both senior management and mid- and first-line management. We also have a strong representation of African Americans and other minorities among our large contingent



#### Diversity

##### Brookdale Associates:

Male: 18.6%

Female: 81.4%

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White 50.1%

African American 28.8%

Hispanic 14.1%

Other Minority 7.0%

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of professionals. We believe we can always do better, and we are committed to increasing and supporting racial and ethnic diversity at all levels, especially among our senior and mid-management ranks and our sales workers.

### Training is a core commitment when associates begin - as well as every year

To enable our associates to care for residents and engage fully in our sustainability efforts, we are committed to extraordinary training and development.

Our new-hire training programs for community associates begin with 16 hours of training upon hire, and subsequently include both on-the-job shadowing and a minimum of 12 hours of annual in-service training.

Community Executive Directors and Regional Operations Leadership all participate in “Leadership Foundations” training at the corporate office, a three-day program led by Brookdale’s Executive Leaders. They also participate in numerous individualized training courses and a peer-partner process as part of their formal onboarding program.

Beginning in 2016, in line with our Sustainability Roadmap, all our associates’ and leaders’ training includes introductory sustainability information. In addition, sustainability information, news, stories, updates, and tips are being woven into Brookdale’s existing internal communications media, newsletters, intranet site, and informational meetings. We are also developing creative ways to highlight and celebrate examples of best sustainability practices at our communities.

We offer extensive training because our associates are key to providing the care and the personal touch for our residents every day. Caring service - our reason for being - is all about relationships. And relationships are entirely about people. So, we provide the training, information, and resources they need as a way of sustaining high levels of service and care.



### Volunteering is important to our associates and we plan to improve our support of it

We have many active volunteers among our associates who support people and causes in the towns and cities in which we operate and contribute their expertise and time to improving a variety of challenges. As we move ahead on our sustainability journey, we look forward to developing the ability to provide more opportunities for our associates to volunteer, to recruit others, to be supported by Brookdale

as a corporation, and for us to more fully and accurately measure and report on their volunteer contributions.

Finally, while we note in our “Performance” section (p. 32) the economic value we have donated to the fight against Alzheimer’s disease, our associates also contribute a significant number of volunteer hours for that important effort.



### “Foundations Training” gives all our community associates the same strong start

Our new-hire training program for community associates offers 16 hours of training. Prior to resident contact, in addition to introductory sustainability information, community associates receive the following course content:

- Our Mission, Our Culture, Our Cornerstones
- Infection Control
- Safety Sense
- Fire Safety
- Falls Management
- Abuse
- Lifting and Transferring
- Pathways to Personalized Care
- Ergonomics
- Medication Overview
- First Aid
- Aging Everyone’s Experience
- Dining Experience

Within 30 days of hire, we provide the remaining associate “Foundations” curriculum:

- Brookdale Solutions
- Optimum Life
- Customer Experience
- Resident Programs
- Compliance Program and You
- Clean and Clutter
- Maintenance

# “I love Brookdale. They’ve invested time and money in me.

I wouldn’t be in my position without that.

They gave me an opportunity, promoted me, and now I am a mentor.”

Elizabeth B., Alzheimer’s & Dementia Care Program Coordinator,  
2016 Argentum Hero Award Winner



## People - Engaging Residents & Families, Associates, Suppliers



### We care for one another

**Employee Assistance Fund** - The Mark Schulte Associate Assistance Fund is a nonprofit fund for associates, funded by associates. When associates are in need of financial help due to extraordinary circumstances such as a fire, hurricane, extended illness, or accident, they can apply to receive financial assistance to make it through the crisis. All associates can contribute to the fund either by a one-time donation or payroll deduction. Throughout 2015, more than 3,500 associates donated funds and nearly 200 associates received assistance.

**PTO Donation Program** - The PTO (Paid Time Off) Donation Program allows associates to donate earned PTO hours to a co-worker who is unable to work due to an extenuating personal, family, or medical circumstance. The goal is to help each associate maintain his/her normal compensation. Through this program, associates act in anonymity to help a co-worker in need, all part of Brookdale's culture of caring. Executives are major contributors and their donations, valued at their full rate of pay, significantly impact the financial security of entry level and front line staff.



### We're helping everyone stay healthy

**Onsite Clinics** - Brookdale provides free preventive medical care for associates and dependents enrolled in a Brookdale medical plan. Eligible associates and dependents also receive treatment for acute and chronic conditions at 15 of our largest communities and offices, serving an average of 386 patients each week. Each clinic (except Texas) also dispenses over 100 generic medications on site.

**Flu Vaccinations** - Brookdale offers free flu vaccinations to all associates and residents in all communities and offices.





## **We regularly nurture our culture of compassion, respect, excellence, and integrity**

**Brookdale Integrity Line** - Brookdale is committed to a culture in which associates can communicate concerns openly to supervisors, be heard and respected, and receive an appropriate response. This philosophy applies to all aspects of our operations, but it is particularly important in situations an associate believes may involve questionable conduct or violate Brookdale's Code of Business Conduct. Associates typically speak directly with their immediate supervisor or manager, but always have the option of calling the Brookdale Integrity Line. The line is staffed by an outside agency with trained operators 24 hours a day, seven days a week. Associates are encouraged to provide their contact information but, if they prefer, they may report any concerns anonymously.

**CEO Committee on Culture** - We are passionate about building and sustaining a culture within Brookdale that enables us to pursue our mission of serving our residents and truly enriching their lives. To help reinforce this culture and underscore how critical it is to us, our CEO and senior leaders regularly connect with associates and consistently take action to maintain and strengthen our culture through our CEO Committee on Culture. This committee is a cross-functional working group of culture leaders representing all aspects of Brookdale. It creates a framework of language, expectations, and best practices to align associates, regardless of which community they work in, so we achieve our mission of enriching the lives of those we serve with compassion, respect, excellence, and integrity. Among other responsibilities, the committee reviews feedback from associates and residents for areas of improvement, identifies best practices for shaping and sharing culture, and researches innovative opportunities for culture enrichment.

**Open Door Commitment** - Brookdale's culture is one of caring: caring for residents, caring for family members, and caring for associates. We believe an open-door approach to communication is the best way to ensure our residents and family members receive the highest quality services. We are dedicated to Brookdale being a company where associates can speak freely about issues and report integrity concerns anonymously, if they believe that is necessary. We encourage associates to express concerns and suggestions so we can understand each other better, together continuing to make this a great place to work. Brookdale believes strongly that we succeed through partnership with our associates; we recognize that good people make the difference and are the key to our success. We have always been committed to working together as one team and acting in ways that demonstrate respect for others through honesty, understanding, and trust.



## People - Engaging Residents & Families, Associates, Suppliers

### People: Engaging Our Suppliers

While we are highly focused on what is happening within our own “four walls”, we are also excited about engaging our suppliers to help drive our sustainability improvements.

Our Sustainability Roadmap includes several key initiatives that involve our suppliers.

To begin, we are asking key suppliers to be proactive in improving our performance in our three priority environmental improvement areas (energy, water, waste), based on the specific products or processes they provide for us. We are tracking these improvements within our now enterprise-wide, much more robust measurement systems. We are also building supplier development and qualification systems based on our sustainability criteria and planning supplier recognition events for those who lead the way in achieving major sustainability-related results. Over time, we are targeting to partner with suppliers to co-develop innovative approaches and integrated solutions.

In 2015, Brookdale and its coffee supplier collaborated in completing the Pack Size Standardization Project that

**eliminated over  
3 million feet of  
packaging film**

all of which would have previously ended up in a landfill.



### **We're increasing our commitment to purchasing with sustainability as a major part of the criteria**

We are now working with key suppliers on increasing the sustainability attributes of our procurement. Some of our suppliers are working with us on superior products, others are helping us improve our operating processes related to product use, still others are helping us manage waste, recycling, and final disposal, while some are even working with us on fundamental product, process, and operations design.

Here's an example of progress with a major provider of unit turnover and refurbishing supply:

- **2013** - First year measuring % of Spend on Ideally Green™ products
- **2014** - 64% increase since 2013 of % of Spend on Ideally Green™ products
- **2015** - 81% increase since 2013 of % of Spend on Ideally Green™ products
- **2015** - WaterSense® certified products:
  - 51% of showerheads Brookdale purchased were WaterSense® certified
  - 79% of toilets Brookdale purchased were WaterSense® certified



### **We have begun thoughtful collaboration on sustainability with our suppliers**

In 2015, in line with our Sustainability Implementation Roadmap, we did all the advance work to prepare to bring our key suppliers together for a Sustainability Summit, which we held in January 2016. We are now working with those suppliers to develop and implement innovative sustainability-driven breakthroughs.





# Places - Driving Breakthrough Improvements In Energy, Water, Waste

The second major stream of work in our sustainability journey is reducing environmental impact in all the **places** where we operate. Sustainability requires understanding and lowering our environmental footprint and for us at Brookdale this is a central focus in our Sustainability Roadmap.

**After careful analysis, we prioritized three environmental areas - energy, water, waste - and built a foundation for reliable improvement**

Based on reviews of our key stakeholders' greatest concerns, analysis of our biggest environmental impacts, and consideration of our business priorities, we determined three areas

are the most important ones in which we must drive improvement: energy consumption, water use, and waste.

A little over a year ago we created a new role - Energy & Utility Manager - to focus specifically on energy and water reduction efforts. In 2015,



**As of Dec. 31, 2015**, Brookdale owns or manages more than 1,100 communities totaling over 87 million square feet, so our environmental impact is significant. To make systematic progress in reducing that impact, as part of our Sustainability Roadmap in 2015 we:

- Assessed, integrated, and improved all our measurement capabilities,
- Comprehensively understood our true baseline performance,
- Carefully determined which environmental areas were most significant, and
- Set prioritized improvement goals.

As we move into 2016, we are focused on specific capital investments and vigorous improvement activities designed to achieve meaningful progress in reducing our most significant environmental impacts.



we went further by hiring a Director of Sustainability to drive all our sustainability efforts, including reducing energy consumption, water use, and waste.

We spent much of 2015 organizing and improving our ability to accurately capture all the data across our entire enterprise. Completing and assuring the reliability and validity of the data and measurement system across our wide range of operations is a large task. As of year-end

2015, we have the ability to measure electricity, natural gas, propane, fuel oil, and water for all our operations and landfill waste at nearly all, providing us with the basis for in-depth analyses in both the aggregate and at the community level. Moreover, as a proud ENERGY STAR® partner, we also spent 2015 gathering the pertinent information to benchmark our communities in ENERGY STAR Portfolio Manager®. This helps us normalize energy performance across all communities, understand levels of efficiency, prioritize efforts, and track progress over time. More broadly, having truly reliable and accurate baseline data is allowing us to fully understand our current performance and set ambitious and appropriate improvement targets.







## Places - Driving Breakthrough Improvements In Energy, Water, Waste

### We are investing significantly and improving steadily to reduce energy consumption

Having completed the difficult but necessary work of assuring strong data measurement capabilities across all of our operations, and mindful of our stakeholders' priorities, in 2015 we developed a carefully crafted goal of reducing our energy consumption per square foot 15% by 2019.

Although this ambitious goal presents a significant challenge to us, we are committed to achieving it because the larger environmental need for reductions in carbon and greenhouse gas (GHG) emissions is critical. In our Sustainability Roadmap, we have determined a series of actions we are confident will allow us to accomplish this objective.

For 2016, in addition to benchmarking 100% of our communities in ENERGY STAR Portfolio Manager®, we will also be focusing on no-cost behavioral changes through initiatives such as the "Turn It Off Challenge" along with low-cost measures such as portfolio-wide installation of lighting occupancy sensors. Further, we are making significant capital investments, as part of our Sustainability Roadmap, that include retro-commissioning building systems in more

than 200 communities across the country. We will also be continuing our LED lighting retrofits, cool roof installations, and ongoing preventive maintenance programs, as well as enhancing our HVAC purchasing standards.



### Our Baseline Energy Consumption

As part of the development of our sustainability goals and data measurement system, we are establishing a baseline performance year (12 months ended Sept. 30, 2015) from which we will measure our improvements. All future years will be compared to this baseline using the same time period. We have calculated both our absolute total energy consumption and our energy consumption intensity per square foot of living space.

#### Total Energy Consumption

(12 months ended Sept. 30, 2015)

Electricity	3,817,182,346
Natural Gas	2,163,580,234
Propane	66,536,466
Fuel Oil	19,225
Total Energy (in KBTU)	6,047,318,271

**Energy Intensity** 69.0 KBTU/sq. ft.  
(12 months ended Sept. 30, 2015)

We have set the challenging but critical goal of  
**reducing our energy  
intensity 15%** by 2019.

In smart irrigation technology pilot tests we ran over the past 12 months, the three Brookdale communities involved **used 26% less irrigation water**, saving more than 580,000 gallons of water per community.

**We are completing the development of our data systems for water and waste and are committed to improving our performance in both areas in 2016**

Similarly to the way we completed our measurement system and improvement planning for energy, we are currently finalizing our data systems and refining our improvement goals for water and waste. For 2016, we intend to (1) make measurable improvements in our water and waste performance and (2) be able to specify precise, bold reduction goals for water and waste that are well matched to both overall environmental realities and our operational capabilities.

Our 2016 water initiatives include domestic water and irrigation projects, smart controls, leak detections and repair, and behavioral changes (e.g., full-load laundry and dish washing).

Our 2016 waste initiatives include extensive work on our waste data measurement system. The data in this area are more complex to collect and development of our system is further behind than water and energy. Beyond completing the development of a robust data collection system, however, for 2016 we also intend to both increase recycling and reduce landfill waste.

The data shown here refer to 100% of the energy, water, and waste for all Brookdale communities, including the more than 100 communities we manage for or co-own with other owners, some portions of which may also be included in their sustainability reports.



### Our Baseline Water Consumption

As part of the development of our sustainability goals and data measurement system, we are establishing a baseline performance year (12 months ended Sept. 30, 2015), from which we will measure our improvements. All future years will be compared to this baseline using the same time period. We have calculated both our absolute total water consumption and our water consumption intensity per square foot of living space.

#### Total Water Consumption

(12 months ended Sept. 30, 2015)

All Water Except For Irrigation	4,013,299
Irrigation Water	444,486
<b>Total Water</b>	<b>4,457,785</b>
(in kGal)	

#### Water Intensity

(12 months ended Sept. 30, 2015)

0.0509 kGal/sq. ft.



### Our Waste Generation

We are still establishing our baseline for waste. The waste and recycling data shown here are for 2015, rather than for the 12 months ended Sept. 30, 2015 (which will eventually be our baseline year, to match what we have done with energy and water). In addition, the waste and recycling data shown here cover 87% of our communities. We will update this waste data in future sustainability reports after completing our measurement system and baseline for this area.

**2015 Total Waste To Landfill** 47,302  
(in tons)

**2015 Total Waste Recycled** 9,477  
(in tons)

**% of All Waste Recycled in 2015** 16.7%

**2015 Landfill Waste Intensity**

0.00062 tons/sq. ft.





## Places - Driving Breakthrough Improvements In Energy, Water, Waste

### Throughout 2015, we achieved a variety of meaningful environmental improvements

While we focused throughout 2015 on the meticulous but critical work of developing our measurement systems and crafting thorough implementation plans, we also continued our efforts “on the ground” to directly reduce our environmental impacts. Here are examples of the kinds of projects we’ve been undertaking and the progress we’ve achieved.

#### LED Lighting Retrofits

After completing a \$6 million portfolio-wide CFL lighting retrofit in 2013-14, we began pilot projects for LED lighting in 2015 that led to LED retrofits in more than 80 communities. Mark Forest, Executive Director of **Brookdale Eddy Pond West in central Massachusetts** was one of the first to receive an LED retrofit in his community. Over a two-week period late in 2015, we installed new LED lighting everywhere - resident rooms, halls and common areas, laundry rooms, housekeeping closets, theatre room, activity rooms, and the parking lot. “This is a complete win-win-win for all of us,” Mark commented. “The lighting is dramatically better: warmer, brighter, safer, much more pleasing. Our residents are finding the new lighting to be truly remarkable. And beyond that obvious win in terms of how we live our daily lives, we are also reducing environmental impact by lowering our energy consumption 25% - as well as reducing

our costs. Our residents, their families, our associates, the environment, and the bottom line all could not be happier.”



#### Reductions in Water Consumption

In support of California’s drive to significantly reduce water consumption in the drought-stricken state, we responded to their April 2015 water conservation initiative by reducing water use at all of our California communities by 19% in just the last eight months of 2015 (compared to the same months in 2014). In addition to reducing our water utility costs 8%, our conservation efforts saved more than 72,000,000 gallons of water. Across all our communities nationwide from 2012 to 2014, our water leak reporting protocol alone resulted in savings of more than \$1 million and prevented the loss of truly significant amounts of water.

Across all the Brookdale communities that completed LED retrofitting in 2015, the average reduction in electricity costs was **21.8%.**

We saved more than  
**72,000,000**  
gallons of water in drought-stricken California.



#### Environmentally Superior Fixtures and Materials

As part of expanding, re-developing, and maintaining our communities, we have increased our use of attic insulation, heat reflective roofing materials, WaterSense® fixtures, and Energy Star® rated appliances, all of which reduce water and energy consumption. For designated areas of our communities, we now specify the use of anti-bacterial tiles and Teknoflor® vinyl flooring, which reduce the need for harsh cleaning chemicals.

#### Technology Recycling and Cascading

We have implemented computer recycling programs through which all hard disks are processed by a recycler for data destruction, and all of our mobile devices are recycled

at the end of their useful life. Digital devices are also cascaded for other uses before they are recycled: older laptop computers, no longer appropriate for use by individual associates but still functional, for example, are repurposed for training laptops rather than buying additional equipment.

#### Elimination of Paper

‘Project Electronify’ is an ongoing initiative in Accounts Payable to drive the reduction of paper invoices and disbursements of checks. Reductions are achieved through converting suppliers to electronic invoicing, shifting paper invoices to email, and launching a campaign to increase electronic payments. The goal for Accounts Payable is to be paperless by the end of 2016. Extensive efforts already undertaken in this area in recent years produced annual savings well in excess of \$500,000 and the elimination of hundreds of tons of paper. In all our offices and communities, we have successfully implemented printing, scanning, and communications practices that have reduced or eliminated printing, saved paper, and improved printer energy efficiencies.



#### We are also targeting our transportation impact

Although Brookdale does not consume a great deal of gasoline and diesel fuel, we do operate passenger vehicles and small vans and buses at our communities. In 2015, our entire enterprise consumed 1,086,311 gallons of gasoline and 13,993 gallons of diesel fuel, so this is an area we are targeting for improvement. We are currently finalizing our transportation data collection system, the reporting status of vehicles that are allocated to different communities in which we have different ownership proportions, and the development of sustainability-related fleet policies. Once those are complete, they will all be used in conjunction with our existing maintenance protocols, service parameters, and inspection logs to establish formal baselines and set specific improvement targets.



# Performance - Reporting, Measuring, Improving

The third major stream of work in our sustainability journey is achieving excellence in our **performance**. For us, sustainability is not only about reducing environmental impact and enriching social engagement, it is also about creating economic value and driving continuous improvement in our performance. We have been working on achieving excellence for years, but our sustainability initiative is helping sharpen our focus and allowing us to bring a range of efforts into alignment.



**In 2015**, we succeeded in building and implementing our Clinical Scorecard to improve clinical care for our residents, completed the integration of Emeritus to make Brookdale by far the largest - and we believe, the best - senior living provider in the nation, improved productivity and satisfaction in our service provision to our residents through our BEST initiative, developed our measurement systems, began reporting about sustainability, and continued our unprecedented support of the Alzheimer's Association®.

As we look to 2016, we have plans to:

- Strengthen our internal and external communications about our sustainability performance,
- More thoroughly engage our key stakeholders in dialogue and collaboration about sustainability, and
- Continue to drive continuous improvement in alignment with major productivity and quality initiatives.

**In the latter half of 2014 and throughout 2015, we successfully completed the integration with our biggest competitor**

Combining the two largest operators in the industry provided us with the opportunity to truly enhance senior living. A large and complex undertaking, we successfully integrated more than 500 new communities, with more than 30,000 new associates, onto the Brookdale platform by the end of 2015. Going forward, our ability to serve seniors across the full range of care and in every part of the country with the highest levels of excellence will be unmatched.



**We generated and distributed significant economic value in 2015**

2015 Revenue	2015 Associate Compensation	2015 Net Capital Expenditures
<b>\$5.0 Billion</b>	<b>\$1.76 Billion</b>	<b>\$362 Million</b>



## Going from Good to BEST!

### The Brookdale Excellence Standards Tool (BEST) was rolled out across Brookdale in 2015

BEST stands for “Brookdale Excellence Standards Tool.” It’s part of Brookdale’s quality assurance process. BEST is our guide to deliver on our brand promise to residents, families, and associates, with a focus on consistency and sustainable excellence. It communicates the high standards for what we do and how we do it - all that is expected from every Brookdale community! BEST helps us do our jobs better each day and inspect what we expect. And Brookdale culture is woven into the standards to ensure the “way” we do things is just as important as what we do.

### Why BEST was developed

Brookdale realized the need to develop a working tool that would define our operational standards in a practical way and provide a consistent, easy means of understanding and knowing whether these standards are being met. We wanted our communities to have a tool that helps them ensure they are delivering on our promise every day to every resident. It is designed to be used as an on-going daily management tool, not just an annual audit form.

### What BEST looks like and how it is used

BEST is a list of standards for excellence, formatted for use during a daily walk-around both in a community and by service department. Executive Directors and community department leaders use BEST as a management and training tool for daily, weekly, monthly, and quarterly self-reviews by our community leadership teams, and it is used annually on a company basis.

- BEST provides a flexible format for EDs and community leaders, easy to use while walking around a community.
- Policies, procedures, training, forms, etc., are aligned to the Excellence Standards and can be used as on-the-spot points of reference.
- Each Excellence Standard includes a description of what successful performance looks like, making it easy to set clear expectations for associates.
- The Community Quality System (CQS) is the source of all action items a community is currently working on bringing into compliance. Action items are entered into CQS for follow-up resulting from annual BEST evaluations and regular regional/district visits.

Brookdale Excellence Standards Tool				
Q#	Question	Frequency	Weight	Service
64	Residents are allowed to eat at their own pace. Meal is served in courses and residents seated at one table are served at the same time. The prior course is always cleared before serving the next course.	Weekly	Medium	Dining Services
	Late joining residents is ok, the key is all served together as they are seated. Residents are allowed to dictate "soup and salad together" etc and must honor request.			
66	Residents are spoken to in a dignified and respectful manner. Associates will listen to understand	Daily	Medium	Dining Services
	Visual Inspection			
	Residents with sanitation solution	Daily		Dining Services





## Performance - Reporting, Measuring, Improving

### We made history in our support of the fight to end Alzheimer's disease

More than five million people in the United States have Alzheimer's disease or another form of dementia, including many of our residents. We are committed to the effort to end Alzheimer's and have had a long-standing relationship with the Alzheimer's Association® in their fight to cure and control the disease while enhancing care for those who live with it.

As part of our relationship with the Alzheimer's Association®, we made history in both 2014 and 2015. Our associates, residents, and business partners across the country rallied to this cause, leading and participating in a variety of fundraising activities, including the annual Walk to End Alzheimer's®, the world's largest event to generate awareness and funds for Alzheimer's care, support, and research. Because of these efforts by associates, residents, and business partners, Brookdale's nationwide participation in the Alzheimer's Association's Walk to End Alzheimer's generated more than \$2 million in 2015, reaching Platinum status. This was the second year in a row Brookdale raised an unprecedented amount of funding. In 2014, Brookdale became the first corporate team to generate \$1 million in a single calendar year, earning Diamond National Team status for the Walk to End Alzheimer's.





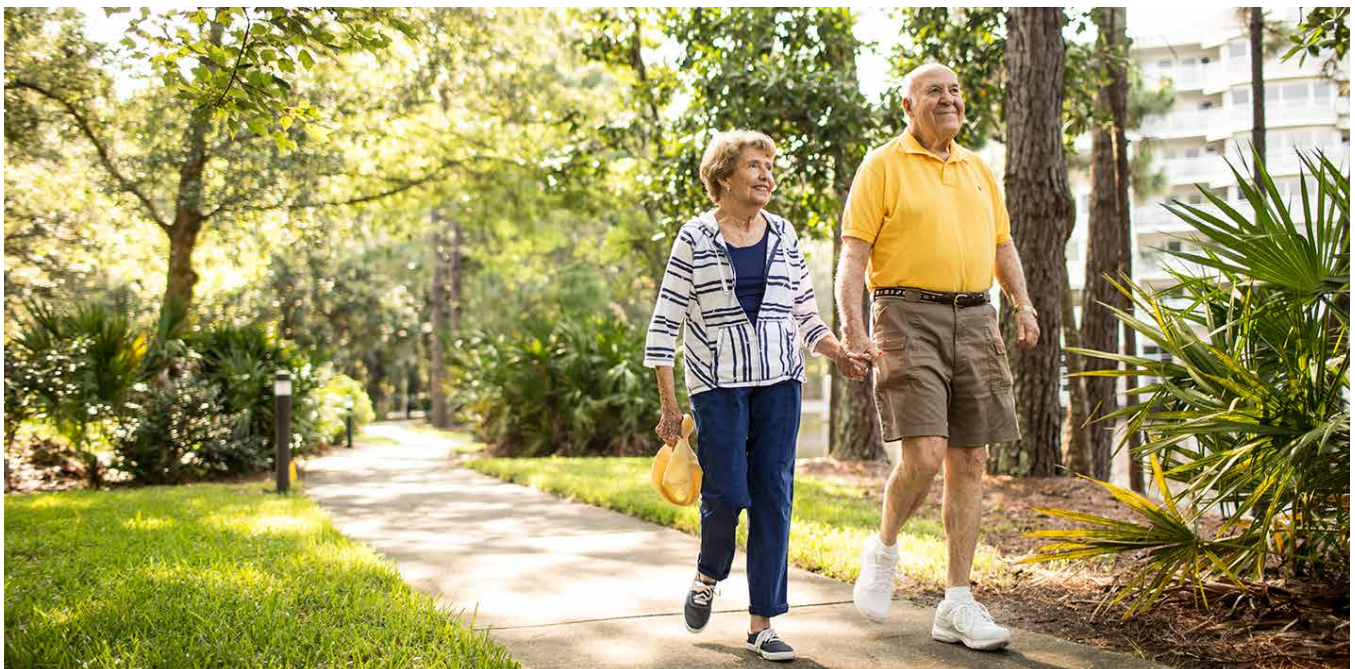
## Our Sustainability Journey: We Are Excited To Share Where We Are - And Where We Are Headed

The sustainability journey is challenging for all corporations. We have embraced this challenge and look forward to being in dialogue with our key stakeholders as we forge a path forward that is ambitious and that has integrity.

In 2015, we strengthened and refined our measurement system, giving us confidence in our ability to truly understand our performance and our environmental impact. This is no small task across an enterprise of more than 1,100 communities, each with unique characteristics, served by dozens of energy providers, with a wide variety of processes, constraints, systems, and capabilities. Completing this task positions us well to assess our sustainability related-performance and plan for specific improvements.

We look forward to sharing with you next year - and every year thereafter - our sustainability goals and the progress we are making toward them. We are committed to reducing our environmental impact and enriching the lives of our residents and patients, their families, and our associates.

In the end, we are committed to sustainability for one very simple, very fundamental reason: Because Brookdale cares.



Brookdale's Cypress Village community in Jacksonville, Florida

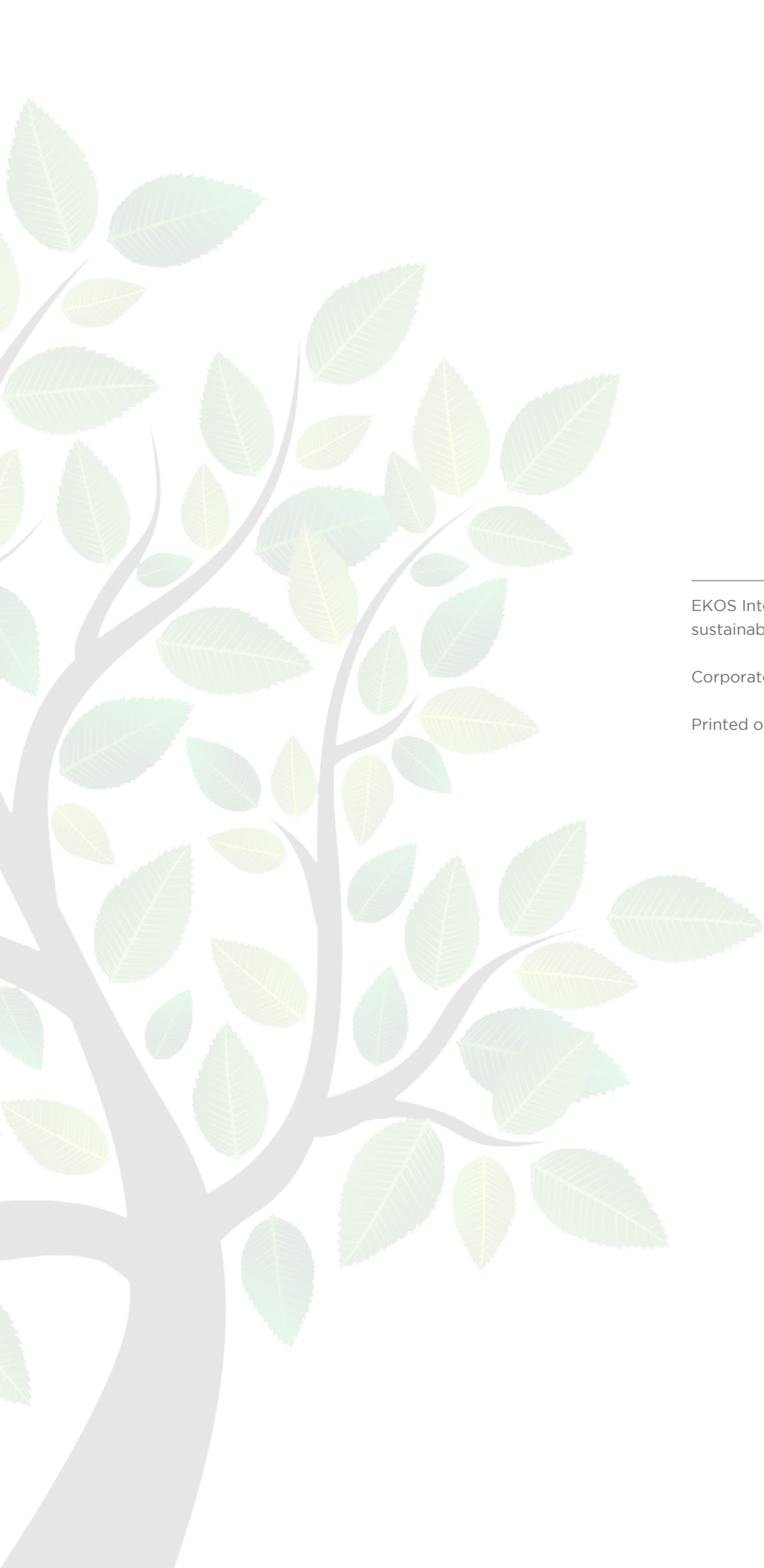




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We welcome your feedback on this report.  
Please send your comments to:  
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**BROOKDALE**  
—SENIOR LIVING SOLUTIONS—

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