About This Report

This is Brookdale’s second annual sustainability report, covering 100 percent of the senior living communities we own and/or operate throughout the United States. All data provided are for the 2016 calendar year, unless otherwise noted, and are presented on a same-store basis to normalize for any acquisition or disposition activity that occurred throughout the year.

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, the data have not been audited or externally assured.
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Introduction: A Message from President & CEO Andy Smith

As the leading operator of senior living communities throughout the United States, Brookdale has a special opportunity to make an important impact in the area of sustainability. Through the work of our nearly 80,000 caring associates across the country, we enrich the lives of tens of thousands of residents, patients and their family members. Through conversations with residents over the years, we recognize that seniors maintain a keen desire to influence the future. They continue to be concerned about making the world a better place for younger generations, including generations that are yet to be born. Simply put, our residents see sustainability as an opportunity and a priority. And so do we. In looking through this report, you will see that Brookdale focuses our sustainability efforts on three main areas: people, places and performance. Brookdale cares about all the people who are part of this organization, from our residents, patients and their family members to our associates, suppliers and valued business partners.

We are working to understand and reduce the environmental impact of our communities. We know that a focus on sustainability has a positive effect on our company’s performance, and we are committed to capturing and sharing data and stories about all of this in our Sustainability Report.

It is my privilege to introduce you to Brookdale’s second annual Sustainability Report. Our sustainability journey is still developing, but we have already made important progress. In the following sections you will encounter heartwarming stories about sustainability activities in various communities, and you will see data that show the progress we are making in conservation and waste-reduction efforts. Importantly, you will get a sense of the impact of all this on our people and, by extension, on our company as a whole.

Brookdale’s sustainability journey continues to be led by our Sustainability Leadership Council, a cross-functional group of devoted professionals who keep us focused on what really matters, and by the dedication of Director of Sustainability Marla Thalheimer. I am confident that the energy around this area of focus will continue to produce meaningful results that we can be proud of.

Thank you for your interest and involvement. We welcome your thoughts and comments.

T. Andy Smith
ABOUT BROOKDALE

Brookdale Senior Living Inc. is the leading operator of senior living communities throughout the United States. The Company is committed to providing senior living solutions primarily within properties that are designed, purpose-built and operated to provide the highest-quality service, care and living accommodations for residents. Brookdale operates Independent Living, Assisted Living, Alzheimer’s and Dementia Care and Continuing Care Retirement Communities, with approximately 1,052 communities in 47 states and the ability to serve approximately 103,000 residents as of March 31, 2017. Through its ancillary services program, the Company also offers a range of outpatient therapy, home health and hospice services.
Brookdale offers a variety of care settings: Our Independent Living communities offer apartment homes with access to meals, recreational and social activities and more. Assisted Living communities provide trained caregivers to assist with medication management, activities of daily living, activities to promote mobility, health and social engagement with others and coordinated partnerships with outside healthcare providers when appropriate. Clare Bridge, our alzheimer’s and dementia care communities, offer environments and specially trained caregivers focused on supporting the cognitive and physical needs of individuals living with chronic disease. Finally, our Continuing Care Retirement Communities (CCRC) offer multiple levels of residency and care in one location to provide lifelong support as residents’ needs change, including skilled nursing with 24-hour medical care and short- and long-term therapy. Brookdale Healthcare Services, our ancillary services program, offers a range of therapy, home health and hospice services to residents of many of our communities and to seniors living outside our communities.

Our company’s mission is “Enriching the lives of those we serve with compassion, respect, excellence and integrity.” With that mission comes a culture all about caring. We care about making a difference in the lives of our seniors and their families by building relationships and providing solutions that help seniors enjoy the best quality of life possible, whatever their stage of life. We consider our work at Brookdale to be much more than a job; it is a calling. This commitment to caring has broadened to encompass not only the people we support, but also the communities where we operate and the environment. A commitment to sustainability matters to our associates, our residents and their families, and our shareholders.

Our SUSTAINABILITY MISSION:
Enriching lives every day by creating enduring value with our people, in our places, through our performance.

$5 BILLION
2016 revenue

+90 MILLION
square feet of senior living space
Sustainability Mission:
Our sustainability mission focuses on the three primary areas of People, Places and Performance:

**PEOPLE** - We serve residents, patients and their families, and we engage with our associates and key stakeholders to embrace our caring culture and develop trusted partnerships and innovative solutions that enhance environments in which to live and work.
  - Engaging Our Residents and Their Families
  - Engaging Our Associates
  - Engaging Our Suppliers

**PLACES** - We are committed to reducing the environmental impact of our business through understanding, benchmarking and decreasing our energy, water, waste and greenhouse gas emissions.
  - Reducing Our Energy Use
  - Reducing Our Water Use
  - Reducing Our Waste To Landfill

**PERFORMANCE** - We strive to achieve superior performance and consistent operational excellence by creating economic value and driving continuous improvement.
  - Corporate Governance
  - Giving Back
  - Innovation
A materiality analysis conducted through engagement with key stakeholders, including residents, associates and shareholders in 2014-2015, provides a strong foundation for guiding our sustainability plan and prioritizes the following targets within our focus areas above.
**Brookdale’s Strategy:**

In 2016, we completed a comprehensive review of our organizational effectiveness and adopted a refined strategy: to achieve consistent operational excellence in our core businesses. Execution on this strategy is intended to maximize the value of our existing platform and to build the foundation for further growth. The five key priorities that support this strategy are as follows:

- Enhance our customer and associate experience
- Improve our marketing and sales processes
- Simplify our organization
- Optimize our portfolio and leverage scale
- Innovate for growth

In many ways our sustainability mission complements this strategy, especially in the areas of enhancing our customer and associate experience (PEOPLE), optimization of our portfolio (PLACES) and innovating for growth (PERFORMANCE). As we continue our sustainability journey in the context of this refined strategy, we believe that our successes will, indeed, create enduring value and help Brookdale fulfill our mission to enrich the lives of those we serve with compassion, respect, excellence and integrity.
PEOPLE: Engaging Residents, Patients and Families, Associates and Suppliers

Engaging Our Residents and Their Families

Our primary focus is caring for residents, patients and their families. We know that the key to continually improving the service we provide is engaging our residents and families and encouraging open, honest and transparent feedback. In fact, we believe that feedback is a valued gift, enabling us to know what we’re doing well and identifying opportunities to improve. We encourage feedback from residents and families in all forms. We administer an annual resident and family engagement survey, and we share valuable feedback from our customers throughout our organization. Our residents tell us that our associates are the heart and soul of our business and that our communities feel like home. Their families tell us that our associates make their loved ones feel like family members.

2016 AT A GLANCE

218,242 seniors served

103,665,562 meals served

5,500,775 estimated services provided

“Staff at Brookdale make my mom feel like family.”

“I really feel that the staff at Brookdale have added years to my mom’s life. I feel truly blessed to have gotten her in the [community].”

“Brookdale staff are extremely helpful, friendly and kind. They know everyone’s name. They listen to our ideas. I’m very thankful that I live here.”

“If a person can’t be at home, this is the best place to live.”
Resident and Family Feedback:
Brookdale has adopted NPS® (Net Promoter Score) as a primary internal metric of customer experience. NPS is used globally by leading organizations to measure how likely customers are to recommend them. It is a more reliable indicator of quality than overall customer satisfaction, because a customer’s willingness to recommend a product or service assumes that the person is not only satisfied, but willing to put their personal credibility behind a recommendation for the company.

Brookdale derives its NPS from an annual resident and family satisfaction survey. In 2016, nearly 130,000 surveys were distributed. Of those, almost 60,000 were completed for an overall response rate of 45 percent, surpassing the goal of 40 percent. Our results showed that Brookdale has more “promoters” and less “detractors,” and as a result, NPS increased significantly, and we more than doubled our goal.

Brookdale also has ongoing engagement with residents and their families through the Resident and Family Connection Line, a toll-free number staffed by a Brookdale representative who is always ready to listen. In 2016 there were 11,471 calls received that included compliments, concerns and calls for information. We work continuously to resolve any issues or requests in a timely manner, and our process of call resolution and time to resolution improved in 2016.
“Turn It Off” Challenge:
Brookdale residents also have a lot to offer when it comes to sustainability initiatives in communities. In 2016, we launched the “Turn It Off” Challenge which invited residents and associates to get creative and find energy and water wasters in their communities. We’re pleased to report that 423 communities took the challenge and submitted their “turn it off” ideas and actions to compete for a prize. From turning indoor lights off and doing activities outside in the fresh air to assigning a resident “lighthouse keeper” with a name badge and a checklist to make sure the lights are turned off daily, many helpful ideas were submitted and continue to provide a great resource for all communities on our dedicated Sustainability intranet page.
Resident Green Teams:

Many Brookdale residents are concerned about the environment and want to do what they can to leave the world a better place for future generations. We provide a forum for their ideas through Resident Green Teams. These teams meet regularly to learn, discuss and work with Brookdale associates to implement their own sustainability projects in their communities.

Regency Oaks Clearwater resident shows Brookdale’s Director of Sustainability Marla Thalheimer the mobile, solar-powered unit he constructed as a backup power source.
Green Lights Hall of Fame:
At Robin Run Village in Indianapolis, the Green Team, the residents’ environmental action group, continued its seven-year run as a sustainability pacesetter in the Brookdale family. Formed in 2009, the team originated a recycling program that continues throughout the Village; they lobbied successfully to rid the dining room of Styrofoam carryout containers and conducted an educational program on sustainability through posters and newsletter articles.

In September, the team was inducted into the Green Lights Hall of Fame, an honor roll of green activists formed by Sustainable Indiana 2016, a state bicentennial organization, which characterized the Green Team as “an energetic bunch that has worked hard to make their retirement community a greener place.”

Looking ahead:
Our 2017 goals for Resident Engagement include a year-over-year increase in our NPS Score and the development and launch of a Resident Green Educational Series.
Engaging Our Associates

Our associates serve our residents every day with care and compassion in pursuit of our mission of enriching lives. Our associates want to make a difference. It is our goal to ensure associates are well-trained, deeply engaged and supported with effective tools and work processes.

Associate Feedback Opportunities:
We value the gift of feedback from our associates as much as that from our residents, and we will use constructive feedback from our associates to make improvements throughout the organization. We welcomed comments in the 2016 Associate Engagement Survey which provided us with a baseline engagement score across the Brookdale enterprise, as this was the first survey we conducted since the 2014 merger with Emeritus Corporation.

Associate Satisfaction Survey highlights:

- More than 51,000 ASSOCIATES (72%) participated in the survey
- 75% (3 OUT OF 4) of all associates surveyed had a favorable engagement response
- 80% (4 OUT OF 5) of all associates stated they are PROUD TO WORK FOR BROOKDALE

The survey indicated our top strength is that MANAGEMENT CARES about the seniors we serve and their families.

As a second and ongoing feedback opportunity, we began the Bright Ideas program to give associates an avenue to weigh in on our business and help make it better. Our associates know our business the best, and often, the best ideas for improving the service come from those who deliver it every day. Brookdale associates collectively represent a considerable amount of experience and knowledge. The Bright Ideas program harnesses ideas and suggestions from the people who really know the ins and outs of the company. More importantly, it supports an ongoing dialogue with our associates and demonstrates our commitment to them and to making their Brookdale experience the best it can be. Associates can submit ideas on any business topic through our company intranet, and every submission receives a personal response. From its November 2016 launch through the end of December 2016, 575 ideas were submitted and they continue to arrive at an average of nine per day. All associates who submit an idea that is implemented will receive personal recognition from Brookdale executives.
Lost Time Injury Rate Remains Well Below Industry Average

Industry Leadership in Safety: At Brookdale, safety is a highly personal endeavor built on relationships with our associates, education and good communication. We’re proud of our industry-leading performance in workplace safety. Our associates undergo regular training in OSHA regulations pertaining to work environment and safe work practices, and our company uses a localized approach to safety training, accident prevention and lost time resolution. Communities have the autonomy to resolve issues locally. This approach works well at Brookdale, as demonstrated by the low lost-time injury rate in 2016.

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 2016 has not yet been published.
Associate Training: We are committed to relevant, high-quality training and professional development for our associates. Through our internal training programs and dedicated Learning Management System, Brookdale provides robust training for all associates delivered via webinars, eLearning and workshops.

Highlights of our 2016 training program:
• A 12-week training program for 369 executive directors and healthcare administrators which included an emphasis on policies and procedures, a week with an experienced mentor, an eight-hour training on driving business results through “fierce conversations,” and in-depth exposure to Brookdale’s unique history and culture.
• A formal orientation program for 346 Health and Wellness Directors in Assisted Living and Directors of Clinical Services in Skilled Nursing.

In 2016, sustainability education was embedded into existing training programs such as Leadership Foundations, a three-day program for community executive directors and regional operations leadership, and People Week, a week of fun, education, and networking sessions for Brookdale’s corporate associates. Sustainability is also embedded in Brookdale’s associate communication platform so that any relevant news, stories, tips, and statistics are included in our internal communications media, newsletters, intranet site and informational meetings.

Greener Offices: In conjunction with Earth Day, 422 corporate associates took the Greener Office Pledge to power down lights, computers and monitors at the end of each workday, go reusable with their own cup and dishware, and recycle everything feasible in their offices. A side benefit was the sale of 537 reusable mugs to associates for a $2,685 donation to the Alzheimer’s Association.

Volunteering: We have many active volunteers among our associates who support people and causes in the communities where we operate. However, as we note in our “Giving Back” section (p. 30), Brookdale as a company and our associates are very committed to the fight against Alzheimer’s Disease and contribute a significant number of volunteer hours for this important effort.

Looking ahead: Our goals for associate engagement in 2017 are to continue to embed sustainability into more of Brookdale’s existing framework and business processes. This includes building out our internal intranet site to become a valuable go-to resource for all associates.
Engaging Our Suppliers

Brookdale has a large supply chain and great partnerships with our vendors. Many of these suppliers have their own sustainability programs, and we know that, together, we can accomplish more. Engaging suppliers specifically on sustainability matters helps us learn and grow from those more experienced and helps us incentivize those who are at the beginning of their own sustainable journey.

Supplier Sustainability Summit: In early 2016 we gathered 13 of our key suppliers and their sustainability leads for the first-ever Brookdale Supplier Sustainability Summit. It was a great opportunity for information sharing and strengthening partnerships with these vendors to develop and implement projects and strategies to incorporate green practices in the way we do business.
**Sustainable Purchasing %**

<table>
<thead>
<tr>
<th>Spend Category</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>NA</td>
<td>27.49%</td>
</tr>
<tr>
<td>Office supplies</td>
<td>NA</td>
<td>31.00%</td>
</tr>
<tr>
<td>Paints</td>
<td>66.07%</td>
<td>66.90%</td>
</tr>
<tr>
<td>Carpet &amp; Adhesives</td>
<td>99.88%</td>
<td>99.84%</td>
</tr>
<tr>
<td>“Ideally Green” Products (lights, water fixtures, appliances, misc.)</td>
<td>28.79%</td>
<td>30.13%</td>
</tr>
</tbody>
</table>

**Looking ahead:** In 2017, we will work toward tracking sustainability metrics in key supplier quarterly business meetings and look for viable ways to increase our sustainable spend percentage, adopting a Code of Conduct for all Brookdale suppliers, and including sustainability language in our standard Request for Proposal (RFP) template.
PLACES: REDUCED ENVIRONMENTAL IMPACT

Brookdale owns or manages approximately 1,055 communities encompassing roughly 90 million square feet. This means our environmental impact is significant. Guided by our 2016 Sustainability Roadmap, we focused primarily on energy and greenhouse gas emission reductions and also conducted meaningful water reduction pilot projects to determine the best opportunities for positive change. We also took steps to reduce our waste impact by gathering comprehensive data at the community level to begin rightsizing our existing infrastructure.

Reducing Our Energy Use

Brookdale is committed to minimizing the environmental impacts of our operations with an energy reduction goal of 15 percent by 2019 over our 2015 baseline. In addition to reducing our environmental impact, we focus on energy projects that optimize our facility operations and enhance resident comfort.

Energy Star: The first step towards our energy reduction goal is to understand how energy is being used across the portfolio through benchmarking. As an ENERGY STAR Partner, we benchmarked 100 percent of our communities using the ENERGY STAR Portfolio Manager® online tool to help normalize and analyze energy performance, prioritize efforts and track our progress. In 2016, 21 communities achieved ENERGY STAR certification, demonstrating they are among the upper 25th percentile in energy efficiency compared to their peers nationwide. We increased our average portfolio score in 2016 from 54 to 58, and continue to aim toward a portfolio average of 75-plus by 2019.
Energy Projects: Brookdale invested significant resources toward energy reduction projects in 2016 that lower energy demand while also enhancing our communities. Our strategy focuses on “no and low cost” measures and changing behavior, as well as capital investments that have a favorable return on investment.

Our 2016 projects:

The “Turn It Off” Challenge involved 423 communities and was a fun way to engage associates and residents while reminding us to be aware of energy and water “wasters” that often go unnoticed.

More than 48,000 occupancy sensors were installed across all of our communities to automatically turn off lights in common area rooms, offices and storage areas when not in use.

A total of 214 communities completed retro-commissioning surveys on HVAC and basic building systems to identify savings which resulted in 993 corrective action/conservation measures to increase efficiencies and enhance comfort.

And 73 communities performed LED retrofits that significantly reduced energy usage, provided brighter lighting that our residents love, and reduced maintenance due to longer bulb life.

Plus 15 percent of roof replacements were reflective “cool” roofs that were installed in southern communities to absorb less heat and keep the building cooler while using less air conditioning.

“Thank you for having your man work on the light system. When I rolled through the halls I could see the difference the replaced bulbs were making. It was brighter, shining more and easier to see the papers. Everyone will be happier and relieved they can see their work and mail. I just wanted to say thank you.”

- Brookdale Resident

Energy Superstars
Brookdale maintenance teams worked diligently in 2016 on energy conservation projects, such as the installation of over 48,000 occupancy sensors and the retro-commissioning (RCx) of 214 communities. The RCx project involved a deep-dive survey of our building systems from third party vendor partners, followed by implementation of just fewer than 1,000 recommended energy-saving measures, most of which were completed by our in-house maintenance experts on top of their day-to-day responsibilities.
Reducing Greenhouse Gas Emissions:
In conjunction with our energy reduction efforts is a carbon reduction goal of 15 percent by 2019 over the 2015 baseline. As we continue to reduce our energy usage across the portfolio, this also reduces our Scope 2 greenhouse gas emissions. Our Scope 1 emissions are based on the Brookdale fleet of approximately 1,163 vehicles. Greenhouse gas emissions should continue to decrease over time as we reduce vehicle trips with heavier loads and change out older, wasteful vehicles with more efficient ones. Our Scope 3 emissions reflect Brookdale corporate travel and energy usage from 131 communities owned as part of a joint venture and claimed as Scope 1 by our partner. Greenhouse gas emissions in 2016 were reduced by 3.5 percent over our 2015 baseline and 24,615 Metric Tons of Carbon Dioxide Equivalent (MTCO2E) which is the equivalent of taking 3,801 passenger vehicles off the road for one year, or 5,711 tons of waste recycled instead of landfilled.

Reducing Our Water Usage
This past year was an education about water usage across the portfolio as we piloted projects to understand what measures create the most value for our communities. While water usage has its complexities, it is critical to understand, benchmark and manage our consumption of this precious resource. We set a goal to decrease water usage 15 percent by 2019 over our 2015 baseline.

Our water consumption slightly increased by .38 percent as a whole in 2016 compared to 2015, but decreased an average of 4.25 percent in communities where we piloted projects. While we will continue to focus on energy, we will take the information and lessons learned to aim toward deep reductions in water usage to meet our 2019 reduction goal.
Water Projects:
Our 2016 water strategy included domestic water audits in a select number of communities to determine what could be replicated across the portfolio. It also involved piloting smart irrigation technology to gain a better understanding of the opportunities for water savings as well as the rate of adaption to the technology. Finally, we are embedding smart choices into our standard purchasing processes to spend wisely and gain business efficiencies.

For projects in 2016:

**30** communities piloted smart irrigation controllers to learn the value of technology to better manage irrigation versus manual operation methods.

**4,148** high efficiency water fixtures were purchased (toilets, faucets, aerators, showerheads, etc.) as part of normal business operations to save **2,030,377** gallons of water annually.

**18** communities in Illinois replaced showerheads and aerators by taking advantage of a local utility program.

A water-metering pilot in one community taught the value of adding real-time visibility to our water usage and its impacts.

### Water Projects

<table>
<thead>
<tr>
<th>Project</th>
<th># of Communities</th>
<th>AVG savings Start Month</th>
<th>Estimated Annual % Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Audits - Phase 1</td>
<td>7</td>
<td>Mar-May 2016</td>
<td>-23%</td>
</tr>
<tr>
<td>Domestic Audits - Phase 2</td>
<td>13</td>
<td>Jul-Sep 2016</td>
<td>-8%</td>
</tr>
<tr>
<td>Irrigation Phase 2</td>
<td>11</td>
<td>Nov-Dec 2015</td>
<td>-24%</td>
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<tr>
<td>Irrigation Phase 3</td>
<td>17</td>
<td>Aug 2016</td>
<td>-28%</td>
</tr>
<tr>
<td>IL Utility Programs</td>
<td>18</td>
<td>Jul-Dec 2016</td>
<td>--</td>
</tr>
<tr>
<td>CA Irrigation</td>
<td>2</td>
<td>Feb 2016</td>
<td>-20%</td>
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</table>

Reducing Our Waste to Landfill

We continue to learn about our waste generation through a new national contract that allows us to comprehensively collect data across the entire portfolio to understand how we are handling our waste and where to make improvements. In 2016, we worked with our waste hauler to collect the data, right-size and evaluate opportunities for improved recycling, including organic materials. Our diversion rate did improve by one percent in 2016, but we still have work to do. Our data gathering efforts over the last year have laid the foundation for a targeted 2017 program that will focus on reducing our waste to landfill and increasing our diversion rate percentage.
Program Max

An important component of Brookdale’s PLACES category is our Program Max initiative through which we expand, renovate, redevelop and reposition some of our existing communities where economically advantageous. This is a key element of Brookdale’s development strategy; in 2016, we invested $37 million on the renovation of 58 existing communities. These include major renovations, community expansions, conversions or added levels of care.

Additionally, Program Max projects include design approaches and specifications for products and systems which are equal to those of recognized sustainability certifications. These regularly include upgraded lighting and HVAC systems, including occupancy sensing controls, and plumbing fixtures which result in energy and water efficiency improvements and enhanced indoor air quality to benefit resident health and well-being. Some projects are piloting new audio systems, which allow enhanced accommodations for residents with hearing aids as well as addressing other specific hearing issues unique to seniors. Beyond the walls of the building, projects involving site work implemented LED lighting systems and complied with dark sky and perimeter cut-off lighting designs. Sedimentation control plans during construction and other efforts to recycle construction waste are employed.

Looking Ahead:

Our goals for 2017 include a 2 percent reduction in energy and water usage based on no-cost and low-cost conservation measures across the portfolio, as well as select capital projects. We will continue to improve our ENERGY STAR portfolio averages, and we are developing a customized water comparative metric to benchmark and better manage our water consumption. We require that all communities provide basic recycling, and we will pilot an organics recycling program, as well as provide options for recycling batteries, bulbs and electronics.
Environmental Fast Facts

- **2.42%** reduction in energy usage
- **21** ENERGY STAR certifications
- **3.5%** reduction in GHG Emissions
- **19,750,000** kilowatt hours reduced
- **$7,600,000** in normalized energy savings

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**Energy Use**

- **2.42% Energy Reduction**

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**GHG Emissions**

- **3.5% GHG Emission Reduction**
Environmental Fast Facts

4.25% Water reduction from projects
2M Gallons of water saved

40 Domestic water retrofits
30 Smart irrigation controllers

214 Retro-commissioning projects

Water Use

- 4.38% Overall Water Increase, with 4.25% Reduction from Pilot Project Communities

<table>
<thead>
<tr>
<th>Year</th>
<th>Project Communities (kGal)</th>
<th>Water Use (kGal)</th>
<th>Reduction Goal (kGal)</th>
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<tbody>
<tr>
<td>2015</td>
<td>4,500,000</td>
<td>4,250,000</td>
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<td>2016</td>
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<td>3,750,000</td>
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</tr>
<tr>
<td>2018</td>
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<td>2016</td>
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<td>1,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>1,250,000</td>
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</tr>
<tr>
<td>2019</td>
<td>750,000</td>
<td>250,000</td>
<td>0</td>
</tr>
</tbody>
</table>

Waste Diversion Rate

- 1% Waste Diversion Rate Increase

2015 - 2019

Diversion Rate

- 2016: 10%
- 2017: 10%
- 2018: 10%
- 2019: 10%
PERFORMANCE: Creating Value Through Continuous Improvement

Corporate Governance
The Board of Directors is responsible for governing Brookdale by acting in the best interests of the company and its stockholders. It includes nine directors who collectively have significant leadership experience in a number of relevant industries, including senior housing, real estate, finance and healthcare. The Nominating and Corporate Governance Committee is responsible for reviewing the composition and size of the Board and making recommendations to the full Board when appropriate.

Leadership Structure: The Board is responsible for selecting the Chairman of the Board and our Chief Executive Officer. Since our formation, the Board has separated the roles of Chairman and Chief Executive Officer in the belief that this structure improves management’s accountability to the Board.

Independence: The Board has adopted Corporate Governance Guidelines that require at least a majority of the Board to be independent directors, consistent with NYSE listing standards. A majority (seven of nine) of our directors are independent, non-employee directors.
Membership: The Nominating and Corporate Governance Committee is responsible for identifying and recommending to the Board individuals qualified to serve as directors and on committees of the Board. Since April 2015 the Board has added two new independent directors and appointed Daniel Decker as Executive Chairman of the Board. Our Board has adopted a majority voting and director resignation policy for uncontested director elections.

Alignment with Stockholders: To align the interests of our directors with those of our stockholders, the Board has established stock ownership guidelines for our non-employee directors. These guidelines require directors to maintain ownership of shares with a value equal to three times the non-employee director’s annual cash retainer for service on the Board.

 Committees: Our Board has established four standing committees: Audit, Compensation, Nominating & Corporate Governance and Investment. All members of the Audit, Compensation and Nominating and Corporate Governance Committees are independent, non-employee directors. The Nominating and Corporate Governance Committee is responsible for monitoring the functioning and membership of the Board’s committees, including making recommendations to the full Board of each committee’s composition. The membership and charters of the Board’s standing committees may be found on Brookdale’s investor relations website.

Sustainability Leadership Council: To lead and establish strong governance for our sustainability program, in 2015, Brookdale 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, has executive representation from every function in the company, and is led by our Director of Sustainability. Meeting quarterly, the Sustainability Leadership Council takes a hands-on approach to guiding our sustainability efforts. Working in collaboration with the company, the Council has developed a three-year implementation roadmap to assure the coordinated, thoughtful implementation of our major sustainability priorities.
Code of Business Conduct and Ethics

At Brookdale, we have a strong commitment to integrity. Our associates, officers and directors are expected to demonstrate a high standard of business and personal ethics in all that they do. To guide this effort, we maintain a Code of Business Conduct and Ethics that defines the conduct expected of our management, associates and business partners for a respectful and desirable workplace and upholding our brand and reputation. The Code may be found on Brookdale’s investor relations website.

Each associate is required to inform his or her supervisor or the company’s compliance officer directly, or contact the Brookdale Integrity Line, about any actual or possible violations of any laws, rules, regulations of the Code. The Brookdale Integrity Line is a toll-free hotline available to associates and others who wish to report such actual or possible violations, including anonymously. Brookdale will not engage in or tolerate retaliation against associates who report, in good faith, violations of the company’s policies.

All associates receive Code of Conduct training upon hire and annually thereafter.

Compliance:
Brookdale’s Compliance Program is a comprehensive guide to promote ethical behavior consistent with our Code of Business Conduct and Ethics. To promote the Compliance Program, Brookdale has established education, systems, processes and oversight at multiple levels of the organization. The Program is administered by the Chief Compliance Officer who has been delegated sufficient authority by the Board of Directors to carry out all duties as assigned in the Code.
Giving Back

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’s Walk to End® program- supporting the fight to find a cure for the disease, while enhancing care for those who live with it as well as their families.

As part of our relationship with the Walk to End® program, we have made fundraising history. Our associates, residents and business partners rallied to this cause, leading and participating in a variety of fundraising activities across the country, including two charity golf events and the annual Walk to End Alzheimer’s® walks across the country—the world’s largest event to generate awareness and funds for Alzheimer’s care, support, and research. Through these combined efforts, Brookdale’s nationwide participation in these events generated more than $2.4 million in 2016, which created a new level of support to define Brookdale’s efforts—diamond team status. This was the third year in a row Brookdale raised an unprecedented amount for the organization.

Brookdale is a Diamond National Team and the top fundraiser in the country since the program began in 2008.

$2.4 million raised by Brookdale for the Alzheimer’s Association

$1.3 million of this amount was raised through two charity golf events

160 of our key suppliers and business partners participated and/or donated

$1.1 million was raised through the Walk to End Alzheimer’s

706 Brookdale teams

574 fundraiser teams

6,862 registered Brookdale walkers
**Associate Compassion Fund:** The Associate Compassion Fund is a nonprofit fund for associates, funded by associates. When in need of financial help due to extraordinary circumstances such as a fire, hurricane, extended illness or accident, associates 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 recurring payroll deduction. Throughout 2016, more than 3,000 associates contributed to the fund and 222 associates received assistance totaling $353,391.

**Holiday Mail:** In November, we asked associates for names of active duty family members and their mailing addresses, so the Brookdale family could show their support by sending them holiday cheer. As responses came in, many volunteers jumped at the opportunity to spread holiday joy by sending a card/letter or package to these special service members. Through their generosity, 75 service members received at least five cards during the holiday season, with 1,116 cards being sent in total. Many also received packages that were sent from Brookdale communities and/or associates.

**PTO Donation Program:** The Paid Time Off (PTO) 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 anonymously 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 frontline staff.

### 2016 STATS:

- **37,020 PTO HOURS** valued at **$946,488** were donated in 2016
- **1,567 associates** donated to **715 associates in need**
- Average donation made was valued at **$604**
- Average assistance granted was **$1,360**
Innovation

Brookdale benefits from a rich history of innovation and insight from all of its legacy providers. Now, our in-house innovation team is dedicated to finding new ways to achieve our mission of enriching lives. The group’s sole purpose is to identify, advance and promote ideas, technology, services and more that make life better for seniors. Whether or not they reside at Brookdale, we want to make a positive impact.

One of the best examples, mentioned below, is our award-winning “Entrepreneur in Residence” program. This initiative allows innovators who are developing products for seniors to live at a Brookdale community for a week at no cost, so they can test and refine their concepts with our residents. We also believe research with leading academic institutions is important, which is why we led a groundbreaking study in conjunction with the Stanford Center on Longevity called “Rewiring Aging,” to examine the link between technology and well-being for people age 80 and older. We are also forging partnerships with other proven innovators such as STANLEY Healthcare, Lyft and the toy company Hasbro.

New technologies provide opportunities for us to create new models of care and experiences. They could potentially shape senior living to fulfill what coming generations of seniors need and want at this time of their lives. Some of these innovative programs and partnerships Brookdale participated in for 2016:

EIR: Entrepreneur in Residence (EIR) invites entrepreneurs to live in a Brookdale community to get to know residents and deeply understand what community life is really like. This free program encourages entrepreneurs to build products and services with seniors, not for them. More than 10 entrepreneurs have completed the program.

Lyft: Innovation and technology are changing how elder transportation is deployed throughout the senior care industry. Lyft, the San Francisco start-up ride service company, is on the forefront of this expansion with their Lyft Concierge application. At select locations, Brookdale residents can request a Lyft ride from the Brookdale concierge without having to use a smartphone or app. More
than 30 percent of residents in the pilot community took a Lyft ride, and more than 50 percent of them became repeat riders.

Hasbro: Hasbro, one of the largest toy companies in the world, launched the Joy For All™ brand and created Companion Pets to address senior social isolation. Brookdale has partnered with Hasbro to deliver a more engaging and differentiated Alzheimer’s and dementia care experience through the integration of Companion Pets and the co-creation of additional products that can enrich the lives of Brookdale residents.

Rewiring Aging: America’s most senior citizens yearn to be connected, but few are, causing a quarter of them to become “virtual shut-ins” in an ever-increasing cyber society. These findings were presented in the “Rewiring Aging Survey,” a research project completed by Brookdale in partnership with the Stanford Center on Longevity. It was the first in-depth study of how online social networking and similar technology activities affect the quality of life among America’s fastest-growing demographic. These findings inspired additional tests with technology and prompted Brookdale to invest in technology education using iPads and Apple® TVs as part of its commitment to “rewire aging.”

STANLEY Healthcare: With safety technology rapidly evolving, Brookdale is leading security-related innovation, standardizing operations and enhancing customer experience for residents and their families. Brookdale has chosen STANLEY Healthcare and RF Technologies and as its preferred partners to help carry out this mission at communities across the country. Initial areas of focus include faster notification of emergency situations and streamlining workflows to more efficiently respond to individual resident needs.

Looking ahead:
The future of Brookdale is very exciting, with high-quality tools in place that help measure and track improvements and new technologies that provide opportunities for us to create new models of care and experiences. These technologies will likely fulfill what coming generations of seniors want at this time of their lives. We believe Brookdale will be one of those organizations people point to as helping drive this shift in how society thinks about itself and its senior members.
We welcome your feedback on this report.

Please send your comments to: Sustainability@brookdale.com