

Proxy Alert: Chartwell Retirement Residences

Lack of human capital management disclosure is a risk to unitholder value

<p>Company: Chartwell Retirement Residences (CSH.UN) Annual and Special Meeting Date: June 4, 2024 Filer: BCGEU Recommendation: VOTE FOR the shareholder resolution</p>

Executive summary

B.C. General Employees' Union has filed a unitholder resolution for consideration at the Trust's Annual General Meeting ("AGM") of unitholders taking place on June 4, 2024.

The Proposal asks the Board to report to unitholders annually, at a reasonable cost and omitting proprietary information, on the effectiveness of the Trust's effort to meet or exceed direct care target ratios and improve overall staffing ratios at owned, partially-owned and operated long-term care and retirement residences, including by disclosing relevant metrics such as direct care ratios, annual staff turnover rates, use of staffing agencies and cost differentials for staffing agency usage, and total number of days in the reporting period that staff positions remained vacant.

This investor brief aims to:

- Address a critical risk factor at Chartwell Retirement Residences ("Chartwell", the "Trust", or the "Company"): the insufficient disclosure of Human Capital Management (HCM) practices—a concern that bears significant weight on investor decision-making and Trust value.
- Underscore the imperative for Chartwell to embrace transparency and proactive HCM as part of its fiduciary responsibility to unitholders and as a cornerstone for sustainable growth.
- Examine the merits of the unitholder proposal, and why we believe a for a vote **FOR** the BCGEU Unitholder Proposal is warranted.

Chartwell is Canada's largest operator of retirement residences with over 26,000 suites/beds at roughly 170 properties/residences in British Columbia, Alberta, Ontario, and Quebec across all sectors of Independent Living and Supportive Living, Independent Supportive Living Apartments and Suites, Assisted Living and Long-Term Care residences as of December 31, 2023. The Company is at a pivotal juncture where transparent HCM practices are not just a regulatory expectation but a determinant of operational and financial performance.

In 2021, a unitholder proposal requesting Chartwell to enhance Board oversight and disclosures to manage workforce-related risks received 31.37 per cent support from

unitholders.¹ Despite significant support from unitholders, Chartwell has not implemented changes to better manage HCM concerns. Recent unitholder proposals highlight a pressing need for Chartwell to report on direct care target ratios, staffing ratios, and staff turnover rates. This comes in light of evidence demonstrating the positive impacts of HCM, and of risks posed by inadequate HCM, including to service quality, employee retention, and legal compliance.^{2,3,4,5,6,7,8} Such factors are integral to the Trust's market valuation and growth potential.

Evidence of high staff turnover rates, reliance on temporary staffing, and a lack of robust training and recruitment metrics indicates a HCM framework that falls short of investor expectations and best practices.⁹ Additionally, the absence of clear staffing ratios and acuity level disclosures impedes investors' ability to gauge operational risks accurately and undermines the Trust's claim of prioritizing resident satisfaction and employee engagement.

The legal landscape further complicates Chartwell's position, with class-action lawsuits alleging negligence during the pandemic¹⁰—underscoring the profound consequences of inadequate HCM on legal exposure and reputational damage.

Given these concerns, we strongly advocate for a vote in favour of the BCGEU Unitholder Proposal at the upcoming AGM. We contend that rigorous HCM disclosures will equip investors with crucial insights into Chartwell's risk mitigation strategies, employee satisfaction, and care quality. Moreover, comprehensive HCM reporting is indicative of a trust's adaptability, resilience, and long-term value proposition in an industry where demographic trends predict burgeoning demand.

Introduction to Human Capital Management risks

Human Capital Management (HCM) is the comprehensive set of practices and processes that organizations use to manage the employee lifecycle, encompassing recruitment, management, development, and optimization of staff. HCM is particularly crucial for service-based entities such as Chartwell, as the quality of service is directly linked to the skills, engagement, and satisfaction of its workforce. The employees form the backbone of the

¹ <https://share.ca/blog/2021-april-chartwell-bod-accountability/>

² https://mybrand.schroders.com/m/63d2ad02332cbde8/original/SC_IDD_Human-Capital-Research_US.pdf

³ Aaron Bernstein and Larry Beferman, THE MATERIALITY OF HUMAN CAPITAL TO CORPORATE FINANCIAL PERFORMANCE, President and Fellows of Harvard College (April 2015), https://lwp.law.harvard.edu/files/lwp/files/final_human_capital_materiality_april_23_2015.pdf

⁴ Hassan, Roshidi. (2016). The Role of Human Capital Management in Enhancing Engagement and Retention Among Top Talent in

Organization: A Critical Literature Review. Journal of Emerging Economies and Islamic Research. 4. 54. 10.24191/jeir.v4i4.9103, https://www.researchgate.net/publication/342148907_The_Role_of_Human_Capital_Management_in_Enhancing_Engagement_and_Retention_Among_Top_Talent_in_Organization_A_Critical_Literature_Review

⁵ <https://www.aon.com/attachments/human-capitalconsulting/2015-Trends-in-Global-Employee-Engagement-Report.pdf>

⁶ <https://www.sec.gov/files/rules/petitions/2017/petn4-711.pdf>

⁷ <https://www.nbim.no/en/the-fund/news-list/2022/new-expectation-document-on-human-capital/>

⁸ <https://www.pionline.com/esg/calpers-schroders-framework-ties-human-capital-management-value>

⁹ https://uniglobalunion.org/wp-content/uploads/UniGlobal_Report_InvestorAlert_EN.pdf

¹⁰ <https://www.cbc.ca/news/canada/toronto/class-action-ltc-1.7143572>

business, engaging with residents and ensuring the quality of care for which Chartwell is known.

The COVID-19 pandemic cast a spotlight on the importance of HCM within the healthcare and assisted living sectors. The challenges posed by COVID-19, from staff shortages to heightened care demands, underscored the essential role of robust HCM in navigating current and future crises. The ability to adapt to sudden changes in workforce requirements, maintain high standards of resident care, and ensure employee well-being was paramount during this period. As a result, Chartwell's response to these challenges has been closely scrutinized by stakeholders, with calls for greater transparency and improved management practices.

Chartwell's recent dependence on staffing agencies, high turnover rates, and the subsequent impact on care continuity are all issues that have not only affected operational efficiency but also raise concerns about the Company's ability to sustain high-quality service levels. Investors recognize that effective HCM is not just a matter of regulatory compliance or ethical business conduct; it is a strategic imperative that can significantly influence financial performance, risk profile, and the company's reputation.

Investors believe that adequate disclosure of HCM will protect residents and employees and will also protect and enhance unitholder value in an increasingly competitive landscape.

Risks to unitholders from poor Human Capital Management

Chartwell's Board recognizes that Chartwell faces material HCM risks including an inability to attract, train and retain qualified and skilled personnel, which may result in reduced occupancy levels or services, and which could adversely affect the business, results of operations and financial conditions. During the COVID-19 pandemic, Chartwell turned to staffing agencies as a temporary measure to address staffing issues, resulting in increased labour costs.

Chartwell Retirement Residences' long-term success is dependent on employee engagement and resident satisfaction "to generate high occupancy rates which, in turn, should drive strong growth in earnings". Chartwell itself recognizes that the Company's "biggest asset is our people."¹¹ The Company's *Strategy Statement* recognizes "only highly engaged employees will deliver the exceptional resident experiences fulfilling our vision of Making People's Lives Better and driving high resident satisfaction scores."¹² Chartwell also recognizes that satisfied residents are much more likely to recommend their residence to their friends.

¹¹ [Notice of annual meeting of unitholders and Information circular \(q4cdn.com\)](#) p.105

¹² https://s23.q4cdn.com/371771841/files/doc_financials/2022/q4/q4-2022-chartwell-mda-march-1-2023-aoda.pdf

Workers are key to Chartwell’s ability to deliver on its strategy. However, any inability to retain and retain qualified workers will create challenges ensuring resident satisfaction, which may impact the Company’s ability to attract residents and may expose the Company to risk.

Effective HCM is not merely an operational necessity but a strategic asset that safeguards a company's long-term profitability and sustainability. For Chartwell, where the quality of human interactions defines the service, HCM inadequacies represent a multifaceted risk to unitholders.

A. Concerning staff turnover rates

Between January 2021 and 2022, SEIU Healthcare estimated that Chartwell’s employee turnover rate was 37.7 per cent in retirement residences, and 20.9 per cent in long-term care homes.¹³ SEIU Healthcare noted that this turnover estimate was likely conservative. To assess the level of worker replacement, SEIU further analyzed the number of newly hired employees on an annual basis. Based on this analysis, worker replacement in 2019, 2020 and 2021 was 55%, 68% and 55% in retirement homes, respectively. In long-term care, it was 30%, 45% and 32%.¹⁴

These figures indicate significant issues related to staff retention at Chartwell, indicating risks associated with retaining staff. Two of Chartwell’s global peers disclosed turnover rates of 20.4% (Orpea, now called Emeis) and 20.2% at Korian (now called Clariane) in this timeframe.^{15,16} Sienna Seniors Living, one of Chartwell’s Canadian peers, does not disclose turnover rates, but does disclose average length of service of full-time staff in long term care and retirement residences.¹⁷

A high staff turnover rate signals potential issues with employee satisfaction, engagement, and morale. Chartwell’s high turnover denotes not only potential increased recruitment and training expenses and a potential decline in care quality. Continual replacement of experienced staff with new hires can erode institutional knowledge and degrade the standard of service—a direct threat to Chartwell's brand promise and unitholder value. As the OECD notes,

High turnover can reduce quality of work, as new workers need to learn the care recipients’ preferences; this disrupts elderly people and results in a waste of resources from employers who need to spend time on recruitment and training efforts.¹⁸

¹³ https://uniglobalunion.org/wp-content/uploads/UniGlobal_Report_InvestorAlert_EN.pdf

¹⁴ https://s23.q4cdn.com/371771841/files/doc_financials/2022/q4/q4-2022-chartwell-mda-march-1-2023-aoda.pdf

¹⁵ https://www.emeis-group.com/wp-content/uploads/2023/07/ORPEA_DEU_2022_UK_.pdf

¹⁶ https://korian.fr.digital-report.net/en/report/1540#title_697492

¹⁷ <https://www.siennaliving.ca/getmedia/738f139f-d328-492c-92d0-b79b6a48c178/2022-2023-ESG-Report-Final.pdf>

¹⁸ OECD (2020), Who Cares? Attracting and Retaining Care Workers for the Elderly, OECD Health Policy Studies, OECD Publishing, Paris, <https://doi.org/10.1787/92c0ef68-en>.

A US study of nursing homes suggests that a 10 per cent increase in turnover was associated with an increased resident mortality rate and a lower quality of care.¹⁹

Investors have asked for the Trust to provide more information regarding staff turnover and retention, but instead, Chartwell discloses vacant lines. Chartwell discloses that it has a labour pool of non-regular positions with no assigned shifts. These are essentially as needed on-call and reportedly represent a large proportion of the labour pool. While it is important to be able to meet operational requirements, such disclosure may obscure turnover rates, retention concerns, or costs associated with staffing and training. This impedes the ability of unitholders to understand the significance of Chartwell's retention and staffing issues.

As previously stated, Chartwell discloses that its long-term success is dependent on employee engagement, and its *Strategy Statement* recognizes "only highly engaged employees will deliver the exceptional resident experiences fulfilling our vision of Making People's Lives Better and driving high resident satisfaction scores".²⁰ High turnover rates pose concerns that the Company is not effectively managing risks associated with employee engagement, and with this in turn may impact its ability to deliver exceptional resident experiences, generate high occupancy rates and drive strong growth in earnings.

In its opposition statement, Chartwell writes that,

Further, due to the 24/7 nature of our operations, we have no choice but to employ many part-time and casual employees. These employees are more transient and contribute to higher turnover ratios. To address this, we have invested significantly in recruitment, onboarding, training and retention programs.

Chartwell further notes that it "remain[s] open to exploring meaningful turnover disclosure for the benefit of our investors". Investors believe that disclosure of key HCM metrics would be beneficial to gain a deeper understanding of the Company's ability to mitigate HCM risks.

Without the disclosure of any such relevant metrics, investors are unable to determine the interplay between high turnover and retention, and how risks are being assessed and mitigated. Notably, turnover has a cost that is not disclosed. And further, it impacts continuity of care and resident satisfaction, which is concerning to unitholders.

¹⁹ Antwi, Y. A., & Bowblis, J. R. (2018). The impact of nurse turnover on quality of care and mortality in nursing homes: Evidence from the great recession. *American Journal of Health Economics*, 4(2), 131-163.

²⁰ https://s23.q4cdn.com/371771841/files/doc_financials/2022/q4/q4-2022-chartwell-mda-march-1-2023-aoda.pdf

B. Insufficient recruitment and training disclosures

Recruitment and training disclosures can provide unitholders with insights into the workforce's competency and stability and could provide important insight into the Trust's ability to maintain high care standards amid industry-wide challenges. Unitholders require this data to determine the sustainability of current HCM practices and their impact on Chartwell's operational resilience.

The Trust discloses that it has made advances in enhancing training and recruitment, including tripling the size of the recruitment team and moving staff into recruitment functions because the Trust constantly needed to replenish staff. In terms of efforts to recruit staff, Chartwell says it has updated its website, uses advertising to recruit new staff, and that the Trust's website talks about the Company's culture to attract new staff. Unitholders, however, do not have insight on the effectiveness of its enhanced training and recruitment efforts.

One of Chartwell's global peers, Emeis, discloses its recruitment rate by region in addition to departure rate and turnover rate by region. It further discloses it has undertaken efforts to analyze the main factors behind staff departure, discloses the main factors for such departures, and discloses it has set a target for a reduction in turnover by 2023. Finally, it discloses total training hours offered, percentage of staff enrolled in education programs.²¹

To best understand the effectiveness of training, we request the Company to disclose annual staff turnover rates as well as use of staffing agencies and cost differentials for staffing agency usage. If there is high staff turnover, more recruitment and training may be required, which may increase costs associated with staffing agencies and resourcing.

When asked about the effectiveness of training, Chartwell notes that it does not directly measure the effectiveness of training, rather uses resident satisfaction surveys and occupancy rates to measure the effectiveness of training. Unitholders submit that this is not an adequate measure of training. Resident satisfaction surveys and occupancy rates do not inform unitholders of the HCM risks that they are facing in their investments.

The Trust's reticence in revealing critical HCM metrics undermines the confidence of investors, who are increasingly aware of the importance of robust workforce management in driving long-term returns and reducing exposure to costly legal and reputational risks.

C. Disclosure of employee engagement scores is insufficient

In lieu of other types of HCM disclosure, Chartwell reports employee engagement scores as one of its key HCM metrics. Chartwell discloses that surveys are conducted on behalf of a

²¹ https://www.emeis-group.com/wp-content/uploads/2023/07/ORPEA_DEU_2022_UK_.pdf

third party and that employee engagement, which is based on workers selecting ‘strongly agree’, went up from 49 per cent in 2022 to 54 per cent in 2023.

While employee engagement scores may help the Company assess employee sentiment, investors have concerns with the value of these surveys in the absence of other HCM disclosure. There is also a lack of transparency on the indicators or questions that are used to measure employee engagement. For example, there is no clarity on what “strongly agree” entails or how it is measured.

In interviews with workers, workers disclosed that they do not complete these surveys because they fear that identifying data can easily be used to identify which worker completed the survey. Workers are required to complete the survey on a work computer and need to indicate where they work and fear reprisal for speaking honestly. In many retirement homes with a low number of staff (e.g. roles like Activity Monitor where there is only one per shift), it is possible for the Company to identify the worker based on the time the survey was completed and the role that was identified. These surveys may, therefore, under-evaluate risks and may fail to paint a complete picture of all HCM risks and concerns.

As unitholders, we are concerned that employee engagement surveys may not be sufficient in providing us with a good understanding of the effectiveness of Chartwell’s existing HCM strategies and practices. In addition, concerns of reprisal may speak to serious HCM risks that need to be identified, assessed, and addressed by the Company.

One of Chartwell’s global peers, Korian, discloses such metrics as absenteeism, overall turnover, average tenure, disclosure hours of face-to-face training and e-learning, members enrolled in qualified training.²²

D. Staffing ratios, acuity levels and staffing agencies

Staffing ratios

In response to the Proponent’s request to disclose key HCM metrics, such as staffing ratios, Chartwell states that the Company has exited the LTC sector and that such metrics are less important given the Company’s move away from LTC and exit entirely from LTC in Ontario. Chartwell, however, still retains ownership of three LTC homes in B.C.²³

Contrary to the Company’s perspective, the Proponent believes that disclosure of key workforce metrics, including staffing ratios, is valuable and in the interest of unitholders given the dearth of other key HCM metrics disclosed. While the Trust has different levels of staffing

²² https://www.clariane.com/sites/default/files/2023-06/kor2022_urd_en_23_06_05_mel-1.pdf

²³ [Q4 and YE 2023 MD&A \(q4cdn.com\)](#) p.66

at differing businesses, it does not negate the value of providing additional information related to staffing. Regardless of Chartwell's focus on LTC or private pay retirement residences, shareholders and residents expect Chartwell to meet its commitment to provide "exceptional resident experience."²⁴

Transparent reporting of staffing ratios is integral for assessing operational risks and for maintaining investor confidence in the Trust's governance and HCM practices.

One of Chartwell's global peers, Emeis, discloses various metrics related to staffing ratios. This includes the group wide staffing ratio with ratios of care staff and non-care staff disclosed, and nursing home staffing ratios by care and non-care staff and overall.²⁵

Acuity levels

As unitholders, we are highly supportive of high occupancy levels and strong returns. We, however, are concerned about the Trust's oversight of acuity levels. On multiple occasions we were advised by workers in B.C. and Ontario that any prospective senior who was able to write a cheque could get into the home. We also heard that many seniors were brought into retirement and assisted living facilities who required greater care than was on offer.

If residents have greater care needs than can be provided for, there are potential risks to residents and to workers. We believe that acuity levels are relevant in private pay retirement residences as residents who present different care needs may require a properly trained workforce and proper staffing who can provide adequate care.

As such we argue that the disclosure of acuity levels (omitting private or sensitive data) would provide unitholders with greater confidence that key risks are being effectively managed. This will ensure that seniors are given the care they require, and that workers are able to safely complete their jobs. Chartwell's competitive advantage is that it provides exceptional resident experiences and personalized services, with a focus on safety and respect. In order for unitholders to have confidence in Chartwell's ability to maintain its competitive advantage, unitholders expect the Company to disclose HCM metrics to demonstrate that it is meeting such expectations, including acuity levels.

Staffing agencies

Finally, Chartwell discloses that its use of staffing agencies has declined to pre-pandemic levels, excluding in a few markets like Quebec City, Montreal, Ottawa, and a small amount in B.C. where agencies are still used. While the Company says that its use of staffing agencies is

²⁴ [Q4 and YE 2023 MD&A \(q4cdn.com\)](#) p.6

²⁵ https://www.emeis-group.com/wp-content/uploads/2023/07/ORPEA_DEU_2022_UK_.pdf

no longer an issue of concern, the disclosure of the use of staffing agencies and cost differentials for staffing agency usage will provide unitholders with more clarity on Chartwell's ability to retain and/or attract qualified personnel.

As Chartwell states in its own disclosure,

the inability to retain and/or attract qualified personnel may result in a reduction in occupancy levels or services provided; use of staffing agencies at added cost; and an increased risk of deficiencies in operations which could potentially result in fines or penalties.²⁶

Legal and operational risks from inadequate Human Capital Management

The legal and operational landscape for Chartwell Retirement Residences is fraught with risks exacerbated by inadequate HCM practices. The implications of these risks are not merely hypothetical but have manifested in concrete challenges that have significant repercussions for unitholders.

Legal exposure

The Ontario Superior Court of Justice's certification of class action lawsuits against long-term care operators, including Chartwell²⁷, is a stark reminder of the legal vulnerabilities associated with HCM deficiencies. These lawsuits allege gross negligence that led to resident illness and death during the COVID-19 pandemic. The legal proceedings reflect a failure to adequately staff and manage care facilities—a failure that is, at its core, an HCM issue. The potential financial liabilities stemming from such litigation can be substantial, affecting the Trust's bottom line and unitholder returns.

Operational disruptions

Inadequate HCM practices have operational ramifications that extend beyond the legal realm. Poor staffing practices, insufficient training, and high turnover rates undermine the ability to provide consistent, quality care. This can lead to operational shutdowns or sanctions by regulatory bodies, with the cost of rectifying these issues or compensating for operational disruptions adding to the financial strain on the trust. Moreover, the trust's reputation as a provider of choice for prospective residents is at stake when care standards are compromised.

With Chartwell's move away from the LTC sector, unitholders recognize that private pay retirement residences face less regulation, which makes workforce and HCM issues at risk of escaping regulatory vigilance. The Proponent notes that the lack of regulation does not mean

²⁶ [Q4 and YE 2023 MD&A \(q4cdn.com\)](#) p.62-63

²⁷

<https://www.canlii.org/en/on/onsc/doc/2024/2024onsc1135/2024onsc1135.html?autocompleteStr=pugliese%20v%20chart&autocompletePos=1&resultId=3d3159e8de6a478dbc808a6371ae60b0&searchId=2024-03-13T16:34:56:100/422397d91e864dbba90de95dd0c94daf>

such risks are mitigated, rather the Company has an increased responsibility to mitigate such risks for the Company and its unitholders.

Impact on service

Service quality in the assisted living and long-term care sectors is inextricably linked to the competency and continuity of the workforce. When staffing levels are inadequate or when employee turnover is high, the resulting discontinuity of care can have deleterious effects on resident well-being and satisfaction. In a service-oriented industry, the erosion of service quality can precipitate a decline in occupancy rates and, by extension, revenue.

According to research, low continuity of care in general practice is associated with a higher risk of mortality, strengthening the case for encouragement of continuity of care.²⁸

High turnover and understaffing can lead to increased labour costs and could push the Trust to rely on staffing agencies again and may impact operational costs and quality of care provided to residents. Investors believe that the disclosure of further HCM risks is not prescriptive, and is both reasonable and highly prudent.

A 2021 report from Deloitte, commissioned by the Canadian Medical Association, found that nearly twice as many older adults will require care by 2031 as in 2019. Demand for home care will increase from close to 1.2 million to roughly 1.8 million patients. While there is growth in this sector, there are many concerns in the sector that have been raised since the COVID-19 pandemic.²⁹ A further survey by the Canadian Medical Association and the National Institute on Ageing found that 96 per cent of Canadians want to do everything possible to avoid going into long-term care given the widespread concerns about the state of LTC homes following the COVID-19 pandemic.³⁰

The OECD Guidelines for Multinational Enterprises reference the importance of maintaining good human capital data. For investors, a company's commitment to these practices can be indicative of robust human capital management and potential for long-term value creation. The OECD guidelines encourage enterprises to engage in activities that promote human capital development, such as training and education of employees, to demonstrate strong management of human rights risk and disclosure. Disclosure about human capital practices—such as workforce diversity, training and development, labor practices, and employee engagement—can be critical for investors. Such data helps assess whether companies are effectively managing human capital-related issues and risks.

Finally, good HCM often correlates with enhanced productivity and innovation, lower

²⁸ *Br J Gen Pract*, 2016 Aug; 66(649): e531–e539. Published online 2016 Jun 21. doi: [10.3399/bjgp16X686101](https://doi.org/10.3399/bjgp16X686101)

²⁹ <https://digitallibrary.cma.ca/link/digitallibrary53>

³⁰ [2021 Pandemic Perspectives on Long-Term Care EN.pdf \(cma.ca\)](#) p.7

employee turnover, and better compliance with regulatory standards, all of which are important indicators for investors.

Conclusion and recommendation

The exploration of Human Capital Management (HCM) practices at Chartwell Retirement Residences throughout this investor brief has illuminated the critical link between effective HCM and the Trust's ability to deliver on its promises to residents, employees, and unitholders. The substantial risks identified—stemming from high staff turnover rates, lack of staffing ratio disclosure, and the absence of comprehensive training and recruitment metrics—pose real threats to the operational integrity and financial viability of the Trust.

Effective management of human resources is not a peripheral concern but a core investment issue. It is deeply entwined with Chartwell's operational excellence, competitive advantage, risk management, and long-term strategic success. As the sector braces for increased demand and evolving care needs, it is imperative that Chartwell adopts a robust, transparent, and proactive approach to HCM. Only then can it ensure high-quality service delivery, maintain resident and employee satisfaction, and mitigate the risks of legal action and reputational harm.

Considering these findings, our unequivocal recommendation to unitholders is to vote **FOR** the BCGEU Unitholder Proposal at the upcoming Annual General Meeting on June 4, 2024. This proposal calls for enhanced disclosure of HCM metrics, a step that will provide greater transparency and allow for informed assessments of the Trust's management efficacy and risk exposure. Such transparency is not just a matter of good governance; it is a prerequisite for investor confidence and the long-term sustainability of returns.

Vote FOR the BCGEU Unitholder Proposal at the Chartwell Retirement Residences AGM

Meeting date: June 4, 2024

Proxy cut-off date: 5:00 p.m. (Eastern time) on June 3, 2024

Voting Information: Located on pages 3-7 of the management information circular https://s23.g4cdn.com/371771841/files/doc_downloads/governance/2024/chartwell-circular-agm.pdf

NOTE: This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; BCGEU is not able to vote your proxies, nor does this communication contemplate such an event. BCGEU urges unitholders to vote FOR its unitholder proposal at Chartwell Retirement Residences following the instructions provided on management's proxy mailing.