In 2018, we made a commitment to submit formally to independent ESG scrutiny by 2020. The most important single step in that regard was to obtain a GRESB Real Estate Assessment and to provide an ESG Report, which we did in November and December of last year. Our GRESB score was 64, recognized as a “strong first-year showing.” In addition to strengths, the assessment identified clear opportunities for improvement in our ESG practices and disclosure.

Our second annual GRESB score was 80, representing material progress in multiple areas over the initial assessment. Over the course of 2021, we also completed our first formal ESG Strategy, which sets goals and targets for Allied’s ESG priorities. We also aligned our Second Annual ESG Report with (i) the Global Reporting Initiative (GRI) and (ii) the Sustainability Accounting Standards Board (SASB) Real Estate Standard. Our Third Annual ESG Report, scheduled for release in mid-2022, will also outline our progress in adopting the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Allied’s Board and Management are committed to making our approach to ESG more manifest, deliberate and measurable. We have always believed that submitting to informed scrutiny will make us a better and more successful business, and formally submitting to ESG scrutiny is no exception in this regard.

Michael Emory
President & CEO

Allied is a leading owner, manager and developer of (i) distinctive urban workspace in Canada’s major cities and (ii) network-dense urban data centres (UDCs) in Toronto that form Canada’s hub for global connectivity. Allied’s business is providing knowledge-based organizations with distinctive urban environments for creativity and connectivity.

DISTINCTIVE URBAN WORKSPACE
Allied was known initially for our leading role in the emergence of Class I workspace in Toronto, a format created through the adaptive re-use of light-industrial structures in the Downtown East and Downtown West submarkets. This format typically features high ceilings, abundant natural light, exposed structural frames, interior brick and hardwood floors. When restored and retrofitted to high standards, Class I workspace can satisfy the needs of the most demanding office and retail users. When operated in a coordinated manner, this workspace becomes a vital part of the urban fabric and contributes meaningfully to a sense of community.

Allied went public in 2003 for the express purpose of consolidating Class I workspace that was centrally located, distinctive and cost-effective. The consolidation that ensued was continuous, enabling Allied to evolve into a leading owner, manager and developer of distinctive urban workspace in Canada’s major cities.

URBAN DATA CENTRES (UDC) SPACE
In addition to providing urban workspace, Allied provides network-dense UDC space in Downtown Toronto. Allied established this capability in 2009 through the acquisition of 151 Front W, the largest internet exchange point in Canada and the third largest in North America. Allied has since expanded this capability by retrofitting a portion of 905 King W and a portion of 250 Front W. Just as Allied’s workspace does, this space provides knowledge-based businesses with distinctive urban environments for creativity and connectivity. Allied’s deep expertise in adaptively re-using urban structures has contributed meaningfully to our success in operating network-dense data centre space in Downtown Toronto.

WORKSPACE INNOVATION
Allied’s experience informed our approach to workspace innovation. Office users today value light, air and an open-plan. Abundant natural light and fresh air contribute enormously to human wellness and productivity. An open-plan improves collaboration and creativity. When people can move around and freely connect with one another, communication is improved, along with mutual understanding, and sparks of ingenuity occur.

Technology has contributed to workspace innovation. Light harvesting has made great strides, as has fresh air delivery. Raised-floor systems have made aesthetic and practical contributions in recent years. Aesthetically, they declutter the workspace and obviate the need for drop ceilings. Practically, they improve air circulation by pressurizing the underfloor area allowing for a more equal distribution of air. All this can be delivered to users in an environmentally sustainable manner.

Workspace amenities have made an equivalent contribution to workspace innovation. While achievable to an extent within a single building, amenity-richness is best achieved within a surrounding urban neighbourhood. This in turn places a premium on clustering buildings within an amenity-rich urban neighbourhood.

Allied’s experience with Class I workspace also increased our sensitivity to design. When people migrated to the suburbs in the 1950s, the sensitivity to design in the inner-cities seemed to diminish, if not disappear altogether. Heritage properties were destroyed to make way for non-descript, inward-looking buildings, and synthetic materials seemed to cover everything, everywhere. Fortunately, design now matters, and design now pays. The workspace Allied created at QRC West in Toronto is an excellent example. Allied’s architects came up with a creative and beautiful way to build a new office tower above two fully-restored heritage buildings. Although the design entailed additional cost, the ultimate economic and social return on the investment was exceptional. The design paid off in every conceivable way.
Finally, Allied’s experience with Class I workspace put it at the forefront of creating workspace for the knowledge-based economy. This led Allied to place ever-greater emphasis on the ongoing relationship between the user and provider of workspace. Put differently, it led us to understand the need for a partnership-like relationship with our workspace users.

FOCUS AND DEFINITION
From the outset, Allied adhered to a clear investment and operating focus. We focused initially on the Class I format and continue to do so on a large scale in major urban centres in Canada. More recently, we expanded our focus to include hybrid structures like QRC West and King Portland Centre in Toronto, and 425 Viger in Montréal, where heritage buildings were integrated with new structures in a way that resonated meaningful with the knowledge-based organizations Allied serves. Allied will continue to do so on a large scale in major urban centres in Canada.

As Allied’s business grew and evolved, we were defined not by the specific workspace format we own, operate and develop, but rather by the workspace users we serve. If a particular format enables us to serve knowledge-based organizations better and more profitably, we will invest in it. The Well in Toronto is a good example. The workspace component will be a high-rise tower for the most part with no heritage element. However, because of its architecture, performance attributes and location within a vibrant and amenity-rich neighbourhood, it has attracted outstanding knowledge-based organizations.

Allied's acquisition of 1001 Robert-Bourassa in Montréal (formerly named 700 de la Gauchetière) in July of 2019 is another good example. Through a user-led transformation, a small portion of the workspace at this property was improved in a manner consistent with the distinctive urban workspace environments that we own, operate and develop. In fact, this workspace is strikingly similar to workspace occupied by Ubisoft, Framestore, Spaces and Sun Life Financial at our de Gaspé properties in Montréal. We intend (i) to work with existing and future users to continue this transformation over time and (ii) to transform the extensive public and common areas, all with a view to creating a comprehensively distinctive urban workspace environment at 1001 Robert-Bourassa for knowledge-based organizations.

In effect, Allied intends to complete on a vertical plane the kind of building transformation we have completed so often on a more horizontal plane. In doing so, we expect to augment our ability to serve knowledge-based organizations, as well as add meaningful value to 1001 Robert-Bourassa over a three-to-five-year timeframe.

When Allied’s business is defined by the users we serve, the actual format becomes less important than the specific building attributes and neighbourhood amenities. Accordingly, if a conventional office tower can be transformed to provide the specific attributes and amenities favoured by knowledge-based organizations, it falls squarely within our investment and operating focus.
Our Report

Allied’s 2020 ESG Report outlines our ESG Strategy and describes our 2020 ESG performance. The report provides us with the opportunity to share Allied’s progress with our key stakeholders – employees, users, investors, partners and communities. Every year, we intend to increase our data coverage and disclosure of our ESG performance metrics. We recognize that our 2020 performance was impacted by lower occupancy rates due to the COVID-19 pandemic. The information in this report will focus on activities from 2020, provide data comparisons against our 2019 baseline reported in our inaugural ESG Report and describe notable achievements in 2021. See Appendix for more detail on our reporting boundaries and methodology.

Reporting Frameworks

We have prepared our 2020 ESG Report in accordance with the Global Reporting Initiative (GRI): Core option and the Sustainability Accounting Standards Board (SASB) Real Estate Standard. See Appendix for Allied’s GRI & SASB tables.

External Assurance

As part of our commitment to providing consistent and accurate data, we submitted all 2020 energy, greenhouse gas (GHG) emissions, water and waste data included in this report for third-party verification. See Appendix for our verification letter.
2020 Highlights

Recognized as a Canadian “Best Employer”
We engaged Kincentric to conduct our first third-party employee engagement survey. Allied’s overall engagement score was 78%, placing us in Canada’s top quartile, nine points above the average of participating Canadian employers. We commit to completing an employee engagement survey every year. In 2021, we scored 77%, within Canada’s top quartile and higher than both the Canadian average of 68% and the Canadian real estate sector average of 70%.

Completed an Equity, Diversity & Inclusion (EDI) Audit
We completed an audit to understand our current performance and perspectives of Allied team members through an EDI lens. Building on these insights, our EDI Committee led the development of an EDI Roadmap that identifies the key actions to be taken over the next three years.

Announced Allied Music Centre
Massey Hall announced Allied’s contribution to the Massey Hall Revitalization with the establishment of Allied Music Centre. This partnership will enable Allied to contribute meaningfully to the arts and culture of our communities over an extended period of time. Read more about Allied Music Centre on page 49.

Established an Energy Management Framework
To demonstrate our commitment to improving energy, GHG emissions, water and waste performance at our buildings, we created an Energy Management Framework within National Operations. The Energy Management Framework consists of six key functions: energy and water auditing, energy management planning, consumption reporting, waste management, building certifications and utility purchasing/contract management.

Obtained a Green Construction Loan
Allied obtained a $232.5 million green construction loan (at Allied’s share) for the KING Toronto development from a syndicate of Canadian banks. The proceeds of the construction loan have been used towards achieving LEED Gold Certification at the KING Toronto development.

Improved our GRESB score
The GRESB Real Estate Assessment is a benchmarking tool to assess the ESG performance of real estate companies. We made our first submission in 2020 to measure our 2019 ESG performance. We received a 64 and were recognized by GRESB as a “strong first-year showing.” In 2021, we expanded our submission to include an evaluation of our development activities. We scored an 80 for our standing investments and a 75 for our development portfolio. We value objective assessments and are committed to participating in the GRESB Real Estate Assessment annually.

Issued $1.1 Billion of Green Bonds
We announced our Green Financing Framework under which Allied or any of our subsidiaries may issue green bonds, green loans or other instruments to finance and/or re-finance green projects. In February 2021, we issued our first green bond for $600 million and in August we issued our second for $500 million. Both green bonds were over-subscribed. Read more about Allied’s Green Financing Framework and Sustainalytics Second-Party Opinion.
ESG Defined

Our approach to ESG is grounded in the vision, mission and values of our business, our day-to-day conduct and our operating focus.

VISION
To make a continuous contribution to cities and culture that elevates and inspires the humanity in all of us.

MISSION
To provide knowledge-based organizations with distinctive urban environments for human creativity and connectivity in a manner that is sustainable and conducive to human wellness and diversity.

CORE VALUES
Respect for everyone involved in our business, including employees, users, investors, trustees, partners and neighbours
Teamwork among the people who conduct our business on a daily basis
Creativity in operating and building our business
Focus on clear operating parameters in conducting our business
Enthusiasm in operating and building our business
Community building through ongoing betterment of the communities within which our business is conducted

How we understand ESG within our business

Environmental
Our impact on the natural world at both corporate and property levels. We aim to protect the natural environment while reducing the environmental impact of our business activities.

Social
Our relationship with key stakeholders, including users, employees, suppliers and the communities in which we operate. We aim to increase employee and user engagement and support the neighbourhoods where we operate.

Governance
Our internal policies, programs and processes that support the management of our business and the execution of ESG-related activities. We aim to ensure our environmental and social governance infrastructure supports equitable, transparent and responsible business conduct.

OUR PROCESS
We undertake the following process to advance ESG outcomes across our business.

EVALUATE
• Scan market trends, best practices and current events
• Assess and benchmark baseline performance
• Identify ESG priorities where we can have the greatest impact on the issues that affect our business
• Understand the needs and desires of our stakeholders

PLAN
• Establish company priorities and goals
• Develop plans, toolkits and resources needed for execution

IMPLEMENT
• Educate and train employees to ensure successful implementation
• Monitor implementation and performance
• Record successes and areas of improvement

REPORT
• Communicate on an annual basis to maintain transparency and accountability

REPORT
• Analyze performance and compare against benchmarks
• Revise processes and programs to improve ESG outcomes

EVALUATE
→ PLAN
→ IMPLEMENT
→ REVIEW
→ REPORT
We recently completed Allied’s inaugural ESG Strategy, which reflects the priorities of our key stakeholders, defines our goals and targets and provides a strong framework to support our evolving aspirations. Developing the Strategy encompassed three key actions:

1. Establishing an executive ESG Committee
2. Conducting a materiality assessment to identify the ESG-related topics that are most significant to our business
3. Setting impactful and practical goals and targets as part of our roadmap for implementation

ESG COMMITTEE
In early 2021, we established an executive ESG Committee comprised of eight senior leadership team members. The ESG Committee’s main role is to assist Management and the Board in defining, designing, implementing, expanding and evaluating Allied’s ESG Strategy.

MATERIALITY ASSESSMENT
Allied’s first materiality assessment acted as an evidence-based approach to identify the ESG topics that are most significant to our stakeholders and our business. To ensure alignment with GRI, the assessment included the following activities:

- A thorough desktop review of:
  - Relevant legislation and policy where Allied owns and operates buildings
  - Eight global ESG reporting and disclosure frameworks
  - 10 leading peers to understand the prevailing focus and prioritization of ESG topics within the commercial real estate sector
- One-on-one interviews with seven members of the Allied leadership team, including the CEO, CFO, COO, EVP Development, EVP Special Operations, SVP General Counsel and Corporate Secretary and a Board Member.
- An employee-wide survey to understand our team’s ESG priorities. The survey achieved a 64% response rate.
- In-depth interviews with 12 external stakeholders representing different aspects of our business, including users, community partners, municipal government, investors, suppliers and joint-venture partners across the regions where we operate.

Applying the data and insights collected, we scored 26 relevant ESG topics on a scale of one-to-five based on their importance to our stakeholders and our potential to have an impact. The results, as shown in Allied’s Materiality Matrix, outline the 10 highest scoring topics, which were approved by Allied’s ESG Committee as the foundation of our ESG Strategy.

While employee and user engagement are not included on our prioritized list of ESG topics, we view these stakeholders as fundamental to our business and ESG performance. Further details on employee and user engagement can be found on pages 35 and 43 respectively.
Goals & Targets

Goal and target setting is a critical part of improving our ESG performance.

- **Goals** describe the overall ambition that we strive to achieve.
- **Targets** are measurable, impactful and support a long-term vision and focus on near-term practicality.

Working alongside all relevant departments, we have established goals for our ESG priorities. With 2019 as our baseline year, we created reduction targets for GHG emissions and energy, water and waste consumption by 2024 across our targeted portfolio. See page 63 in the Appendix for detail on the scope and boundaries of our targets.

### GOALS

- **Energy management**: Reduce the energy consumption at our properties by optimizing systems design and conservation practices.
- **GHG emissions reduction**: Limit the direct and indirect greenhouse gas (GHG) emissions that we generate through our operations, developments and major re-developments to minimize the adverse environmental and human health impacts of global warming.
- **Water management**: Improve water use efficiency and reduce consumption across our portfolio.
- **Waste management**: Reduce the waste generated by our development and operating activities through responsible treatment, sorting, handling, storage and disposal.
- **Climate change adaptation**: Mitigate against the adverse impacts of climate change to our assets from acquisition, development and throughout operations.
- **Sustainable design standards**: Build long-term value by integrating sustainable design requirements into all our development and re-development activity.
- **Equity, diversity & inclusion**: Cultivate an environment that advances equity, reflects diversity and demonstrates inclusivity for all stakeholders of our business.
- **Health, wellbeing & safety**: Create a leading health, wellbeing and safety program to ensure the safety of our employees, suppliers, users and visitors.
- **Climate-related risk management**: Integrate impactful ESG-related risks, starting with transitional and physical climate risk, into our current risk management process, capital planning and asset-level preparedness.
- **ESG disclosure & transparency**: Disclose and communicate our ESG performance in a manner that is accurate, accessible, comparable, consistent and reflects our achievements and opportunities for growth.

### 2024 TARGETS

- **Energy Use Intensity**: Average Energy Use Intensity (EUI) of 22.6 kWh/ft² across our targeted portfolio.
- **Greenhouse Gas Intensity**: Average Greenhouse Gas Intensity (GHGI) of 2.33 kgCO₂e/ft² and a cumulative 6.6% absolute emissions reduction across our targeted portfolio.
- **Water Use Intensity**: Average Water Use Intensity (WUI) of 59.1 L/ft² across our targeted portfolio.
- **Waste diversion**: Average waste diversion rate of 64% across our targeted portfolio.
Environmental

We aim to protect the natural environment while reducing the environmental impact of our business activities.
Energy Management & GHG Emissions Reduction

GOALS

- **Energy Management**: Reduce the energy consumption at our properties by optimizing systems design and conservation practices.
- **GHG Emissions Reduction**: Limit the direct and indirect greenhouse gas (GHG) emissions that we generate through our operations, developments and major re-developments to minimize the adverse environmental and human health impacts of global warming.

2024 TARGETS

- **Energy Use Intensity**: Average Energy Use Intensity (EUI) of 22.6 kWh/ft² across our targeted portfolio.
- **Greenhouse Gas Intensity**: Average Greenhouse Gas Intensity (GHGI) of 2.33 kgCO₂e/ft² and a cumulative 6.6% absolute emissions reduction across our targeted portfolio.

As an operator, we have a duty to reduce the energy use and emissions of our operations and developments and prepare for potential future costs and regulations related to GHG emissions.

We aim to implement energy use and emissions reduction initiatives across multiple aspects of our business. Our entire portfolio’s energy, water and waste performance is benchmarked in ENERGY STAR® Portfolio Manager (ESPM). We established a dedicated Energy Management Framework and function to oversee the energy, water, waste and emissions performance of our standing portfolio. These dedicated resources will ensure high quality data, ongoing performance measurement and consistent execution and learning across all regions.

ENERGY AUDITS

We collaborate with top-tier, third-party consulting firms to complete technical energy assessments of our portfolio, in line with ASHRAE Level II requirements. These technical assessments form the basis for identifying energy retrofit projects, funded through Allied’s five-year National Energy and Water Budget. The $15 million budget is dedicated to advancing energy and water conservation projects across our portfolio such as LED lighting retrofits, baseboard heater controls, automation and HVAC upgrades.

EXAMPLES OF ENERGY RETROFIT INITIATIVES COMPLETED IN 2020

**Electric Baseboard Heater Controls Covering 215,255 sq. ft.**
- **Expected Annual MWh Savings**: 1,265
- **Expected Payback**: <2 years

**24 LED Lighting Retrofits Covering 1.9M sq. ft.**
- **Expected Annual MWh Savings**: 3,266
- **Expected Payback**: <3 years

*Expected savings are based on estimates from consultants. Some projects were initiated in 2020 and fully completed in 2021.*

For further detail on the scope of our targets see page 63 in the Appendix.

73 TECHNICAL ENERGY ASSESSMENTS FROM 2018-2020, COVERING 52% OF OUR STANDING PORTFOLIO

9 PROPERTIES CERTIFIED TO ENERGY STAR® IN 2020

[Image: C2020 by Perri Perri, Miscel]
## ENERGY & GHG EMISSIONS PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
</table>
| **ENERGY USE INTENSITY**  
(kWh/ft²)         | 31.91      | 27.45      |
| **GHG EMISSIONS INTENSITY**  
(kgCO₂e/ft²)      | 2.91       | 2.55       |
| **ENERGY CONSUMPTION**  
(MWh)              | 473,265    | 477,661    |
| **GHG EMISSIONS SCOPE 1 & SCOPE 2**  
(tCO₂e)           | 43,882     | 44,270     |

*2019 and 2020 data covers 94% of our standing portfolio.*

-10% **LIKE-FOR-LIKE ENERGY REDUCTION**  
FROM 2019, COVERING 70% OF OUR STANDING PORTFOLIO

-13% **LIKE-FOR-LIKE EMISSIONS REDUCTION**  
FROM 2019, COVERING 69% OF OUR STANDING PORTFOLIO

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### Going Forward

- Increase data coverage across our standing portfolio.
- Report year-over-year progress towards our 2024 Energy Use Intensity, GHG Intensity and total portfolio reduction targets.
- Continue to upgrade our buildings to high-efficiency lighting, building automation and control solutions in line with our operational technology strategy. Allocate a portion of our Energy and Water Budget to drive the implementation of these opportunities by 2024.
- Create an Energy Management Plan for all operational assets and formalize a national energy management reporting protocol.
- Enhance our Owner’s Project Requirements for our developments and re-developments to include guidelines for energy and water efficiencies, waste diversion, emissions reduction as well as climate-related risk considerations. More information can be found on page 29.
Water Management

GOAL

- Improve water use efficiency and reduce consumption across our portfolio.

Although the water stress-level is considered low across our portfolio, Allied recognizes that the availability of global fresh water supply continues to be an increasing concern. It is therefore, incumbent upon us as building operators to reduce our consumption. To support our ongoing reduction efforts, we collaborate closely with third-party firms to complete technical water assessments across our portfolio. Between 2018 and 2020, 52 water consumption and water quality audits were conducted, covering 44% of our standing portfolio. These technical assessments are the basis of identifying the water retrofit projects funded through our Energy and Water Budget. The greatest opportunity to increase water efficiency across our portfolio is by prioritizing upgrades to our plumbing fixtures and HVAC systems. Water and energy are inherently connected and we consider their interactions and interdependencies throughout our systems and processes.

2024 TARGET

- Average Water Use Intensity (WUI) of 59.1 L/ft² across our targeted portfolio.

WATER PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>WATER USE INTENSITY</td>
<td>70.57</td>
<td>43.19</td>
</tr>
<tr>
<td>(L/ft²)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WATER CONSUMPTION</td>
<td>647,943</td>
<td>635,403</td>
</tr>
<tr>
<td>(m³)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2019 data covers 61% of our standing portfolio and 2020 data covers 75% of our standing portfolio.

Like-for-like water reduction from 2019, covering 50% of our standing portfolio:

-33%

For further detail on the scope of our targets see page 63 in the Appendix.

Going Forward

- Increase data coverage across our standing portfolio.
- Report year-over-year progress towards our 2024 Water Use Intensity target.
- Continue to evaluate and identify opportunities to reduce water consumption throughout our building operations by allocating a portion of our Energy and Water Budget to drive implementation.
Waste Management

GOAL
Reduce the waste generated by our development and operating activities through responsible treatment, sorting, handling, storage and disposal.

We understand the importance of reducing and responsibly managing both hazardous and non-hazardous waste across all business operations. Our development activities and the users of our buildings generate the highest volume of waste. Our waste strategy focuses on reducing the impact of these key areas to improve our overall waste performance.

DEVELOPMENT
The majority of our portfolio is comprised of adaptively re-used heritage buildings from the turn of the last century. Our construction practices reduce the amount of excavation, demolition and construction waste by preserving and repurposing these buildings. To ensure responsible waste diversion during our new developments and re-development projects, Allied includes specific requirements within our Owner’s Project Requirements (OPR) framework for waste diversion.

In 2020, the average waste diversion rate was 78% across 91% of our active development projects*. Construction waste is concentrated upstream in our supply chain at the general contractor level. Allied’s development team works closely with our general contractors and project teams to ensure the building’s Construction Waste Policy is adhered to across all projects. Allied engages general contractors who are environmentally responsible and we hold our contractors accountable to LEED requirements where applicable.

OPERATIONS
As of 2019, we consistently track our waste data in ENERGY STAR® Portfolio Manager. Allied recognizes the importance of collaborating and communicating regularly with users to support waste reduction. We will continue to implement waste management initiatives and training programs for users, suppliers and Allied team members to improve waste behaviours and increase the diversion of recycling, organics, e-waste and hazardous waste. Allied provides building managers and operators with toolkits to support the implementation of green cleaning, safe pest control and multi-stream waste bins, with the aim of creating healthy spaces that support both Allied and building users’ sustainability ambitions.

| WASTE PERFORMANCE |
|-------------------|--------|--------|
|                   | 2019   | 2020   |
| WASTE PRODUCTION (t) | 9,911  | 4,334  |

2019 data covers 92% of our standing portfolio and 2020 data covers 80% of our standing portfolio.

49 WASTE MANAGEMENT AUDITS FROM 2018-2020, COVERING 39% OF OUR STANDING PORTFOLIO
46% 2020 AVERAGE WASTE DIVERSION RATE, COVERING 80% OF OUR STANDING PORTFOLIO
78% 2020 AVERAGE WASTE DIVERSION RATE, COVERING 91% OF OUR ACTIVE DEVELOPMENT PROJECTS*

WASTE PERFORMANCE

*Average waste diversion for our development activities is calculated by consolidating the waste diversion per project and weighting the projects based on the Gross Leased Area (GLA).

Our waste diversion coverage in 2020 was 91%; two of our 11 active projects (9% of total GLA) did not have waste diversion data available.

For further detail on the scope of our targets see page 63 in the Appendix.

Going Forward
→ Increase data coverage across our standing portfolio.
→ Report year-over-year progress towards our 2024 waste diversion target.
→ Evaluate regulatory requirements and certification programs to continuously improve waste management practices.
→ Formalize our waste management strategy outlining operational best practices and a multi-year roadmap.
→ Enhance training and resources provided to users, suppliers and Allied team members to improve waste behaviours.
→ Adopt a zero-waste design in the re-development of our Calgary office.

For further detail on the scope of our targets see page 63 in the Appendix.
Climate Change Adaptation

GOAL

Mitigate against the adverse impacts of climate change to our assets from acquisition, development and throughout operations.

Climate change poses physical and transitional risks to Allied’s business as an owner and operator of 202* properties across Canada. We intend to manage asset-level risk through a climate risk tool that will assess our portfolio on seven risk indicators: sea level rise, water stress, heat stress, hurricanes, wildfires, earthquakes and floods. Based on this assessment, assets will be assigned a risk score for each category and ranked on a percentile from 1-to-100. We are committed to continuously re-evaluating risks to our business. We plan to integrate climate-related risk into Allied’s risk management process. More information on our climate-related risk management can be found on page 55.

To mitigate the adverse impacts of climate change, we strive to build business resilience by incorporating climate-related considerations into key activities and long-term business planning.

Going Forward

- Utilize climate risk data to inform capital planning exercises and ensure we are making investments that respond to physical climatic risk.
- Adopt a dialogue-based approach with our Operations team to assess the potential severity of a climatic event at our properties.
- Create asset-specific emergency response plans that incorporate climate-related impacts and ensure adequate preparedness.
- Advance climate-related risk management and report in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

*Number of properties as at December 31, 2020.
Sustainable Design Standards

GOAL

Build long-term value by integrating sustainable design requirements into all our development and re-development activity.

We see commercial real estate as an integral part of a much larger ecosystem of infrastructure, buildings and people. That ecosystem, of course, is the city. We can only build cities well if they endure, if they stand the test of time. Cities have to be sustainable and conducive to human wellness, diversity and creativity. They have to elevate and inspire the humanity in all of us.

Our team is in the process of evaluating and enhancing the sustainable design standards of our Owner’s Project Requirements (OPR) by substantially reducing the building’s carbon footprint with a long-term goal to achieve net zero for all new developments or major re-developments. Allied’s OPR defines project objectives and criteria to inform design, sets guidelines for consultants and joint-venture partners and outlines how we evaluate ESG performance.

Our updated OPR aims to achieve the following outcomes:

- **Energy management:** Reduce overall energy use and integrate renewable energy options.
- **GHG emissions reduction:** Decrease emissions by considering low impact building materials, system design and new technologies.
- **Water management:** Improve water use efficiency and minimize consumption.
- **Waste management:** Reduce waste through lower impact material selection, establishing construction guidelines and optimizing waste sorting, handling and management systems.
- **Climate change adaptation:** Consider climate-related risks to ensure the long-term physical resilience of all development activities.

In addition to our OPR, all new development projects adhere to relevant municipal sustainability requirements. We aim to achieve certain building certifications where possible, or at a minimum, follow the requirements that the certifications outline.

- All new developments or intensification projects follow LEED Gold Core & Shell requirements or better.
- All re-developments strive to achieve LEED Existing Building certifications.
- All third parties engaged on new developments or re-developments adhere to waste management requirements outlined by the LEED New Construction and Major Renovation certification.

### 2020 Certifications Across our Portfolio

<table>
<thead>
<tr>
<th>Certification</th>
<th>Percentage of GFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOMA BEST PLATINUM</td>
<td>7.43%</td>
</tr>
<tr>
<td>BOMA BEST GOLD</td>
<td>13.92%</td>
</tr>
<tr>
<td>BOMA BEST SILVER</td>
<td>12.6%</td>
</tr>
<tr>
<td>LEED BUILDING DESIGN &amp; CONSTRUCTION GOLD</td>
<td>3.27%</td>
</tr>
<tr>
<td>LEED BUILDING DESIGN &amp; CONSTRUCTION CERTIFIED</td>
<td>0.57%</td>
</tr>
<tr>
<td>LEED BUILDING OPERATIONS &amp; MAINTENANCE PLATINUM</td>
<td>5.26%</td>
</tr>
</tbody>
</table>

### Going Forward

- Submit annually to GRESB to evaluate the impact of our development activities and continue to improve our performance every year.
- Evaluate the feasibility of achieving net zero design and construction for all new developments and major re-developments.
- Source from local suppliers where possible, to support our communities and emissions reduction efforts.
- Schedule educational seminars with sustainability experts to introduce new initiatives and leading case studies that could enhance Allied’s OPR.
- Complete and implement our new OPR by 2023.
TELUS Sky

A partnership of Allied, Westbank and TELUS, TELUS Sky is designed as a LEED Platinum building in the heart of Downtown Calgary.

TELUS Sky is 60 storeys tall and includes approximately 760,000 sq. ft. of both workspace and living space. Its design blends high-performance and sustainability, with an energy efficient core and shell, a soaring atrium, a living wall and raised-floor air distribution systems. The building’s façade features the largest public art display in Canada, with Douglas Coupland’s “Northern Lights” installation integrated into the exterior. TELUS Sky is an investment in the city and its workforce, as more than 1,000 people have been employed over the course of construction. TELUS Sky is a distinctive addition to the city’s skyline and Calgary’s economic future. Watch and learn about the “Northern Lights” installation.

ENVIROMENTAL

BE PLANET – FOCUSED

- 30% less energy usage and emits 395,000 kg less CO₂ than comparable buildings
- Rainwater is captured from the balconies and roof drains, treated within the building system and used in the washroom toilets and urinals, reducing municipal water demand by 70%
- Low-flow fixtures throughout commercial and residential units to reduce water consumption
- Windows designed with a robust envelope and triple-pane glazing to improve energy performance and promote greater shading within the building
- Exterior cladding comprised of vacuum sealed insulated panels to reduce heat loss
- 30% reduction in heating energy demand by connecting to Calgary’s Enmax District Energy Centre
- Enmax District Energy Centre is a thermal energy system designed to efficiently transport hot water through an underground network of insulated pipes across the city
- LED light fixtures and full building lighting automation to reduce energy usage
- In cooperation with the Southern Alberta Land Trust Society (SALTS), TELUS Sky financially contributed to the conservation of approximately 27,000 sq. ft. of protected land in Alberta

WELLNESS

CREATE GREAT PLACES & SPACES

- Living wall in the atrium improves air quality and provides users with a connection to nature
- 100% fresh air HVAC system in combination with operable windows on every floor increases thermal comfort and provides fresh air to improve user health
- Raised-floor air supply system uses the natural stratification of air to provide a healthier, more energy efficient distribution system
- The system helps draw airborne pollutants up and away from users to provide cleaner air in both commercial and residential spaces
- Bike storage, showers and lockers to encourage active transportation
- 5,000 sq. ft. gym facility
- Shared-in-building conference facility

COMMUNICATION & ENGAGEMENT

ENABLE A CULTURE OF CONNECTEDNESS & COMMUNITY

- New 5,000 sq. ft. community and cultural space created in the adjacent building for public use and to support local non-profit arts organizations
- Canada’s largest public art display created in the adjacent building for public use
- Canada’s largest public art display integrated into the façade. “The Northern Lights” installation by Douglas Coupland aims to bring people together by connecting the building to the natural world and creating a beacon in Downtown Calgary
- TELUS Wi-Fi throughout the building with dedicated back-in-service fiber optic lines and wireless access points on every floor
- Employed 1,000 people over the course of construction

DESIGN

SHAPE WITH AN EMPHASIS ON QUALITY & RESILIENCE

- The mixed-use building is a complete community encompassing spaces to live, work and play
- Visually unique twisting building that is impactful on the Calgary skyline
- Elevators are among the fastest in Western Canada, with separate elevator banks for commercial and residential users
- Advanced building management system provides operators with greater control to ensure the building is running at peak performance
- TELUS Sky is registered under the LEED building rating system and is targeting LEED Platinum for the commercial component and LEED Gold for the residential component

Our Foundation  Environmental  Social  Governance

2020 ESG REPORT

ALLIED
Social

We aim to increase employee and user engagement and support the neighbourhoods where we operate.
Employee Engagement

TEAM BUILDING
Allied’s culture is defined by our core values, which impact how we interact with each other, our users, our communities and our stakeholders. By providing a workplace that is inspiring, motivating and above all, respectful, we can better support our users and our communities. Interdepartmental and interregional coordination and accountability is a key pillar of our corporate goal setting each year. Whether through quarterly town halls, office gatherings or regional events, we believe strongly in facilitating activities and experiences that strengthen teamwork and comradery among peers. In 2020, we engaged Kincentric to evaluate employee engagement. Highlights include:

- **78% OVERALL ENGAGEMENT SCORE**, PLACING US IN CANADA’S TOP QUARTILE, NINE POINTS ABOVE THE AVERAGE OF PARTICIPATING CANADIAN EMPLOYERS.
- **85% OF OUR EMPLOYEES FELT THAT WHEN GIVEN THE OPPORTUNITY, THEY WOULD TELL OTHERS GREAT THINGS ABOUT WORKING HERE AND WOULD RECOMMEND ALLIED TO A FRIEND.**

Our areas for growth were focused on improving our processes to become more efficient and effective, empowering the team to utilize their skills to drive decision making and enhancing training and career development opportunities. We reviewed the results in detail and put forward corporate and departmental action plans to address improvement opportunities.

In 2021, we achieved an overall engagement score of 77%, within Canada’s top quartile and higher than both the Canadian average of 68% and the Canadian Real Estate sector average of 70%.

PROFESSIONAL DEVELOPMENT & TRAINING
Investing in Allied’s employees’ continuous learning and growth is important to us. We believe it is critical to equip our team members with the relevant knowledge and skills to ensure they are successful throughout their careers. In 2020, we focused on rolling out a coaching-based approach for managers to foster leadership throughout all levels of the organization. Our coaching-based philosophy encourages continuous feedback, provides an open forum for sharing ideas and enables greater autonomy over decisions.

In addition to coaching education, Allied provides other opportunities for training and development. Departments are encouraged to pursue programs that will elevate team members. We offer annual seminars on Allied’s ESG performance, including education on global sustainability trends and areas of relevance for the commercial real estate sector, as well as mandatory cybersecurity training.

In 2020, we also created the Allied Reference Guide, an internal document that summarizes our business history, the communities we serve, our users, our people and the key trends that drive our business. The goal of the Guide is to ensure our employees understand Allied’s vision and mission and how it connects to their roles on a day-to-day basis.

Going Forward
- Continue to conduct an annual third-party employee engagement survey. Our goal is to remain in the top quartile of all participating Canadian employers.
- Conduct a learning needs assessment to establish a strategy for company-wide training. Based on findings, develop and deliver a company-wide curriculum.
- Build on the coaching-based approach by developing a manager training curriculum.
- Implement a new Human Resources Information and Learning System to improve the overall employee experience and help facilitate career development.

<table>
<thead>
<tr>
<th>22% OF WORKFORCE PARTICIPATED IN EXTERNAL PROFESSIONAL DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>$237,000 INVESTED IN EXTERNAL LEARNING AND DEVELOPMENT INITIATIVES FOR EMPLOYEES</td>
</tr>
</tbody>
</table>
Equity, Diversity & Inclusion (EDI)

GOAL

Cultivate an environment that advances equity, reflects diversity and demonstrates inclusivity for all stakeholders of our business.

It is our aim to be stewards of change and promote equity, diversity and inclusion throughout our business. We strive to provide spaces where people of all lived experiences, incomes, races and mobilities feel welcome and safe.

An employee-led EDI Committee was created in 2019, representing a group of individuals from a variety of backgrounds, genders, religions, ethnicities, sexual orientations, ages, seniority and geographic regions. The purpose of the committee is to promote an inclusive culture where employees feel welcome to be themselves and are valued for their individuality and perspectives at all levels of the organization. The committee works in collaboration with employees and leaders to identify gaps, implement training and establish measurable policies to create an equitable environment where different perspectives are appreciated and respected.

In 2020, we engaged Veza Global to conduct a company-wide audit of our policies and processes through an EDI lens. The process engaged 135 employees through focus groups and surveys. The final report provided a comprehensive assessment of our performance across the entire organization. Building on the report, the EDI Committee was charged with developing a three-year roadmap outlining specific actions to be taken. A few notable commitments include:

- EDI training curriculum to be delivered to all hiring managers
- Annual EDI Index assessment as part of the Kincentric employee survey
- Vendor and supplier EDI and ESG evaluation
- User journey mapping throughout select buildings to identify barriers and opportunities for accessibility and inclusivity

2020 DIVERSITY BREAKDOWN

<table>
<thead>
<tr>
<th></th>
<th>ALL EMPLOYEES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GENDER</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>43%</td>
<td>Male</td>
<td>57%</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td>under 30</td>
<td>15%</td>
<td>30-50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30-50</td>
<td>56%</td>
<td>over 50</td>
</tr>
<tr>
<td>EXECUTIVES AND VICE PRESIDENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GENDER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>25%</td>
<td>Male</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td>under 30</td>
<td>0%</td>
<td>30-50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30-50</td>
<td>67%</td>
<td>over 50</td>
</tr>
<tr>
<td>BOARD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
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<td>Female</td>
<td>33%</td>
<td>Male</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td>under 30</td>
<td>0%</td>
<td>30-50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30-50</td>
<td>0%</td>
<td>over 50</td>
</tr>
</tbody>
</table>

Gender and age breakdown at Allied as at December 31, 2020.

Going Forward

- Measure our EDI performance as part of the annual Kincentric engagement survey. The survey will include an EDI Index to assess employee perception and business progress on EDI.
- Implement our EDI Roadmap by 2023.
Health, Wellbeing & Safety

**GOAL**

Provide a leading health, wellbeing and safety program to ensure the safety of Allied employees, suppliers, users and visitors.

We understand the importance of taking care of our employees’ health and wellbeing inside and outside of the office. Through an online tool called LifeWorks, we provide employees with useful resources for addressing health and wellbeing issues such as financial assistance, legal advice and childcare, as well as specialized counselling services, in addition to the healthcare and wellness coverage provided through the employee benefits program. We also support our employees’ retirement savings through a Registered Retirement Savings Plan that includes employer matching contributions, optional share purchase plans and access to financial planning.

At our properties, Allied has developed emergency response plans for each asset and initiated a health, safety and compliance assessment program to ensure safe and healthy work environments for Allied staff and building users. Our regional health and safety committees assess our properties to ensure compliance with provincial requirements on an ongoing basis, while our operations team completes monthly inspections of each property to ensure that opportunities for improvement are identified and implemented.

To elevate our program, we are creating an integrated Health Safety and Physical Security Risk Management Framework and Dashboard, compliant with relevant ISO Standards. These programs and ongoing improvements aim to enhance health, safety and wellbeing of our properties, employees, users and visitors. The initiatives are being led by our Director of Safety & Security, a new position created within our Operations team to elevate our continued commitment to these areas.

**INDOOR AIR QUALITY**

Across our portfolio, we optimize ceiling height, natural light, good ventilation and air filtration to support the comfort and health of our users and employees. We consider indoor air quality foundational to health and wellbeing. Environmental guidelines and operating standards are created in the early stages of design for all new developments, with high-efficiency requirements that consider ventilation, air filtration, relative humidity, fresh air and temperature control. To ensure consistently high levels of air quality, we engage independent specialists to perform sampling in line with specific asset requirements.

**AIR QUALITY AUDITS CONDUCTED FROM 2018 TO 2020**

**COVID-19 Response**

Throughout the COVID-19 pandemic, the health and safety of our employees, users and communities has remained our top priority. At the onset of the pandemic, Allied swiftly adopted various policies, programs and building upgrades that focused on mitigating viral transmission, in compliance with national and regional mandates. Our key actions in response to the pandemic are included below.

- Established a Re-Opening Committee to review ongoing government policies, industry best practices and internal processes to prepare the Allied Corporate and Portfolio Re-Opening Plans. Our plans provided employees and users with an overview of Allied’s policies for a healthy and safe return to the workplace.
- Developed the Allied Portfolio Re-Opening Plan that provided an overview of Standard Operating Procedures (SOPs) for all aspects of our workspace and UDC assets, as well as guidelines for user communication.
- Mandated site specific protocols to reduce employee risk and keep all visitors, users and third-party service providers safe.
- Distributed wellness kits with masks, gloves, sanitizer and cleaning wipes to all employees.
- Introduced a voluntary Rapid Antigen Screening Pilot in partnership with federal and provincial governments to support our communities’ safety and business continuity. Our program is currently active in Alberta and Ontario, with the aim to implement it in British Columbia and Quebec by the end of 2021.
- Introduced a mandatory screening application for employees and contractors entering our facilities in Ontario and British Columbia.
- Ensured that no employees lost employment due to the disruption caused by COVID-19.
- Partnered with retail users to provide catered meals distributed safely at our offices for employees unable to work from home.
- Increased internal communications with a weekly Allied Digest and daily e-mails from our CEO to share relevant company updates, maintain a sense of connection and provide employees with credible information on important issues.
Connectivity
We provide knowledge-based organizations with workplaces in well-connected urban environments. Operating in these areas has allowed us to offer our employees, users, and visitors with accessible destinations that are well-served by public transit, as well as pedestrian and cyclist-friendly infrastructure. In 2019, we started to monitor our properties’ Bike Scores, Transit Scores, and Walk Scores across the cities where we operate, and, in all cases, we exceed the city average in all three areas.*

BIKE SCORE
Bike Score measures whether an area is good for biking. For a given location, a Bike Score is calculated by measuring bike infrastructure (lanes, trails, etc.), hills, destinations, road connectivity and the number of bike commuters.

TRANSIT SCORE
Transit Score measures how well a location is served by public transit. Transit Score is based on data released in a standard format by public transit agencies.

WALK SCORE
Walk Score measures the walkability of any address. For each address, Walk Score analyzes hundreds of walking routes to nearby amenities. Points are awarded based on the distance to amenities in each category.

Central Region

<table>
<thead>
<tr>
<th>City</th>
<th>Bike Average Score</th>
<th>City Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>89</td>
<td>61</td>
</tr>
<tr>
<td>Transit Average Score</td>
<td>99</td>
<td>78</td>
</tr>
<tr>
<td>Walk Average Score</td>
<td>97</td>
<td>61</td>
</tr>
<tr>
<td>Kitchener</td>
<td>Bike Average Score</td>
<td>86</td>
</tr>
<tr>
<td>Transit Average Score</td>
<td>62</td>
<td>47</td>
</tr>
<tr>
<td>Walk Average Score</td>
<td>82</td>
<td>45</td>
</tr>
</tbody>
</table>

Eastern Region

<table>
<thead>
<tr>
<th>City</th>
<th>Bike Average Score</th>
<th>City Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montréal</td>
<td>Bike Average Score</td>
<td>92</td>
</tr>
<tr>
<td>Transit Average Score</td>
<td>79</td>
<td>67</td>
</tr>
<tr>
<td>Walk Average Score</td>
<td>87</td>
<td>65</td>
</tr>
<tr>
<td>Ottawa</td>
<td>Bike Average Score</td>
<td>69</td>
</tr>
<tr>
<td>Transit Average Score</td>
<td>93</td>
<td>50</td>
</tr>
<tr>
<td>Walk Average Score</td>
<td>94</td>
<td>45</td>
</tr>
</tbody>
</table>

Western Region

<table>
<thead>
<tr>
<th>City</th>
<th>Bike Average Score</th>
<th>City Avg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary</td>
<td>Bike Average Score</td>
<td>82</td>
</tr>
<tr>
<td>Transit Average Score</td>
<td>83</td>
<td>50</td>
</tr>
<tr>
<td>Walk Average Score</td>
<td>95</td>
<td>39</td>
</tr>
<tr>
<td>Vancouver</td>
<td>Bike Average Score</td>
<td>85</td>
</tr>
<tr>
<td>Transit Average Score</td>
<td>99</td>
<td>74</td>
</tr>
<tr>
<td>Walk Average Score</td>
<td>95</td>
<td>80</td>
</tr>
<tr>
<td>Edmonton</td>
<td>Bike Average Score</td>
<td>93</td>
</tr>
<tr>
<td>Transit Average Score</td>
<td>88</td>
<td>49</td>
</tr>
<tr>
<td>Walk Average Score</td>
<td>96</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: walkscore.com

*The Allied scores in the adjacent chart are weighted by the square footage of the neighbourhoods where we operate.

Going Forward

- Conduct a comprehensive risk management analysis of health and safety, physical security and environmental risks and opportunities.
- Review and augment our supplementary benefits program.
- Provide facilities that encourage active transportation such as bike storage and lockers in all new developments and re-developments.

Le NeufClic, Montreal
Meaningful user engagement is critical to our business success. By collaborating and communicating regularly with our users, we can have a much greater impact on the environmental performance of our properties. We believe it is essential to engage users as partners to reduce energy, water and waste consumption and support resource conservation. We engage users through our User Engagement Program (UEP), which includes a focus on ESG education and operational protocols to reduce environmental impacts throughout our buildings.

In addition to the UEP and regular user meetings, we engage Kingsley, a third-party organization, to distribute our annual User Experience Assessment Survey. We completed our inaugural Kingsley survey in December 2020 and are committing to completing an annual survey to assess our performance.

While the COVID-19 pandemic prevented us from hosting the UEP in person, in 2020 we were able to engage users remotely. To support our users, Allied circulated local business-focused newsletters in Calgary and Toronto, highlighting retailers who continued to operate in 2020.

We also provided our users with resources outlining all the available support programs provided by federal, provincial and municipal governments. Our team submitted hundreds of applications for assistance under the Canada Emergency Commercial Rent Assistance program (CECRA), on behalf of small and medium sized users in our rental portfolio, of which 347 users qualified. Allied recorded total rent abatements of approximately $6.79 million for users qualifying under the CECRA program.

### INITIATIVE

#### Rooftop Beehives

We partnered with Montreal-based Alvéole and Hamilton-based Humble Bee to transform unused rooftop space into honeybee habitats. Launched in 2017, the program continues to expand across Canada.

To educate interested users about the importance of biodiversity and the environmental impact of bees, Allied hosted virtual beehive workshops throughout 2020 with participation from over 25% of our building users. We plan to return to hosting in-person “Meet Your Bees” workshops, where participants experience a day in the life of a beekeeper.

**32 HIVES EACH PRODUCING 10-15KG OF HONEY**

**>1.6M BEES ON ALLIED BUILDINGS**

### Going Forward

- Continue to conduct a third-party User Experience Assessment Survey with a goal of continuous improvement in overall satisfaction year-over-year. The second survey will be released to users in November 2021.

- Continue actions to understand our users’ needs and provide education on Allied’s ESG objectives, operating protocols and methods to reduce their environmental impacts.
Community Building

Real estate is a profoundly human business that needs to keep pace with demographic and technological change, as well as the ongoing evolution in human attitudes and experiences. It needs to be run with future generations in mind, to save the global environment, and to foster human wellness, diversity and creativity. It means we must operate as city builders, and cities are only built well if they stand the test of time. Our community building activity is guided by four main principles.

1. **PRESERVE HISTORY**
   Most of our portfolio is comprised of adaptively re-used heritage buildings from the turn of the last century. As landmarks of time and ingenuity, these structures must be managed in a way that commemorates history and respects our neighbourhoods. We preserve these assets by upholding high design standards, replacing aging infrastructure with modern and efficient technology and where possible, archiving and showcasing their stories. Read about the preservation of the Sun Tower dome, once the Commonwealth’s tallest building.

2. **CREATE PLACES**
   Allied has always prioritized creating distinctive retail experiences that provide value to our office users and visitors, while supporting local entrepreneurs and retailers in urban centres. We have several retail businesses that have been a part of our portfolio since they opened their doors. We recognize the influence that retail can have on neighbourhood character and the public realm. Our curation approach is centered around placemaking to provide constant programming, events, arts and entertainment within the public and retail domain. We strive to create spaces that are safe and inviting for pedestrians and building users to gather, relax or work by integrating street furniture, lighting and artist works. We focus on creating a distinct and highly curated retail mix by bringing together unique independent operators. Our commitment to unique retail curation was first demonstrated in Toronto’s King West neighbourhood in the late 1990s, where we own and operate a considerable number of buildings.

3. **OPERATE WITH SENSITIVITY**
   We see ourselves as integrated into the cities and neighbourhoods where we operate. Our sensitivity ensures that we create buildings that are reflective of the community at large.

4. **INVEST IN ARTS & CULTURE**
   We believe that our neighbourhoods, buildings and users are best served if artists remain viable members of the community. We established the Make Room for the Arts program in 2012 to support the economic viability of local artists and increase the cultural and artistic vibrancy of the neighbourhoods where we operate. As part of this initiative, we offer discounted temporary and permanent spaces for artists; hire artists to integrate art and culture into our buildings and partner with institutions that support artists and artist communities.

**INITIATIVE**

**Allied x WoodGreen Pilot Housing Initiative**

In July of 2020, we began to explore how we could leverage our properties to help address Toronto’s housing crisis. We identified several assets slated for development that could offer transitional housing for newly landed refugees. In partnership with WoodGreen Community Services, a local social service agency, we were able to provide a newcomer family with housing and social supports as they transition to life in Canada. Our first residents took occupancy on September 1, 2021. We intend to explore more opportunities for affordable housing within our standing portfolio and new development projects.

**Going Forward**

- Continue supporting the arts and artist communities by hiring artists to create murals and other works throughout our buildings.
- Measure at least one of the cultural, economic or community impacts of our Make Room for the Arts program.
- Contribute financial and non-financial support to community-specific needs in the cities where we operate.
Allied Music Centre aims to support arts and culture by investing in artists and arts workers, increasing access to music and by strengthening culture across communities.
Allied Music Centre

Massey Hall, a live music venue in Downtown Toronto, is undergoing the most significant renovation in its 128-year history. The project will restore key heritage elements of the iconic concert hall and introduce significant upgrades, including improved amenities, technology and an expanded footprint to create needed performance venues and dedicated spaces for music education, artist development and community programming. The new facility will be known as Allied Music Centre and is slated for completion in May 2022. Read more about Allied Music Centre.

**ALLIED MUSIC CENTRE WILL FEATURE**

- EXPANDED PATRON AMENITY SPACE
- ACCESSIBILITY IMPROVEMENTS TO BETTER ACCOMMODATE VISITORS AND ARTISTS
- ARTIST-FOCUSED HUB OF RESOURCES INCLUDING:
  - AN ACOUSTICALLY TREATED MULTI-USE ROOM SUITABLE FOR REHEARSALS, CLASSES, WORKSHOPS AND RECORDING
  - A RECORDING STUDIO CONNECTED TO EVERY PERFORMANCE SPACE IN THE FACILITY
  - DEDICATED CREATIVE WORKSTATIONS EQUIPPED WITH STATE-OF-THE-ART DIGITAL TOOLS

<table>
<thead>
<tr>
<th>PERSON CAPACITY</th>
<th>2,800</th>
<th>500</th>
<th>350</th>
<th>100</th>
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<tbody>
<tr>
<td>MASSEY HALL</td>
<td>Massey Hall</td>
<td>Live Music Club</td>
<td>Music Lounge</td>
<td>Theatre</td>
</tr>
</tbody>
</table>

**HOW WE ASSESS IMPACT**

**CULTURE**

*CULTURE DEFINED:* Culture encompasses the stories and rituals of past, present and future by celebrating, enhancing and distinguishing what makes us each different. Culture nourishes health and strengthens wellbeing by connecting us with others or awakening different parts of ourselves.

*INTENDED IMPACT:* Allied Music Centre is committed to showcasing diverse artists from across the world with an elevated consciousness for historically underrepresented communities. Allied Music Centre offers a range of inventive virtual and on-site programming to support artists in their career development, as well as outreach and educational activities that appeal to different audiences and communities.

**ECONOMY**

*ECONOMY DEFINED:* From job creation to skills development, tourism, talent attraction and business development, the arts and culture sector is an important driver of the Canadian economy.

*INTENDED IMPACT:* Allied Music Centre and Massey Hall will contribute to the wider economy by creating jobs, new lines of business, impactful partnerships, and opportunities to advance the financial stability of the arts and culture sector. This investment will provide Toronto and the entire country with the opportunity to drive economic growth through concerts and artist development, cultural events and opportunities for food service industries and the hospitality sector.

**COMMUNITY**

*COMMUNITY DEFINED:* Community is the formal and informal relationships between people across geographic and virtual worlds. It is the sense of belonging and connection to places, spaces, stories and histories.

*INTENDED IMPACT:* Allied Music Centre aims to strengthen the community of local, domestic and international artists by providing new performance spaces and supportive resources. A key mandate is to expand the range of communities that can access music and participate in music education. With unique program offerings, multiple communication channels and accessibly priced tickets, Allied Music Centre intends to broaden audience participation and strengthen community development.
Governance

We aim to ensure our environmental and social governance infrastructure supports equitable, transparent and responsible business conduct.
Governance Framework

Our Board and Management believe that sound governance practices are essential to achieving the best long-term interests of Allied and its constituents. The Governance, Compensation and Nomination Committee annually reviews existing board policies and committee mandates and current pronouncements on recommended best practices for corporate governance. Policies and practices adopted by Allied include:

- Unit ownership guidelines for Trustees and Executive Officers,
- Amended Declaration of Trust based on model provisions prepared by the Canadian Coalition for Good Governance

Our ESG performance and related initiatives are a top priority. As such, we have created committees and management systems to ensure effective decision making and accountability of our ESG goals, targets and ambitions. Allied’s Board and Management are committed to making our approach to ESG more manifest, deliberate and measurable. ESG Accountability Corporate Targets have been introduced for 2021, which are directly linked to annual executive compensation.

**Allied’s 2021 Board-Approved ESG Accountability Corporate Targets**

- Submit to our second annual GRESB Assessment in 2021 with a view to:
  - Making a more comprehensive submission than the prior year
  - Achieving improvement in the overall GRESB score from the prior year
- Submit to a second annual Kincentric Employee Engagement Survey in 2021 with a view to maintaining above average levels of engagement among Canadian real estate organizations
- Submit to a second annual Kingsley User Experience Assessment Survey in 2021 with a view to achieving improvement in overall user satisfaction from the prior year
- Continue to address the priorities identified by Allied’s EDI Committee as part of the EDI Roadmap and evaluate EDI performance with an annual EDI Index* starting in 2021

*The EDI Index is integrated into our annual employee engagement survey.
Climate-Related Risk Management

**Goal**

Integrate impactful ESG-related risks, starting with transitional and physical climate risk, into our current risk management process, capital planning and asset-level preparedness.

The Board is responsible for overseeing Allied’s risk assessment process by identifying the principal risks of Allied’s business and ensuring that appropriate systems are in place to manage these risks, including environmental and social risks. The Board administers this oversight function directly, with support from its two standing committees, the Audit Committee and the Governance, Compensation and Nomination Committee, each of which addresses risks in their respective areas. The Audit Committee monitors and assesses financial reporting and internal controls and assists the Board in its duties relating to risk assessment and risk management. The Governance, Compensation and Nomination Committee monitors and assesses the effectiveness of Allied’s governance policies and compensation program and makes adjustments as it deems necessary to mitigate associated risks. The Board and its committees actively engage with Management regarding the identification and management of the principal and emerging risks facing Allied.

Climate change risk has been identified by the Board as an environmental risk to Allied’s business since 2017, particularly operating costs and physical assets, as the likelihood of natural disasters and severe weather increases due to rising global temperatures. We are committed to continuously learn and refine how we evaluate risk and disclose our performance with respect to climate change. We recently began implementing TCFD recommendations. To advance knowledge of climate-related governance and increase engagement of the Board, we have partnered with the Canada Climate Law Initiative to provide an education session for Allied’s Board in December 2021.

We are committed to continuously learning and refining how we evaluate risk and disclose our performance with respect to climate change.

**Going Forward**

- Utilize climate risk data to inform capital planning exercises and ensure we are making investments that consider physical climatic risk.
- Incorporate climate-related transitional and physical risks into risk management practices.
- Report our progress on the TCFD recommendations in our 2021 ESG Report.
ESG Disclosure & Transparency

**GOAL**

Disclose and communicate our ESG performance in a manner that is accurate, accessible, comparable, consistent and reflects our achievements and opportunities for growth.

Disclosing ESG performance has become a more conscious and explicit part of business life, especially for public entities like Allied. This is encouraging, and it is incumbent upon Allied to submit to scrutiny in this regard, just as we submit to extensive financial and operational scrutiny.

At the beginning of 2021, we completed a robust materiality assessment to support our ESG Strategy and reporting. To ensure our ESG reporting is of the highest quality for our stakeholders, we prepared our 2020 ESG Report in alignment with the Global Reporting Initiative (GRI): Core option and Sustainability Accounting Standards Board (SASB) and completed our second GRESB submission, which expanded to include our development activities for 2020.

Our governance practices are also subject to a third-party assessment through Report on Business’ Board Games, which is published in the Globe & Mail in late November each year. Report on Business rates the work of Canada’s corporate boards in the S&P/TSX Composite Index using a rigorous set of governance criteria designed to go far beyond minimum mandatory rules imposed by regulators. Allied’s governance risk relative to the S&P/TSX Composite Index is also subject to a third-party assessment by Institutional Shareholder Services (ISS) through Governance QualityScore and an Environment & Social Disclosure QualityScore. A score in the first decile (1) indicates relatively higher quality governance practices and relatively lower governance risk. Conversely, a score in the tenth decile (10) indicates relatively higher governance risk. Allied’s overall Governance QualityScore as of December 31, 2020 was four. Allied’s overall Environment QualityScore was nine and our Social QualityScore was eight.

### Disclosure Frameworks & Third-Party Assessments

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020 Score</th>
<th>2021 Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISS Governance QualityScore</td>
<td>4</td>
<td>8</td>
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<tr>
<td>ISS Environment QualityScore</td>
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<td>8</td>
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<tr>
<td>ISS Social QualityScore</td>
<td>8</td>
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</tr>
<tr>
<td>GRESB Standing Investments</td>
<td>64</td>
<td>80</td>
</tr>
</tbody>
</table>

### Going Forward

- Submit annually to GRESB on our standing portfolio and development activities.
- Continuously enhance how we disclose our ESG performance.
- Report our progress on the TCFD recommendations in our 2021 ESG Report.
- Align our 2021 ESG Report with the United Nations Sustainable Development Goals (UN SDGs).
“We build and operate commercial real estate to save the global environment, not to destroy it.

We build and operate to foster human wellness, not to undermine it.

We build and operate to promote diversity, not to impose uniformity.

We build and operate to facilitate creativity, not to encourage conformity.

We build and operate as city builders, which in a way embraces everything else.”

Michael Emory
Appendix

- Reporting Methodology: 63
- SASB Table: 65
- GRI Table: 71
- Data Verification Letter: 83
Allied uses three portfolio definitions in this report:

- **Standing portfolio:** This includes data for all operational buildings owned by Allied in the reporting year including joint-venture properties where we own more than 25%. This represents its Gross Floor Area (GFA) totaling 18,134,469 sq. ft. or 94% of our portfolio GFA in 2020 for energy and GHG emission data. Water and waste data coverages are lower due to lack of access to data (see water and waste sections below).

  Properties excluded from our standing portfolio definition include the following buildings where Allied is the occupier, not the owner: 250 Front St W, and buildings operated but not owned by Allied: 99 Yorkville Ave.

- **Like-for-like change:** Like-for-like values reflect total consumption for operational buildings owned by Allied in both 2019 and 2020. Any buildings bought or sold within the reporting period are excluded from like-for-like values. Like-for-like values in this report only consider properties with the following GRESB Assessment criteria:
  - Data availability range covers at least 355 days for both 2019 and 2020
  - Data coverage is positive
  - Data coverage for both 2019 and 2020 are within 1% of each other
  - Asset is fully operational for both 2019 and 2020

- **Target portfolio:** Allied set inaugural targets for energy, water, GHG emissions and waste reduction in 2021. The target end-year is 2024 (with results to be reported in 2025), uses a 2019 baseline year and covers 135 properties totalling 16M sq. ft or 93% of our standing portfolio GFA. Included in our target portfolio are all operational buildings owned as at December 31, 2020, with some exclusions outlined on page 64.

**DATA MANAGEMENT**

**Energy**

- Energy performance is tracked using ENERGY STAR® Portfolio Manager
- Energy data coverage was 94% across our standing portfolio in 2019 and 2020
- Energy Use Intensity is calculated by dividing the consumption from all operational buildings owned as at December 31, 2020 by the total square footage (GFA) of the same list of buildings

**GHG emissions**

- GHG emissions data coverage was 94% across our standing portfolio in 2019 and 2020
- GHG data is calculated in metric tonnes of CO₂e, equivalent (tCo2e) by our data partner Measurabl based on energy consumption
  - Scope 1 emissions are calculated based on natural gas consumption of our directly managed floorspace
  - Scope 2 emissions are calculated based on the electricity and district energy consumption of our directly managed floorspace

  The energy consumption of our indirectly managed floorspace is part of our Scope 3 emissions and are, therefore, not included in this report.

  We include Scope 1 and Scope 2 emissions in our reduction targets as these represent emissions that we have the greatest control over.

  GHG Intensity is calculated by dividing the emissions from all operational buildings owned by Allied as at December 31, 2020 by the total square footage (GFA) of the same list of buildings.

**Water**

- Water consumption is tracked using ENERGY STAR® Portfolio Manager
- Water data coverage was 69% across our standing portfolio in 2019 and 75% across our standing portfolio in 2020
- Water Use Intensity is calculated by dividing the consumption from all operational buildings owned by Allied as at December 31, 2020 by the total square footage (GFA) of the same list of buildings

  Some assets located within the City of Montreal do not have utility grade water meters installed on site, limiting our water data coverage.

  Where sites do have utility grade water meters installed, manual meter readings are recorded monthly by our Operations team.

**Waste**

- Total waste collected is the weight in metric tonnes of hazardous and non-hazardous waste either sent to landfill or recycled, composted or donated.
- Hazardous waste includes printer/toner cartridges, batteries, electronic waste and fluorescent lamps
- Waste diversion rate is calculated by dividing the weight of our diverted waste (i.e. recycled/composted/donated) by the total weight of all waste from all operational buildings owned by Allied as at December 31, 2020.

  Waste data coverage was 90% across our standing portfolio in 2019 and 80% across our standing portfolio in 2020

  Several of Allied’s assets do not have any associated waste data because the waste is managed by a single tenant; for example 1) residential dwellings, 2) restaurants and bars and 3) some office spaces. In these instances, the tenant is responsible for waste management and Allied does not track waste quantities. In other instances without data, the property does not generate waste, such as parking lots and parking structures.

**TARGET PORTFOLIO BASELINE**

**TARGET PORTFOLIO EXCLUSIONS**

Properties fully excluded from our 2024 target portfolio boundary:

Buildings where there are (1) atypical use spaces or consumption patterns, (2) users who control performance or (3) users who pay utilities directly have been excluded from this exercise totaling 1.4M ft² (GFA) and comprise of the following:

- **Urban Data Centres (1.0M ft²):** 351 Front Street, 905 King Street
- **Residential homes (0.02M ft²):** 501 Adelaide W, 499 Adelaide W, 589-591 Richardson W, 133 George, 135 George, 137 George, 140 George, 143 George, 145 George, 159-161 Bathurst, 145, 149-157 Bathurst
- **Retail stores, food service/restaurants/bars, colleges/universities, nightclubs (0.4M ft²):** 485 King, 230 Richmond, Five Roses Building - 731-739 10th Ave
- **Union Centre - 20 York, 36-40 Wellington, 50 Wellington, 668 King, 171-179 York:** 478 King - Retail, J4 The Esplanade, 552-560 King, 613 11th Ave, 617 11th Ave, Alberta Block - 805 1st St, Alberta Hotel - 808 1st St, Glenbow - 802 11th Ave
- **Parking lots (0.2M ft²):** 105 George, 301 Markham, 388 Richmond, 478 King - 15 Brant, 560 King, 650 King, Revillon Parkade - 10230 104 St

Properties excluded from Energy/GHG Emissions Intensity target due to 2019 Baseline Energy Use or at below 10 kWh/ft²:


Properties excluded from Water Intensity target due to 2019 Baseline Water Use or at below 5L/ft²:


Properties excluded from Waste Intensity target due to 2019 Baseline at below 0 t (due to data gaps):


Properties excluded from Water Intensity target due to 2019 Baseline Waste Use or at below 0 L/ft²:

**PUBLIC AVAILABILITY:**

[ALLIED 2020 ESG REPORT](#)
## ENERGY MANAGEMENT

<table>
<thead>
<tr>
<th>SASB CODE</th>
<th>ACCOUNTING METRICS</th>
<th>UNIT OF MEASUREMENT</th>
<th>TOTAL</th>
<th>OFFICE</th>
<th>MIXED USE (Office/Retail)</th>
<th>RETAIL (Bars/Restaurants)</th>
<th>RETAIL (High Street)</th>
<th>MIXED USE (Other)</th>
<th>EDUCATION</th>
<th>TECHNOLOGY (Data Centre)</th>
<th>LODGING, LEISURE, RECREATION</th>
<th>RESIDENTIAL PARKING</th>
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<tbody>
<tr>
<td>IF-RE-130a.1</td>
<td>Energy consumption data coverage as a percentage of total floor area, by property subsector</td>
<td>% by floor area (ft²)</td>
<td>94%</td>
<td>95%</td>
<td>82%</td>
<td>64%</td>
<td>0%</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>IF-RE-130a.2</td>
<td>(1) Total energy consumed in 2020 by portfolio area with data coverage</td>
<td>Giga-joule (GJ)</td>
<td>1,721,106</td>
<td>1,064,124</td>
<td>64,065</td>
<td>5,189</td>
<td>-</td>
<td>147,719</td>
<td>4,676</td>
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<td>1,766</td>
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<tr>
<td>IF-RE-130a.3</td>
<td>(2) Percentage of total energy that is grid electricity, by property sub-sector</td>
<td>%</td>
<td>62%</td>
<td>65%</td>
<td>44%</td>
<td>51%</td>
<td>0%</td>
<td>68%</td>
<td>64%</td>
<td>58%</td>
<td>0%</td>
<td>30%</td>
</tr>
<tr>
<td>IF-RE-130a.4</td>
<td>(3) Percentage of total energy that is renewable, by property sub-sector</td>
<td>%</td>
<td>0.029%</td>
<td>0.027%</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>IF-RE-130a.5</td>
<td>Like-for-like change in energy consumption of portfolio area with data coverage, by property sub-sector</td>
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<td>-10%</td>
<td>-13%</td>
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<td>-4%</td>
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<td>2%</td>
<td>25%</td>
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<tr>
<td>IF-RE-130a.6</td>
<td>(1) Percentage of eligible portfolio that is certified an energy rating, by property sub-sector</td>
<td>% by floor area (ft²)</td>
<td>71%</td>
<td>80%</td>
<td>29%</td>
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<td>0%</td>
<td>79%</td>
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<tr>
<td>IF-RE-130a.7</td>
<td>(2) Percentage of eligible portfolio that is certified ENERGY STAR®, by property sub-sector</td>
<td>% by floor area (ft²)</td>
<td>21%</td>
<td>21%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

**Description of how building energy management considerations are integrated into property investment analysis and operational strategy**

Allied’s aim for energy management is to reduce the energy consumption of our properties by optimizing systems design and conservation practices. **Property Investment Analysis:** We consider a building’s energy performance from the initial point of acquisition. In addition to in-person tours and environmental audits, our team reviews capital budgets to determine opportunities for upgrades that will reduce consumption. If the acquired building has an energy certification or rating, all supporting documentation and/or standard operating procedures are maintained to ensure we uphold, and where possible, enhance the building’s performance requirements. In future, our Acquisitions team intends to execute ASHRAE Level II energy audits as part of the due diligence process. They also intend to place greater emphasis on reviewing historical utility bills to identify consumption trends and expected utility cost per sq ft.

**New Development & Re-development:** To ensure our development process aligns with our ESG approach, our team is in the process of evaluating and enhancing the sustainable design standards of our Owner’s Project Requirements (OPR) for all new developments and re-developments. Allied’s OPR defines project objectives and criteria to inform design, set guidelines for consultants and joint-venture partners and outline how we will evaluate ESG performance. One of the five environmental goals for the updated OPR is to reduce overall energy use and integrate renewable energy options into all new development and re-development projects. In addition to the OPR, we follow ASHRAE Standards, municipal sustainability standards and aim to achieve building certifications where possible, or at a minimum, follow the requirements to that the certifications outline. All Allied’s new developments or intensification projects follow LEED Gold Core & Shell requirements or better, and all major re-developments strive to achieve LEED Existing Building certifications.

**Operational Strategy:** We established a dedicated Energy Management Framework and function as part of our National Operations team to oversee the energy, water, waste and emissions performance of our entire portfolio. These dedicated resources will ensure high quality data, ongoing performance measurement and consistent execution and learning across all regions. The long-term vision is to have a fully established, industry-leading energy management program that embodies best practices into our daily operations and decision making. Our Energy Management Framework follows the standard “plan; do, check, act” process and consists of six key functions: auditing, energy management planning, consumption reporting, waste management, building certifications and utility purchasing/contract management. Using a 2019 baseline year, we have established inaugural operational targets of an average Energy Use Intensity (EUI) of 22.6 kWh/ft², average Greenhouse Gas Intensity (GHGI) of 2.33 kgCO2e/ft² and a cumulative 6.6% absolute emissions reduction across our targeted portfolio.

Allied’s entire portfolio energy performance is benchmarked in ENERGY STAR® Portfolio Manager (ESPM) Measurement and tracking are foundational to reducing building level energy use. We pay close attention to each property’s ENERGY STAR® Score, which measures the energy performance of the building relative to its unique attributes and characteristics on a 1 to 100 scale. We strive to maintain excellence in utility data benchmarking by aligning ourselves with industry best practices and by submitting annually to ENERGY STAR. We ensure quality and accuracy by submitting for third-party data verification prior to public release of any energy performance information. We collaborate with top-tier, third party consulting firms to complete technical energy assessments of our portfolio, in line with ASHRAE Level II requirements. From 2018 to 2020, we completed technical energy assessments at 73 of our buildings, covering 52% of our portfolio. These technical assessments form the basis for identifying energy retrofit projects, funded through Allied’s five-year national Energy and Water Budget. The $15 million budget is dedicated to advancing energy and water conservation projects across our portfolio such as LED lighting retrofits, controls, automation and HVAC upgrades. Since 2019, 37 LED lighting retrofits have been executed nationally, with an additional 10 projects currently underway in 2021. The Technical Services and Energy Management teams work together to shortlist building level energy projects that will reduce consumption. We prioritize low-to-no-cost measures with an ROI of five years or less at buildings with above average utility costs. We then seek out more capital intensive measures that aim to enhance performance, user comfort, equipment lifetime and enable continuous improvement. Where available, we apply for provincial incentives to help subsidize the cost of energy projects and drive up payback. Examples of measures implemented since 2019 include LED lighting, controls, automation and HVAC upgrades.

As part of our energy strategy, two data management systems ESPM and Measurabl have been introduced to manage both our utility data and broader ESG related data. ESG-related data housed in Measurabl includes (1) building certifications and ratings, (2) energy, water, waste and indoor air quality audits and (3) energy, water and waste efficiency projects.

We are in the process of evaluating third-party building certifications and ratings to establish a consistent approach across the portfolio. An Interdepartmental team is collaborating to evaluate the criteria and merit of each tool, taking into consideration competitor offerings, licensing requirements, operating standards, ongoing costs and ESG objectives. We intend to establish a strategy for pursuing certification as well as maintaining compliance based on specific segments of the portfolio. As of December 31, 2020, Allied had 7 BOMA Best Silver, 7 BOMA Best Gold and 3 BOMA Best Platinum certified buildings across our portfolio.
<table>
<thead>
<tr>
<th>SASB CODE</th>
<th>ACCOUNTING METRICS</th>
<th>UNIT OF MEASUREMENT</th>
<th>TOTAL</th>
<th>OFFICE</th>
<th>MIXED USE (Office/Retail)</th>
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<th>LODGING, LEISURE, RECREATION</th>
<th>RESIDENTIAL PARKING</th>
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</thead>
<tbody>
<tr>
<td>IF-RE-140a1.1</td>
<td>(1) Water withdrawal data coverage as a percentage of total floor area by property sub-sector</td>
<td>% by floor area (ft²)</td>
<td>82%</td>
<td>81%</td>
<td>97%</td>
<td>39%</td>
<td>-</td>
<td>84%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>94%</td>
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<tr>
<td>IF-RE-140a1.1</td>
<td>(2) Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High baseline water stress, by property sub-sector</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>IF-RE-140a2.1</td>
<td>Water withdrawn by portfolio area with data coverage, by property sub-sector</td>
<td>Thousand cubic meters (m³)</td>
<td>635</td>
<td>490</td>
<td>61</td>
<td>3</td>
<td>-</td>
<td>57</td>
<td>2</td>
<td>11</td>
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<tr>
<td>IF-RE-140a3.3</td>
<td>Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sub-sector</td>
<td>%</td>
<td>-33%</td>
<td>-35%</td>
<td>-23%</td>
<td>-49%</td>
<td>-</td>
<td>-36%</td>
<td>16%</td>
<td>30%</td>
<td>-43%</td>
<td>29%</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF WATER MANAGEMENT RISKS AND DISCUSSION OF STRATEGIES AND PRACTICES TO MITIGATE THOSE RISKS**

Allied’s portfolio is concentrated in major urban centres in Canada. As such, our primary water source is from municipal water supplies and public utilities. Primary water consumption across our portfolio includes potable water consumption, consumption for plumbing use or specific business purposes and consumption attributed to HVAC performance, maintenance and cleaning.

All buildings in our portfolio are located in cities with a "Low <10%" water stress level identified using the WRI’s Water Risk Tool recommended by SASB. Although the water stress level is considered low across our portfolio, we recognize that the availability of global fresh water supply continues to be an increasing concern. We aim to improve water efficiency and support conservation efforts to mitigate any negative impacts of our operations on water resources. We use ENERGY STAR® Portfolio Manager to track our water consumption across most of the portfolio (2020 portfolio water data coverage is 75%). In Quebec, building owners are not invoiced for their water consumption, where utility meters are installed our Technical Services team performs manual water meter readings to track usage. We strive to maintain excellence in utility data benchmarking by aligning ourselves with industry best practice and by submitting annually to GRESB. We ensure quality and accuracy by submitting to third-party data verification prior to public release of any performance information.

Using 2019 as our baseline and in close collaboration with Technical Services, we have set a Water Use Intensity (WUI) target of 59.1 L/ft² covering our targeted portfolio by 2024. We collaborate with top-tier, third-party firms to complete technical water assessments at our buildings. These technical assessments are the basis for identifying the water retrofit projects funded through our National Energy and Water Budget. The greatest opportunity to increase water efficiency across our portfolio is by prioritizing upgrades to our plumbing fixtures and HVAC systems.

We are aware that climate change poses increased physical risks to our properties including water stress and extreme weather events. We intend to manage these risks by assessing exposure levels against seven physical climate-related risks for all standing assets within the most severe climate scenarios. We intend to work with relevant team members to integrate relevant climate-related insights and actions into our property-level preparedness plans.
### SASB Table

#### MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS

<table>
<thead>
<tr>
<th>SASB CODE</th>
<th>ACCOUNTING METRICS</th>
<th>RESPONSE</th>
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</thead>
<tbody>
<tr>
<td>IF-RE-410a.1</td>
<td>Percentage of new leases that (1) contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area by property sub-sector</td>
<td>% by floor area (ft²) While Allied includes cost recovery clauses in all new standard leases turned over from 2018, we do not currently track the floor area associated with these clauses.</td>
</tr>
<tr>
<td>IF-RE-410a.2</td>
<td>Percentage of tenants that are separately metered or sub metered for (1) grid electricity consumption and (2) water withdrawals, by property sub-sector</td>
<td>% by floor area (ft²) At our buildings, we typically have two scenarios for sub-metering: • Buildings with multiple utility meters. At some of these buildings we are the account holder and for the others, tenants are the account holder and pay their bills directly. We typically do not receive data for tenant-held accounts, unless provided by the tenant at our request. • We are the sole account holder for all utilities. At some of these properties we have installed third-party sub-metering systems to meter tenant suite usage. We are in the process of determining the percentage of tenant GFA where third-party sub-metering systems have been installed.</td>
</tr>
<tr>
<td>IF-RE-410a.3</td>
<td>Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants</td>
<td>User engagement is critical to our business success, by collaborating and communicating regularly with our users we can have a much greater positive impact on the environmental performance of our properties. We believe it is essential to engage users as partners to reduce energy, water and waste consumption and support resource conservation. We engage our users through our User Engagement Program (UEP), which includes a focus on ESG education and operational protocols to reduce environmental impacts throughout our buildings. While the COVID-19 pandemic brought new challenges and opportunities to our UEP in 2020, we were able to engage with them remotely. To educate interested users about the importance of biodiversity and the environmental impact of bees, we hosted virtual beehive workshops throughout 2020 with participation from over 25% of our building users. In addition to the UEP and regular user meetings, we engage Kingsley, a third-party organization, to distribute our annual User Experience Assessment Survey. Within this survey, we ask sustainability-related questions such as the importance of sustainability initiatives to the organization and level of satisfaction with their properties’ sustainable building commitments. We completed our inaugural Kingsley survey in December 2020 and are committed to completing an annual survey to assess our performance. We intend to use this information to support our users in the achievement of their sustainability goals. We also host annual meetings with users where we provide relevant updates on the outcomes and impacts of the UEP program. As part of the UEP program, we provide our building operators with toolkits to promote environmental behaviours. Toolkits include information on green cleaning and pest control and implementing multi-stream waste bins, with the aim of creating healthy spaces that support both Allied and building users’ sustainability ambitions. While we do not currently have specific green leases or lease clauses, our standard lease agreement from 2018 onward includes a cost recovery clause for resource efficiency-related capital improvements, encouraging user energy conservation. We also collect information from users for mandatory energy rating schemes, such as ENERGY STAR® Portfolio Manager profiles.</td>
</tr>
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</table>

#### CLIMATE CHANGE

<table>
<thead>
<tr>
<th>SASB CODE</th>
<th>ACCOUNTING METRICS</th>
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</thead>
<tbody>
<tr>
<td>IF-RE-450a.1</td>
<td>Area of properties located in 100-year flood zones, by property sub-sector</td>
<td>Square feet (ft²) Areas of properties located in 100-year flood zones identified using FM Global Flood Risk Tool: 6,338,977 6,611,327 128,767 4,288 - 594,595 - - - - -</td>
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<tr>
<td>IF-RE-450a.2</td>
<td>Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks</td>
<td>Climate change poses physical and transitional risks to Allied’s business as an operator of 202 properties across Canada. To mitigate the adverse impacts of climate change, we strive to ensure resilience by incorporating climate-related considerations into key activities and long-term business planning. We intend to manage asset-level risk through a Climate Risk Tool, using 427 data, which will assess our portfolio on seven risk indicators: sea level rise, water stress, heat stress, hurricanes, wildfires, earthquakes and floods. Based on this assessment, assets will be assigned a risk score for each category and ranked on a percentile from 1-to-100. At an entity-level, we intend to utilize climate risk data to inform capital planning and ensure we are prepared to respond to physical climatic risk, while also responding to the requests of investors and disclosure requirements. At the property-level, we intend to adopt a dialogue-based approach with the operations team to assess likelihood and impact of preparedness. To advance knowledge of climate-related governance and increase engagement across senior management, we have partnered with the Canada Climate Law Initiative to provide an education session for our Board in December 2021.</td>
</tr>
<tr>
<td>DISCLOSURE</td>
<td>DESCRIPTION</td>
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<tr>
<td><strong>ORGANIZATIONAL PROFILE</strong></td>
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<tr>
<td>102-1</td>
<td>Name of the organization</td>
<td>Allied Properties Real Estate Investment Trust</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products and services</td>
<td>Pages 4-6</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>34 Peter Street, Suite 1700, Toronto, Ontario, M5V 2H2</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>Canada</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>Allied Properties REIT, widely held publicly traded company on the Toronto Stock Exchange (TSX: AP.UN)</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>Our primary property types are offices, data centres and retail with geographic locations in Vancouver, Calgary, Edmonton, Toronto, Kitchener, Ottawa and Montreal</td>
</tr>
</tbody>
</table>
| 102-7 | Scale of the organization | • Employees: 344  
• Ownership: Widely held public REIT  
• Organization: 202 investment properties  
• Quantities: 183 rental properties, nine properties under development, 10 ancillary parking facilities  
• Total Assets: $9,400,768  
• Revenue: $560,505  
Figures above are reported in '000s, on an International Financial Reporting Standards (IFRS) basis. Figures reported in the About Allied section of our report are different as they reflect values at time of publication. |
| 102-8 | Information on employees and other workers | (a) Permanent: 135 Female / 182 Male  
(b) Temporary: 5 Female / 2 Male  
(c) Full-time: 138 Female / 184 Male  
(d) No, most of the organization’s activities are performed by employees.  
(e) Temporary numbers go up slightly in the summer with the interns joining us on a 4-month contract, typically from May to August (eight in Summer 2020).  
(f) This data was compiled using a headcount report in Dayforce, our Human Capital Management platform. |
| 102-9 | Supply chain | Allied engages primarily with suppliers that help us develop, manage and maintain our properties effectively. These include, but are not limited to, architects, engineers, general contractors and contractors in major service categories (i.e. HVAC, security, cleaning, etc.). Our suppliers range in location but tend to be concentrated in our primary geographic regions (Vancouver, Edmonton, Calgary, Toronto, Kitchener, Ottawa and Montreal). For development and major re-development projects, we aim to engage suppliers local to the project location where possible. |
| 102-10 | Significant changes to the organization and its supply chain | No significant changes to Allied’s size, structure, ownership or supply chain. |
| 102-11 | Precautionary Principle or approach | While Allied has not formally adopted the Precautionary Principle, we adopt a precautionary approach throughout the building lifecycle. We have an operational climate-related risk management tool, an environmental management system as well as our development framework. Our development framework sets clear design guidelines and expectations for consultants and joint-venture partners, and outlines how we evaluate ESG performance on completed projects to ensure all new developments and major re-developments align with our ESG approach. |
| 102-12 | External initiatives | In addition to global frameworks (page 57), Allied participates in and supports a number of local initiatives. See Community Building (page 45) for further details. |
| 102-13 | Membership of associations | Allied is an active partner for industry associations including BOMA, NAOIP and CREW. |
| **STRATEGY** |
| 102-14 | Statement from senior decision-maker | Page 3 |
| **ETICS AND INTEGRITY** |
| 102-16 | Values, principles, standards and norms of behaviour | Our Code of Business Conduct highlights key issues and identifies policies and resources to help employees, officers and Trustees of Allied reach appropriate decisions. The Code of Business Conduct as well as our governance framework, numerous mandates and policies can be found here: https://www.alliedreit.com/company/esg/. Our values can be found on page 11 of this report. |
| **GOVERNANCE** |
| 102-18 | Governance structure | Page 54 and at https://www.alliedreit.com/company/esg/ |
### Stakeholder Engagement

#### 102-40
| List of stakeholder groups | Page 13 and GRI 102-43 |

#### 102-42
| Identifying and selecting stakeholders |  |

#### 102-43
| Approach to stakeholder engagement |  |

#### Investor Engagement
- Regular investor presentations and one-on-one interviews
- Annual General Meeting
- Quarterly earnings calls including Q&A with our CEO, CFO, COO and EVP Development
- Press releases announcing significant business developments
- GRI and SASB-aligned disclosures for cross-industry comparison

#### User Engagement
- User Engagement Program led by our National Operations team since 2015
- Annual third-party user satisfaction assessment
- Quarterly earnings calls including Q&A with our CEO, CFO, COO and EVP Development
- Press releases announcing significant business developments
- GRI and SASB-aligned disclosures for cross-industry comparison

#### Key topics and concerns raised
- Pages 13-14
- 0% of employees are covered by collective bargaining agreements

#### Collective bargaining agreements
- Pages 13-14
- 0% of employees are covered by collective bargaining agreements

#### Reporting Practice

#### Entities included in the consolidated financial statements
- Allied Properties Real Estate Investment Trust
- List of all entities: Refer to page 17 in our 2020 Annual Information Form
- Entities not covered by the report: None

#### Defining report content and topic boundaries
- Report content and topic boundaries were determined based on feedback from stakeholders and research by our Corporate Planning & Sustainability team. Materiality was determined by evaluating perceived importance of the topic to stakeholders and significance of Allied’s impact on that topic. When we refer to the importance of material topics, this means the substantive influence on the assessments and decisions of stakeholders. Importance, or influence, was determined based on stakeholder feedback from an employee-wide survey, one-on-one interviews with seven members of the Allied leadership team and in-depth interviews with 12 external stakeholders. When we refer to the significance of Allied’s impact, this is in reference to the significance of our economic, environmental and social impact or ability to have a significant impact. The significance of our impact was determined by in-depth reviews of relevant industry standards, legislation and disclosure frameworks. To ensure clarity and understanding, we included a simplified explanation of the above within our ESG Report on pages 13-14.
- Stakeholder Inclusiveness: Pages 13-14 and GRI 102-43
- Sustainability Context: Allied’s most significant impacts result from the operation and development of our properties. Our report includes discussion of our approach and performance related to both aspects of our business and, where possible, we have explained how our performance relates to our baseline and long-term strategic goals.
- Materiality: Pages 13-14 and GRI 102-43
- Completeness: ESG Report and material topics include relevant environmental, social and governance topics.
GRI Table

102-47

List of material topics

- Energy management
- GHG emissions reduction
- ESG disclosure & transparency
- Health, wellbeing & safety
- Climate-related risk management
- Climate change adaptation
- Equity, diversity & inclusion
- Sustainable design standards
- Waste management
- Water management

102-48

Restatements of information

Water audits as outlined on page 21 of our 2020 ESG report were updated shortly after publication. Current value in 2020 ESG report is correct on page 23. We have also worked to improve internal data collection for waste and as such 2019 waste production has been restated on page 26.

102-49

Changes in reporting

No significant changes.

102-50

Reporting period

January 1, 2020 - December 31, 2020

102-51

Date of most recent report

2019 ESG Report, published December 2, 2020

102-52

Reporting cycle

Annual

102-53

Contact point for questions regarding the report

Jo Flatt, VP, Corporate Planning & Sustainability, jflatt@alliedreit.com

102-54

Claims of reporting in accordance with the GRI Standards

Core

102-55

GRI content index

Pages 71-81

102-56

External assurance

The 2020 energy, GHG, water and waste data included in this report has been externally verified by Quinn & Partners using ISO 140-64-3:2019.

GRI 103: Management Approach

103-1

Explanation of the material topic and its boundary

(a) Material topics: The ESG topics listed in GRI 102-47 are deemed material as identified by our evidence-based materiality assessment and stakeholder engagement process (pages 13-14).

(b) Boundaries: Allied’s primary driver of energy and water consumption, GHG emissions and waste production is from the operations of our buildings. The data and management approaches included in this report relates to the operation of our standing portfolio, unless otherwise stated. We align our data reporting with GRESB where possible. Where not possible, data is taken from Measurabl. Where applicable we have included our management approach as it relates to developments.

Portfolio boundaries for our new energy, GHG emissions, water and waste reduction targets by 2024 are on pages 63-64. Reporting boundaries for GRI topics 403, 405 and 406 are found within the report on pages 37-40.

(c) No limitations

103-2

The management approach and its components

GRI 302: Energy: pages 19-22
GRI 303: Water & Effluents: pages 23-24
GRI 305: Emissions: pages 19-22
GRI 306: Waste: pages 25-26
GRI 403: Occupational Health & Safety: pages 39-30 and 81-84
GRI 405: Diversity & Equal Opportunity: pages 37-38
GRI 406: Non-Discrimination: pages 37-38
Climate Change Adaptation: pages 27-28
Sustainable Design Standards: pages 29-30
Climate-Related Risk Management: pages 55-56
ESG Disclosure & Transparency: pages 57-58

103-3

Evaluation of the management approach

See page references in GRI 103-2
302-1: Energy consumption within the organization

(a) Total fuel from non-renewable sources (in joules or multiples):
- 2019: 119,932 MWh or 431,755 GJ (converted using Measurabl’s conversion factor of 0.27777778)
- 2020: 116,627 MWh or 419,857 GJ (converted using Measurabl’s conversion factor of 0.27777778)
- Fuel type used: Natural gas

(b) Renewable energy is not applicable

(c) Total electricity and district (including heating, cooling, steam consumption) in watt hours or multiples:
- 2019: 290,307.28 MWh
- 2020: 297,862.67 MWh
- 2019: 64,254 MWh
- 2020: 63,309 MWh

(d) Not applicable

(e) Total energy consumption for organization:
- 2019: 473,265 MWh
- 2020: 477,661 MWh

(f) Numbers represent absolute consumption (total for all sites in reporting year) and taken from Measurabl’s 2020 GRESB Report Data Summary. No estimates are used. In 2020, Allied’s energy data coverage is 94%.

(g) Numbers converted where required using Measurabl’s conversion factors.

302-3: Energy Intensity

(a) Energy intensity ratio for the organization using absolute energy:
- 2019: 31.91 kWh/ft² (represents 94% of standing portfolio coverage)
- 2020: 27.45 kWh/ft² (represents 94% of standing portfolio coverage)

(b) Total portfolio floor area: 18,134,469 ft²

(c) Electricity, natural gas, hot water, chilled water and steam

(d) The ratio only uses energy consumption within the organization.

303-5: Water consumption

(a) Total water consumption:
- 2019: 674,943 m³
- 2020: 635,403 m³

(b) Total water consumption from all areas with water stress:
- Not applicable. All properties Allied owns are in areas with low water stress (<10%).

(c) Not applicable

(d) All water is from municipal water supply. No estimations or assumptions are used.

305-1: Direct (Scope 1) GHG emissions

(a) Gross Scope 1 GHG emissions:
- 2019: 20,526 tCO₂e
- 2020: 19,587 tCO₂e

(b) Gases included in calculation: Carbon Dioxide (CO₂), Nitrous Oxide (N₂O), and Methane (CH₄). Scope 1 emissions include emissions attributable to burning of natural gas.

(c) Not applicable.

(d) Allied’s base year is 2019. Total Scope 1 emissions in 2019 was 20,526 tCO₂e.

(e) Allied utilizes Measurabl, which uses the 100-year Global Warming Potential (GWP) values from the IPCC (Intergovernmental Panel on Climate Change) Fifth Assessment Report to calculate CO₂e. Measurabl uses industry standard emission factors across fuels and global regions, and these emission factors include lifecycle emissions from energy generation.

(f) Consolidation approach as defined in Allied’s Reporting Methodology.

(g) See (e). Allied utilizes Measurabl. No estimations or assumptions used.

305-2: Energy indirect (Scope 2) GHG emissions

(a) Gross Scope 2 GHG emissions:
- 2019: 21,672.24 tCO₂e
- 2020: 22,872.23 tCO₂e

(b) Not applicable.

(c) Gases included in calculation: Carbon Dioxide (CO₂), Nitrous Oxide (N₂O), and Methane (CH₄). Scope 2 emissions include emissions attributable to consumption of electricity and district energy.

(d) Allied’s base year is 2019. Total Scope 2 emissions in 2019 was 21,672.24 tCO₂e.

(e) Allied utilizes Measurabl, which uses the 100-year Global Warming Potential (GWP) values from the IPCC (Intergovernmental Panel on Climate Change) Fifth Assessment Report to calculate CO₂e. Measurabl uses industry standard emission factors across fuels and global regions, and these emission factors include lifecycle emissions from energy generation.

(f) Consolidation approach as defined in Allied’s Reporting Methodology.

(g) See (e). Allied utilizes Measurabl. No estimations or assumptions used.
## GRI Table

<table>
<thead>
<tr>
<th>DISCLOSURES</th>
<th>DESCRIPTION</th>
<th>RESPONSE</th>
</tr>
</thead>
</table>
| 305: Emissions | 305-4: GHG emissions intensity | (a) GHG emissions intensity:  
  * 2019: 2.91 kgCO₂  
  * 2020: 2.55 kgCO₂  
  (b) 16,346,499 t²/year (total standing portfolio GFA)  
  (c) Scope 1 and Scope 2  
  (d) CO₂, CH₄, N₂O |
  - Detailed description of types of waste generated through operations  
  - Total waste collected is the weight in metric tonnes of waste sent to landfill or recycled. Recycled waste varies by site and can include compost, beverage containers, cardboard, mixed paper, secure paper shredding, pallets, fats/oils/grease, plastics, furniture and building materials such as wood, steel, carpet, glass and concrete. Hazardous Waste includes printer/toner cartridges, batteries, electronic waste and fluorescent lamps. Several of Allied’s assets do not have any associated waste data because the waste is managed by a single tenant, for example residential dwellings, restaurants and bars, and some office spaces. In these instances, the user is responsible for waste management and we do not track waste quantities. In other instances without data, the property does not generate waste, such as parking lots and parking structures. In 2020, waste data coverage was 80% across our standing portfolio.  
  (a) The majority of our portfolio is comprised of adaptively re-used/heritage buildings from the turn of the last century. Inherently our construction practices conserve excavation, demolition and construction waste by preserving and repurposing these buildings. We preserve these assets without compromise to character by upholding high design standards and replacing infrastructure with modern and efficient technology. In accordance with our user construction manual, below outlines our policy on construction waste management practices:  
  - Construction and demolition work should be planned and managed in accordance with the building’s Construction Waste Policy and to incorporate the following practices:  
    1. Reduce the materials brought to the site to the minimum required to construct the work and to the minimum required for packaging and transporting of materials  
    2. Re-use material where appropriate on renovations or changes to existing work  
    3. Recycle material by separation of recyclable material and diverting it to an appropriate recycling facility  
    5. User’s contractors shall provide confirmation of proper disposal of construction waste in keeping with regulations and guidelines in effect in Ontario  
  - Allied’s waste handling practices must comply with all local regulatory requirements and performance standards. We conduct e-waste take-back programs at some of our properties where users can drop off specific items to be collected. Larger properties have an area to house collection until it is ready to be disposed. Our current providers are Aevitas and Quantum Recycling; Bulb Eater is available at our larger properties, which allows us to properly dispose of lamps. We also receive building-level diversion reports from our waste haulers that feed into benchmarking and tracking waste data. We lead educational campaigns for our employees and our users. Training sessions occur in various forms; in 2019 we underwent an overhaul of our waste streams to include multi-stream mixed recycling programs, which required multiple training sessions with our users. In past User Engagement Program (UEP) sessions, users were refreshed on these initiatives. We also provide bespoke training tailored to specific user requests. We also impose specific requirements within our waste and recycling contracts to ensure the waste haulers manage waste adequately and responsibly. Examples of such requirements include but are not limited to:  
    1. The contractor must collect and properly dispose of all waste and recycling streams generated at each property to eliminate cross contamination or adverse environmental impact.  
    2. The contractor must colour-code waste and recycling bins/hoses by stream: Waste (Black), Paper/Cardboard (Grey), Organics (Green) and Cars/Glass/Plastic (Blue). This allows our users and third-party janitorial vendors to easily distinguish the different types of waste and sort them into different categories.  
    3. The contractor must provide a monthly diversion report to Allied noting the breakdown of all waste and recycling streams generated at each property. A separate report must be generated for each property to benchmark track and improve our recycling practices to divert waste away from landfill.  
  (b) Allied’s contracted waste haulers must comply with local, municipal, regional, provincial and federal by-laws, statutes, rules, regulations, standards and other enactments to the performance of the services and shall ensure that its personnel comply with the rules and regulations applicable to the subject locations. We also impose specific requirements within our waste and recycling contracts to ensure the waste haulers manage waste adequately and responsibly. Examples of such requirements include but are not limited to:  
    1. The contractor must collect and properly dispose of all waste and recycling streams generated at each property to eliminate cross contamination or adverse environmental impact.  
    2. The contractor must colour-code waste and recycling bins/hoses by stream: Waste (Black), Paper/Cardboard (Grey), Organics (Green) and Cars/Glass/Plastic (Blue). This allows our users and third-party janitorial vendors to easily distinguish the different types of waste and sort them into different categories.  
    3. The contractor must provide a monthly diversion report to Allied noting the breakdown of all waste and recycling streams generated at each property. A separate report must be generated for each property to benchmark track and improve our recycling practices to divert waste away from landfill.  
    4. Waste data for current reporting year and year previous is sourced from waste hauler diversion reports, which is provided to Allied on a monthly basis. This data is compiled and recorded within ENERGY STAR® Portfolio Manager on behalf of Allied by a third-party waste consultant. To ensure accurate waste data was collected, we requested intrusive, third-party data verification services for our 2020 waste generation. No material discrepancies, errors or omissions were noted. We have set inaugural waste reduction targets and are working to develop and implement additional strategies and resources for waste prevention and waste management.  
  (c) Waste data for current reporting year and year previous is sourced from waste hauler diversion reports, which is provided to Allied on a monthly basis. This data is compiled and recorded within ENERGY STAR® Portfolio Manager on behalf of Allied by a third-party waste consultant. To ensure accurate waste data was collected, we requested intrusive, third-party data verification services for our 2020 waste generation. No material discrepancies, errors or omissions were noted. We have set inaugural waste reduction targets and are working to develop and implement additional strategies and resources for waste prevention and waste management. |
| 306: Waste | 306-2: Management of significant waste-related impacts | |
405: Diversity & Equal Opportunity

405-1: Diversity of governance bodies and employees

(a) Management and VPs
- Gender: 25% Female / 75% Male
- Age: 67% 30-50 / 33% over 50
- No other indicator

(b) All Employees
- Gender: 43% Female / 57% Male
- Age: 59% under 30 / 36% 30-50 / 5% over 50
- No other indicator

GRI 406: Non-Discrimination

406-1: Incidents of discrimination and corrective actions taken

No incidents of discrimination
Statement of Verification
Independent Limited Verification Report for Allied Properties REIT

Allied Properties REIT (Allied) engaged Quinn & Partners to verify its energy, water, waste and greenhouse gas (GHG) emissions statements for the reporting year from January 1, 2020 to December 31, 2020 as presented in Allied’s Environmental, Social and Governance Report and 2021 GRESB assessment.

QUINN & PARTNERS RESPONSIBILITIES

Quinn & Partners conducted a verification of Allied’s 2020 energy, water, waste and GHG emissions statements to a limited level of assurance in accordance with ISO 14064-3:2019. The verification ensures that the inventory conforms to the requirements and principles of the GHG Protocol Corporate Accounting and Reporting Standard and aligned with ISO 14064-1:2018. Verification activities were conducted with appropriate impartiality, using an evidence-based approach, ethical conduct, fair presentation, conservativeness and due professional care.

ALLIED’S RESPONSIBILITIES

Allied (the responsible party) prepared its 2020 energy, water, waste and GHG emissions statements and was responsible for confirming that the results fairly presented the performance of its real estate portfolio. This responsibility included maintaining data management systems to ensure its statements fairly reflect its operations and are free from material misstatement. Allied’s statements are voluntary – there is no mandatory requirement for disclosing this information.

SCOPE OF ENGAGEMENT

Quinn & Partners provided verification to a limited level of assurance. Based on Quinn & Partners’ verification activities and findings, we found no material discrepancy, error or omission that would lead us to conclude that Allied’s 2020 energy, water, waste and GHG emissions statements are not fairly stated and prepared in all material respects in accordance with the standards and principles of the GHG Protocol. The quantitative materiality threshold was 5% for each statement. The investigation included the following metrics:

GHG EMISSIONS

- Direct GHG emissions (Scope 1) – stationary combustion
- Electricity indirect GHG emissions (Scope 2) – purchased electricity and district heat and cooling
- Other indirect GHG emissions (Scope 3) – energy use in tenant areas when available****

ENERGY, WATER AND WASTE

- Total energy, including electricity, stationary combustion fuels and district energy
- Total purchased water consumption
- Total waste generation, when available

CRITERIA

The objective of the verification was to reach a conclusion about the accuracy of the GHG statement and its conformity with the GHG Protocol and aligned with ISO 14064-1:2018 and industry best practices for the quantification and reporting of energy, water and waste data. To do so, we followed the verification criteria provided by ISO 14064-3:2019.

WORK PERFORMED

The verification team employed methods to verify Allied’s statements, including desktop review, analysis, sampling, recalculation, tracing and cross-checking with the quantification team. Sufficient and appropriate evidence was collected to support the verification statements and ensure that the inventory methods, systems, calculations and results conform to the verification requirements. The principles of GHG accounting in the GHG Protocol and ISO 14064-1:2018 were used to guide the verification process:

- Relevance: Does the inventory contain the information that users—both internal and external to the company—need for their decision-making?
- Completeness: Has Allied accounted for all relevant sources within the inventory boundary and time period?
- Consistency: Do the methods and systems used to aggregate emission sources ensure that results are consistent and comparable over time?
- Accuracy: Was the quantification process conducted in a manner that is likely to identify and minimize areas of uncertainty? Has Allied reduced bias and uncertainties as far as is practical?
- Transparency: Has Allied prepared its statements in a coherent manner, and disclosed relevant methods and assumptions?

LIMITATIONS OF OUR WORK PERFORMED

Quinn & Partners understands that voluntary disclosures of sustainability data by nature are subject to uncertainty, including scientific and estimation uncertainty, that lead to inherent limitations in the accuracy of the information reported. The verification team recognizes these inherent limitations seeks to implement undertake quality processes in our verification to reduce the impact they may have on the accuracy of the resulting statements.

OUR CONCLUSIONS

Quinn & Partners conducted a verification of Allied’s 2020 energy, water, waste and GHG emissions statements for the reporting year from January 1, 2020 to December 31, 2020 to a limited level of assurance. Based on the verification activities above, we found no material discrepancy, error or omission that would lead us to conclude the environmental performance statements are not fairly stated and prepared in all material respects in accordance with the standards and principles of The GHG Protocol and aligned with ISO 14064-1:2018.

ATTESTATION

ISABEL SBRAGIA, PH.D.
Lead Verifier
Quinn & Partners Inc.
May 18, 2021

LUKE WESTFALL, P.ENG.
Independent Reviewer
Quinn & Partners Inc.
May 18, 2021

CLIENT’S ATTESTATION

I, as a representative of Allied, accept the findings in this verification statement.

May 18, 2021

Date