

Environmental, Social  
and Governance Report



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# Our Foundation

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# Message from Our CEO

In 2019, Allied's Board and Management committed to the public scrutiny of our ESG performance by submitting to GRESB and releasing an annual ESG Report. Building on our commitments, in 2021 we formalized our ESG Strategy, which set goals and targets for Allied's ESG priorities. With our ESG Strategy in place, we are now positioned to develop our Net Zero Carbon (NZC) Plan, driven by members across the Allied team in partnership with industry experts. Over the next 12-18 months, the team will conduct an in-depth analysis to identify our reduction pathway and targets.

The global and local momentum advancing ESG aligns with our business evolution and the demands of our customers.

- We have observed that our users want to work in spaces that reflect their values. We see ourselves as a partner, not a landlord. We are committed to fostering long-standing and mutually beneficial relationships with our users to support them in their growth.
- We provide services as well as space. We intend to curate the experiential layer within our buildings and the surrounding area, with a view to enhancing connectivity among users and the surrounding community.

Allied's Board and Management are committed to making our approach to ESG more manifest, deliberate and measurable. Four ESG Accountability Corporate Targets were introduced in 2021, which are directly linked to annual executive compensation. These targets illustrate our commitment to annual third-party assessments including GRESB, the Kincentric Employee Engagement Survey and Kingsley's User Experience Survey as well as implementing the priorities in our Equity, Diversity and Inclusion (EDI) Roadmap.

Our ESG Strategy and team has positioned us for success. We are committed to undertake ESG initiatives in a manner that authentically reflects our values and the needs of our constituents.



**Michael Emory**  
President & CEO





# About Allied

Allied is a leading operator of distinctive urban workspace in Canada’s major cities and network-dense urban data centres (UDC) space in Toronto. Allied’s mission is to provide knowledge-based organizations with workspace and UDC space that is sustainable and conducive to human wellness, creativity, connectivity and diversity. Allied’s vision is to make a continuous contribution to cities and culture that elevates and inspires the humanity in all people.

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

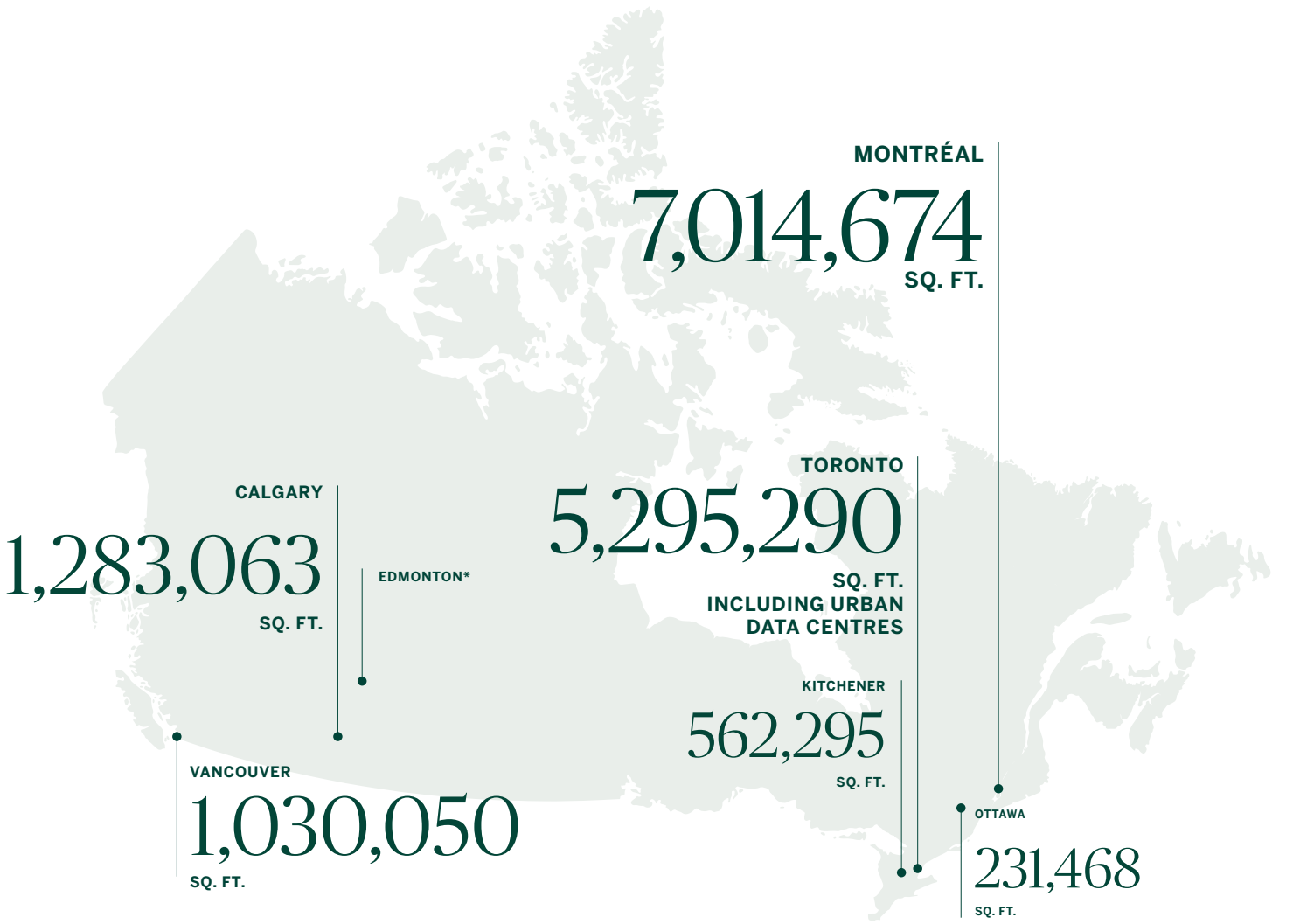
**TEAMWORK** among the people who conduct our business on a daily basis

**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



OFFICE  
TOTAL SQ. FT.

13,555,412

RETAIL  
TOTAL SQ. FT.

1,351,428

URBAN DATA CENTRES  
TOTAL SQ. FT.

510,000

	INITIAL PUBLIC OFFERING (February 20, 2003)	CURRENT STATUS (March 31, 2022)
EMPLOYEES	55	351
PROPERTIES	14 (in Toronto)	212 (in seven cities)
GROSS LEASABLE AREA (GLA) (sq. ft.)	820k	15.4M (sq. ft.)
GROSS ASSET VALUE	\$120M	\$10.6B
MARKET CAPITALIZATION	\$62M	\$6.0B

\*Our Edmonton portfolio is currently under development and therefore, excluded from the above reporting. The numbers on page 6 are reported in Gross Leasable Area (GLA). Gross Floor Area (GFA) is used throughout the rest of the report.



## OUR APPROACH TO ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Environmental, social and governance sensitivities are an integral part of Allied. They flow from our evolution as an organization focused on the provision of distinctive urban workspace and network-dense UDC space in Canada's major cities.

Since the beginning, Allied focused on the adaptive re-use of older structures built over a century ago for light-industrial purposes. The goal at the time was to meet what was rightly perceived to be a growing need on the part of users of workspace for environments that would assist them in attracting, motivating and retaining knowledge workers. Nevertheless, by recycling buildings rather than re-building them, we minimized our impact and increased our sensitivity to the natural environment.

Long before Allied's initial public offering (IPO), we concentrated our properties in specific urban areas. The goal at the time was to meet what was rightly perceived to be the need on the part of users of workspace to locate in amenity-rich, mixed-use urban communities. Nevertheless, by aggregating buildings in this way, we became sensitized to the impact on the surrounding communities in which we operate. We began to see our buildings as part of a larger urban ecosystem and to acknowledge our responsibility to the surrounding community.

Finally, the launch of Allied's IPO in 2003 increased our sensitivity to governance. The sensitivities at the time were predominantly financial and operational, but as we evolved and attracted unitholders globally, the sensitivity to a broader conception of governance increased. Allied's Board and Management began to see governance as something that could strengthen the business significantly.

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

### ENVIRONMENTAL

Our impact on the natural world at both corporate and property levels.

### SOCIAL

Our relationships with key stakeholders, including users, employees, suppliers and the communities in which we operate.

### GOVERNANCE

Our internal policies, programs and processes that support the management of our business and the execution of ESG-related activities.

## Our Report

Allied's 2021 ESG Report outlines our ESG Strategy and describes our 2021 ESG performance. Every year, we intend to increase our data coverage and enhance the disclosure of our ESG performance metrics. We recognize that our 2021 performance was impacted by lower occupancy rates due to the COVID-19 pandemic. The information in this report will focus on activities from 2021, provide data comparisons against our 2019 baseline, disclose progress against our 2024 reduction targets and describe notable achievements in 2022. See Appendix on page 57 for more detail on our reporting boundaries and methodology.

### REPORTING FRAMEWORKS

We have prepared our 2021 ESG Report in accordance with the Global Reporting Initiative (GRI) 2021 Universal Standards, the Sustainability Accounting Standards

Board (SASB) Real Estate Standard and for the first time, the United Nations Sustainable Development Goals (UN SDGs). We have also disclosed our climate-related risk management activities based on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). See Appendix for Allied's GRI and SASB disclosures and the Governance section for Allied's TCFD and UN SDGs disclosures.

### EXTERNAL ASSURANCE

As part of our commitment to providing consistent and accurate data, we submitted all 2021 energy, greenhouse gas (GHG) emissions, water and waste data included in this report for third-party verification. See Appendix on page 97 for our Statement of Verification.



# 2021 Highlights

## Outperformed Environmental Reduction Targets

Exceeded our 2024 reduction targets for Energy Use Intensity (EUI), Greenhouse Gas Intensity (GHGI) and Water Use Intensity (WUI). This achievement was driven by the implementation of numerous conservation initiatives as well as reduced occupancy in our buildings due to COVID-19.

## Recognized as a Canadian “Best Employer”

Engaged Kincentric to conduct our second third-party employee engagement survey. Allied’s overall engagement score was 77%, placing us in Canada’s top quartile, higher than both the Canadian average of 68% and the Canadian real estate sector average of 70%. We commit to completing an employee engagement survey every year.

## Issued \$1.1 Billion of Green Bonds

Announced our Green Financing Framework under which Allied or any of our subsidiaries may issue green bonds, green loans or other instruments to finance or re-finance green projects. In February 2021, we issued our first green bond for \$600 million and in August 2021, we issued our second green bond for \$500 million. Both green bonds were over-subscribed. [Read more](#) about Allied’s Green Financing Framework and Sustainability Second-Party Opinion.

### 2022 INITIATIVE

## Initiated Allied’s Net Zero Carbon Plan

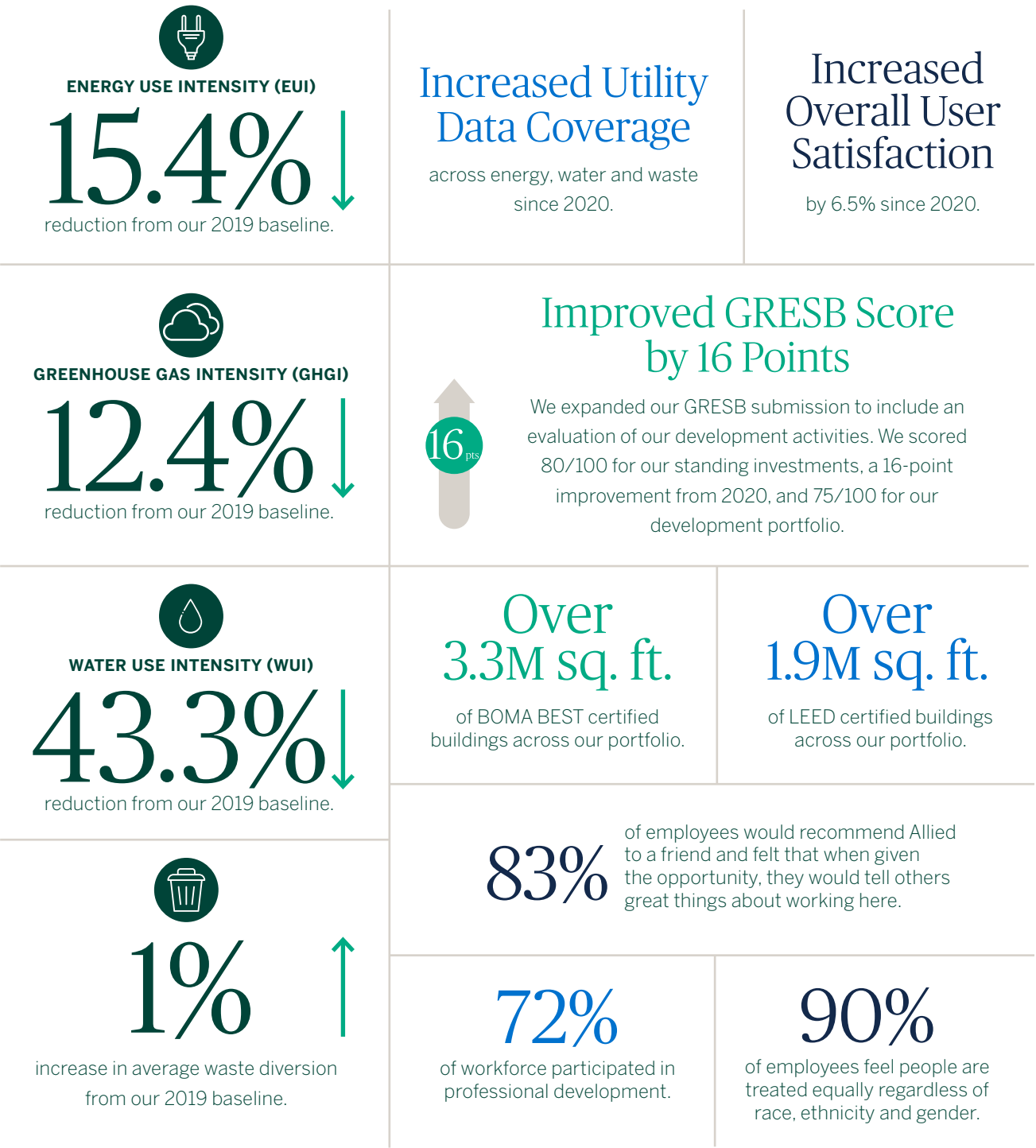
The Net Zero Carbon (NZC) Plan will identify a clear pathway for Allied to reach net zero in alignment with the Science Based Targets initiative’s (SBTi) Corporate Net-Zero Standard v1.0. Guided by oversight from Allied’s ESG Committee, with support from industry experts and stewarded by a multi-disciplinary Net Zero Project Team, we have established an approach to complete our NZC Plan in the next 12-18 months. See page 15 for more details.

## Piloted HOME Initiative

Explored how we could leverage our properties to help address Toronto’s housing shortage. We identified several assets slated for development that could offer transitional housing for vulnerable populations. In September 2021, in partnership with WoodGreen Community Services, a local social service agency, we provided two tenants with housing and social supports.

## Improved all User Experience Assessment Ratings

Completed our second annual third-party User Experience Assessment Survey. Results demonstrated considerable progress from 2020, with improved ratings in all areas surveyed. We strive for continuous improvement informed by direct feedback from our users and commit to completing this survey every year.



# ESG Strategy

We completed Allied's inaugural ESG Strategy in 2021, which reflects the interests of our key stakeholders, defines goals and targets for our ESG priorities 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 priorities that are most significant to our business**
- 3 **Setting impactful and practical goals and targets**

## ESG COMMITTEE

In 2021, we established an executive ESG Committee comprised of eight senior team members. The Committee represents leaders from different areas of responsibility who offer expertise and disseminate information across the organization. The ESG Committee's purpose 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. Details of the in-depth assessment can be found in the Appendix on page 59. The results of the assessment identified 10 ESG priority topics that form the foundation of our ESG Strategy.

While employee and user experience 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 engagement and user experience can be found on pages 29 and 39 respectively.

## GOALS & TARGETS

Goal and target setting is critical to improving our ESG performance. Our goals describe the overall ambition that we strive to achieve, and our targets are measurable, support a long-term vision and focus on near-term practicality. The goals and targets are outlined in their associated sections throughout the ESG Report. As our ESG program evolves, we continually review and may revise our goals to ensure they stay relevant.

With 2019 as our baseline year, we created reduction targets for energy and GHG emissions, water and waste consumption by 2024 across our target portfolio. In 2021, we outperformed our 2024 reduction targets across energy, GHG emissions and water. See Appendix page 57 for details on the scope and boundaries of our target portfolio.

### ALLIED'S ESG PRIORITIES

#### ENVIRONMENTAL

Energy management  
GHG emissions reduction  
Water management  
Waste management  
Climate change adaptation  
Sustainable design standards

#### SOCIAL

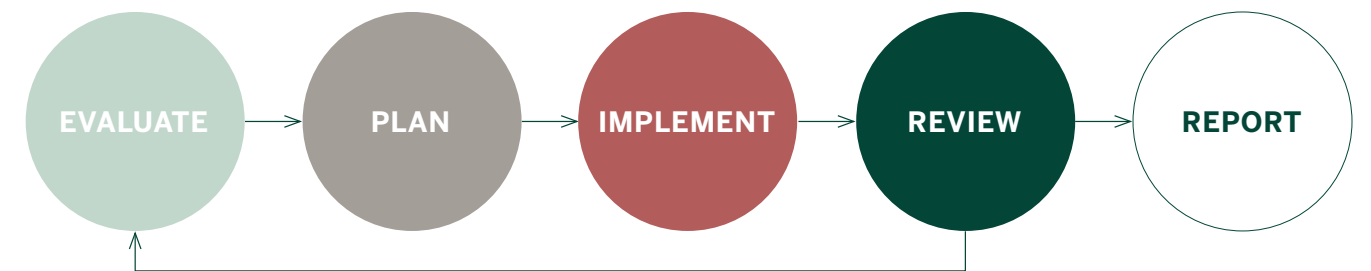
Equity, diversity & inclusion  
Health, wellbeing & safety

#### GOVERNANCE

Climate-related risk management  
ESG disclosure & transparency

## OUR PROCESS

We undertake the following process to advance our ESG Strategy and related initiatives across the business. We strive to identify interventions and pilot programs, gather lessons learned and scale accordingly to keep pace with evolving market demands and stakeholder expectations.



### EVALUATE

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

### PLAN

- **Establish** goals, targets and metrics for our ESG priorities
- **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

### REVIEW

- **Analyze** performance and compare against benchmarks
- **Revise** processes and programs to improve ESG outcomes

### REPORT

- **Communicate** on an annual basis to maintain transparency and accountability



# Environmental

We aim to protect the natural environment while reducing the environmental impact of our business activities.

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17	Energy Management & GHG Emissions Reduction
19	Water Management
20	→ 60 Adelaide Street East
21	Waste Management
23	Climate Change Adaptation
25	Sustainable Design Standards

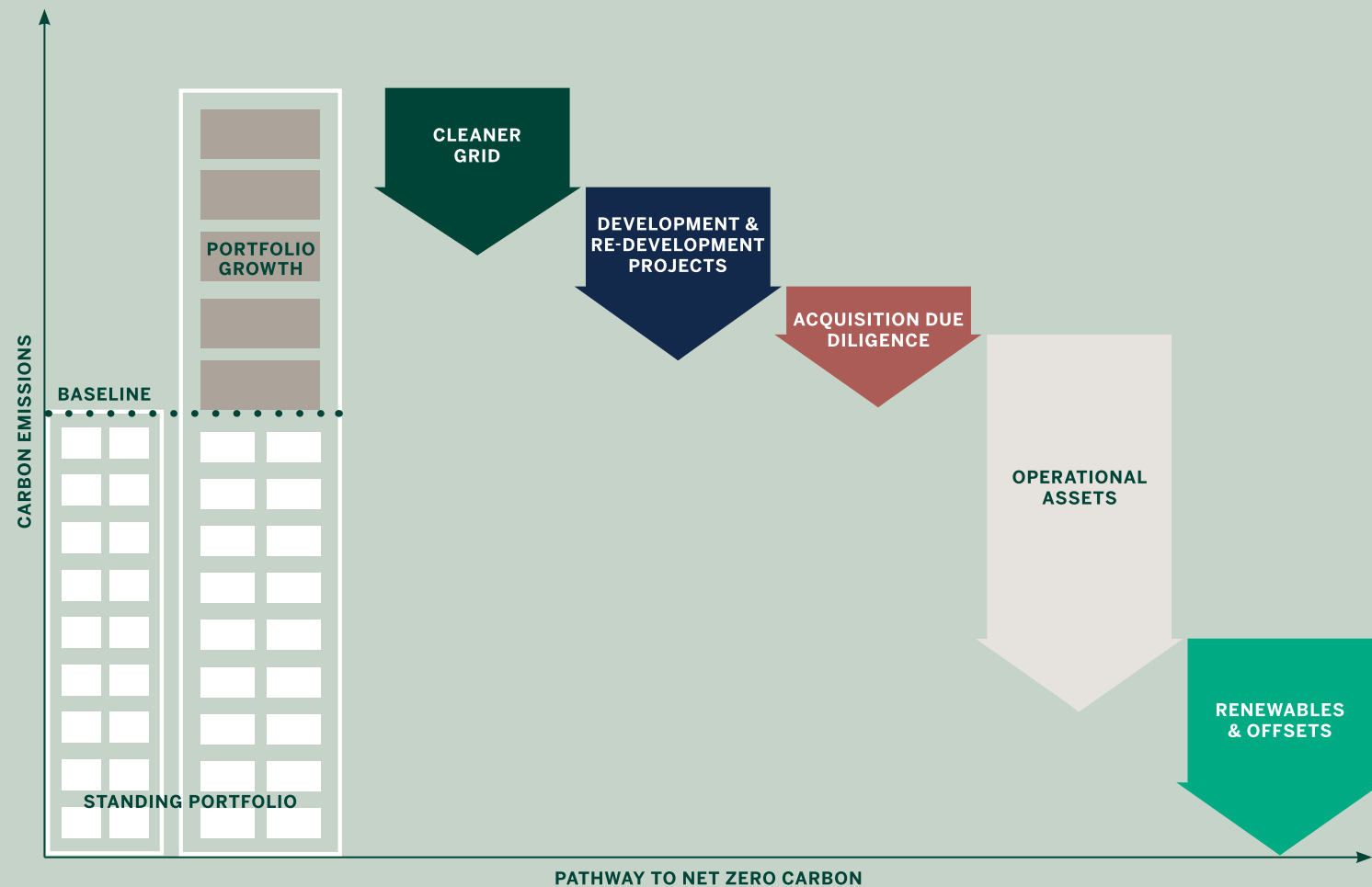




# Net Zero Carbon Plan

Allied is committed to doing its part to address the global climate crisis. We are developing a pathway to achieve net zero carbon across our portfolio in alignment with the Science Based Targets initiative's (SBTi) Corporate Net-Zero Standard V1.0. Guided by oversight of the ESG Committee, with support

from industry experts and stewarded by a multi-disciplinary **Net Zero Project Team**, we have established an approach to prioritize our efforts and complete the plan in the next 12-18 months.



This graph is for illustrative purposes only.

Our **Net Zero Carbon Plan** is centered on four pillars: development and re-development projects, acquisition due diligence, operational assets and renewables and offsets. Each pillar has associated impact areas and project outcomes to drive GHG emissions reduction and overall performance. This approach ensures clarity and alignment to support future decision-making and forecasting. Some of the key deliverables include:

- 1 DEVELOPMENT & RE-DEVELOPMENT PROJECTS**  
Design standards with progressive performance targets or carbon budgets for all new development and re-development projects.
- 2 ACQUISITION DUE DILIGENCE**  
Net zero carbon acquisition checklist to evaluate the implications of transitioning new acquisitions to net zero as part of our due diligence process.
- 3 OPERATIONAL ASSETS**  
Net zero transition roadmap that identifies and evaluates the technical and economic viability of deep retrofits and fuel switching measures for our standing portfolio to achieve net zero carbon, supplemented by estimated capital cost requirements on representative buildings and implementation timelines.
- 4 RENEWABLES & OFFSETS**  
Renewable energy strategy to maximize the use of on-site renewable generation systems at new development projects and across our standing portfolio.

Our Net Zero Project Team includes representation from across the business to ensure we establish an approach that is both achievable and adopted by the entire company. Over the next 12-18 months, the Team will be provided with in-depth learning opportunities to ensure they have a comprehensive understanding of net zero in the context of our business. The Team, alongside expert partners, will conduct an in-depth analysis to prepare our Net Zero Carbon Plan and associated reduction targets. We are aligned to the prevailing commitment of net zero by 2050. Our work will remain consistent with the global goal as we work to refine our milestones and measure progress over time.





# Energy Management & GHG Emissions Reduction

GOALS

- ✓

**Energy Management**

Reduce the energy consumption at our properties by optimizing systems design and conservation practices.
- ✓

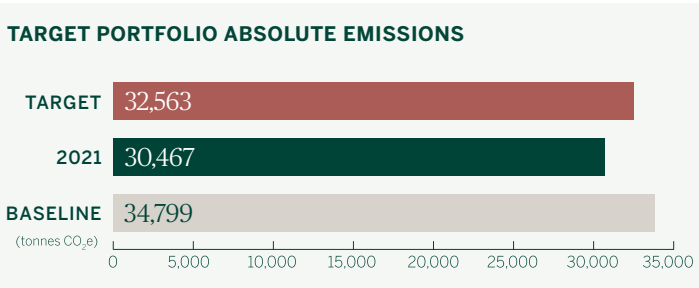
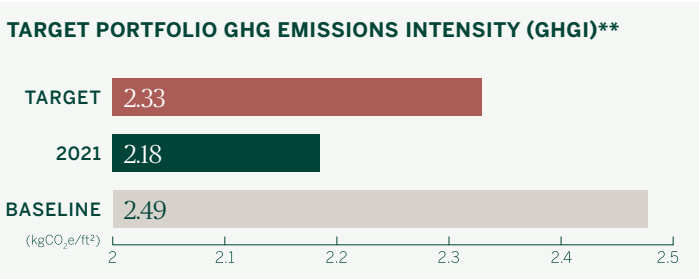
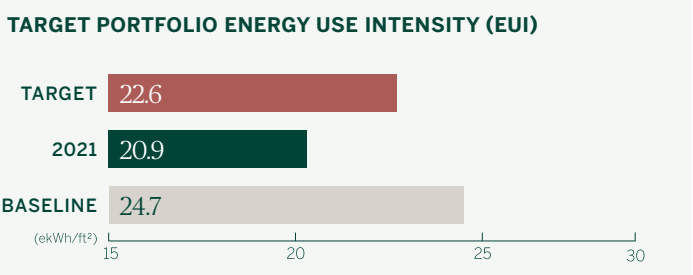
**GHG Emissions Reduction**

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.

TARGET PORTFOLIO\* PERFORMANCE

We are committed to the continuous improvement of our environmental performance, and our approach to energy conservation and carbon reduction. Our 2024 energy and emissions reduction targets include average Energy Use Intensity (EUI) of 22.6 kWh/ft², average Greenhouse Gas Intensity (GHGI) of 2.33 kgCO<sub>2</sub>e/ft² and cumulative 6.6% absolute emissions reduction across our target portfolio. Our 2021 energy and GHG emissions performance show a 15.4% and 12.4% reduction compared to our 2019 baseline, outperforming our 2024 targets by 6.9% and 6.0%, respectively. The absolute GHG emissions of our target portfolio went from 34,799 tonnes in 2019 to 30,467 tonnes in 2021. This achievement was driven by the implementation of a series of energy conservation initiatives as well as reduced occupancy in our buildings due to COVID-19.

\*Allied’s target portfolio reflects a portion of our assets with consistent data coverage and representative building types, as outlined in our Reporting Methodology in the Appendix. Allied’s target portfolio was established in 2021 along with our inaugural five-year environmental performance targets for energy, carbon, water and waste, using 2019 as a baseline year. We are reporting our 2021 performance against our baseline and targets rather than year-to-year performance. Year-to-year performance for our standing portfolio is included in the Appendix and supplementary GRI and SASB tables.  
\*\*Greenhouse Gas Intensity refers to Allied’s operational carbon emissions (Scope 1 and 2) from our properties.



DATA COVERAGE

Performance data collection and benchmarking remain cornerstones of our **Energy Management Framework**. We are continuously expanding our automated utility data collection and benchmarking process. We increased our energy data coverage across our standing portfolio from 94% in 2019 to 95% in 2021, while continuing to increase our portfolio size. Currently, we have over 19 million sq. ft. benchmarked in ENERGY STAR Portfolio Manager, tracking our energy and GHG emissions performance. See Appendix for our standing portfolio’s 2021 energy consumption and GHG emissions performance.

2021 INITIATIVES

- We updated our technical specifications for energy audits to ensure greater consistency and overall quality. We prioritized and accelerated the roll out of conservation measures that generate strong economic payback (five years or less), such as lighting retrofits, variable frequency drive (VFD) upgrades, demand control ventilation and control recommissioning. Some of our executed projects include:
- Lighting retrofits covering over 2.4 million sq. ft. in 2021. Since 2019, we have performed 54 lighting retrofit projects covering over 5.7 million sq. ft.
  - Building analytics for continuous commissioning and performance optimization. At Queen Richmond Centre West in Toronto, building analytics and a series of energy conservation measures led to a reduction in the building’s EUI from 29.2 kWh/ft² in 2019 to 17.2 kWh/ft² in 2021 achieving a 41% and 52% reduction in respective energy use and carbon production.
  - Air pollutant sensors installed in underground parking garages to reduce the operating hours of ventilation fans by over 50%.

- \$1 million invested in deploying VFD on air circulation pumps and fans as well as upgrading HVAC system controls.
- We started reviewing deeper energy savings opportunities that build on the conservation projects completed to date. We approach these opportunities by looking at all capital renewal projects and evaluating advanced energy alternatives against traditional like-for-like capital replacement. This approach allows us to harness the benefits of capital replacement to enhance the economic payback of deep energy conservation measures.

**DEEP ENERGY CONSERVATION  
CAPITAL RENEWAL PROJECT**

Replacing end-of-life gas-fired rooftop units with electric heat pump technology

<b>90%</b> HEATING SYSTEM CARBON REDUCTION	<b>\$7,500</b> AVERAGE ANNUAL COST SAVINGS* <small>Capital cost premium of \$35,000</small>	<b>&lt;5</b> YEARS EXPECTED PAYBACK
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\*Project was initiated in 2021 and expected to be completed in 2022.

## Next Steps

- ➔ Continue to deploy energy conservation measures, including 32 LED lighting retrofit projects planned for 2022, covering over 3 million sq. ft.
- ➔ Develop the Net Zero Carbon Plan for our standing portfolio, development and re-development projects.
- ➔ Create an energy management plan for all operational assets and formalize a national energy management reporting protocol.



# Water Management

## GOAL

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

## TARGET PORTFOLIO PERFORMANCE

Allied's water use reduction target is to achieve an average Water Use Intensity (WUI) of 59.1 L/ft<sup>2</sup> across our target portfolio by 2024. Our 2021 performance outperformed our 2024 reduction target by 35.7%. This achievement was driven by the implementation of a series of energy conservation initiatives as well as reduced occupancy in our buildings due to COVID-19. We are committed to continue implementing water conservation initiatives at our properties and to report our progress.

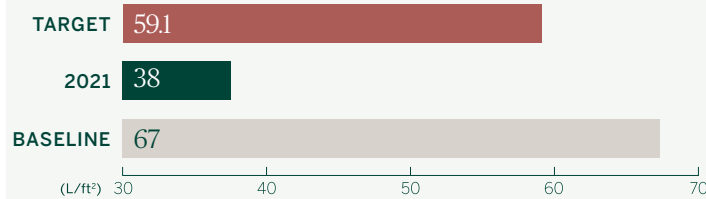
## DATA COVERAGE

In 2021, we increased our water data coverage to 83.3% from 61% in 2019. This is largely due to repairing and installing water meters at our Montréal properties where water meters were not required for billing purposes. We aim to continue increasing water data coverage to more accurately benchmark our performance and to prioritize audits and retrofits that maximize our impact and return on investment. See Appendix for our standing portfolio's WUI and water consumption.

## 2021 INITIATIVES

In addition to regular water audits and conservation measures identified as part of our **National Energy and Water Budget**, we developed performance specifications for low-flow plumbing fixtures for all new landlord projects. The new performance specifications exceed the minimum requirements of LEED v4 BD+C Indoor Water Use.

## TARGET PORTFOLIO AVERAGE WATER USE INTENSITY (WUI)



## Next Steps

- Continue to install water meters to further increase data coverage across our standing portfolio.
- Survey our existing open-looped cooling towers to identify water conservation measures to reduce water consumption associated with water evaporation and blow down.
- Develop an internal water audit checklist and continue to perform building-level water audits across our standing portfolio.

## DEEP BUILDING RETROFIT

# 60 Adelaide Street East



60 Adelaide Street East, originally built in 1963, is an office building consisting of 112,500 sq. ft. of office space, 8,500 sq. ft. of data centre space and 5,400 sq. ft. of underground parking.

Since 2020, the building has undergone a major re-development that includes a series of energy and water conservation measures while maintaining building occupancy.



## ENERGY CONSERVATION UPGRADES

- New heat recovery chiller plant to harness the heat generated by the data centre's server and process load as a low-carbon heating source for space heating.
- New electric hot water boiler to complement a high-efficiency gas-fired boiler. The boilers will be staged to optimize energy cost based on grid electricity peak periods and demand response signals.
- Major upgrades to makeup air handling units with demand control ventilation, combined with rebalancing and recommissioning the entire variable air volume (VAV) systems to optimize energy consumption and ventilation air level.
- New building automation system for continuous commissioning and a demand response capability.



## WATER CONSERVATION UPGRADES

- New adiabatic fluid coolers that will significantly reduce water consumption compared to pre-existing open cooling towers.
- New water-efficient plumbing fixtures exceeding LEED v4 Indoor Water Use Reduction's performance requirements.



## EXPECTED ANNUAL SAVINGS\*

**25%** REDUCTION IN ENERGY USE

**70%** REDUCTION IN WATER CONSUMPTION

**90%** REDUCTION IN GHG EMISSIONS

\*Compared to our 2019 baseline.



# Waste Management

GOAL

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

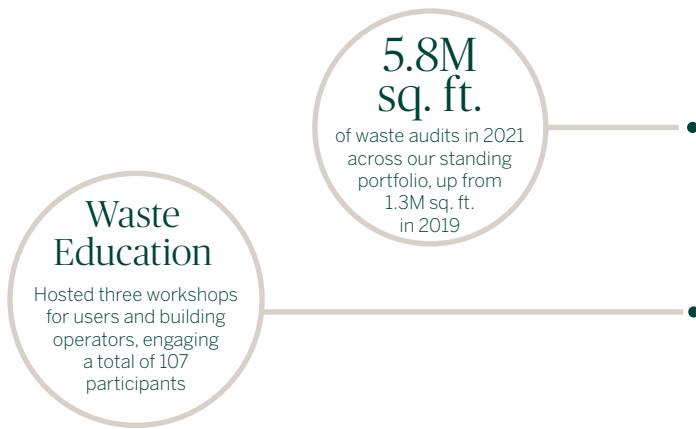
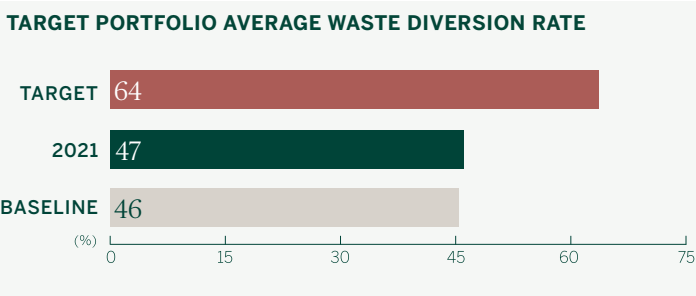
TARGET PORTFOLIO PERFORMANCE

Allied’s waste diversion target is to achieve an average waste diversion rate of 64% across our target portfolio by 2024. In 2021, our waste diversion rate modestly improved to 47% from our 46% 2019 baseline. Our 2021 activities focused on improving our waste comprehension and identifying initiatives to reduce landfill waste generated by our users and development activities. We expect to reduce our waste by increasing the number of waste audits at our existing buildings and by establishing construction waste management plans and targets for our development activities. We are in the process of finalizing our **three-year waste management strategy** with priority actions to achieve our 2024 waste diversion target.

2021 INITIATIVES

Waste audits provide us with site-specific insights to measure, manage and reduce waste. In 2021, we elevated our national waste audit program by increasing the number and coverage of waste audits conducted across our standing portfolio from 1.3 million sq. ft. in 2019 to almost 5.8 million sq. ft. in 2021. Additional initiatives to improve performance:

- Updated signage and building waste collection procedures to increase the capture rate of recyclable and organic materials.
- Expanded our hazardous and e-waste collection programs.
- Established a user engagement plan to encourage behavioural changes to reduce landfill waste.



USER ENGAGEMENT

We recognize that a building’s waste performance is dependent on the behaviour of its users. We intend to provide our users with training, resources and signage to support our collective waste diversion efforts. In 2021 and 2022, we partnered with a third-party waste management and diversion expert to conduct a



series of education sessions for our users and building operators across the seven cities in which we operate. We learned that many of our users are eager to collaborate with us on waste reduction efforts. We will be updating our waste management and engagement approach to better support our users, suppliers and Allied team members to improve waste behaviours, increase our waste diversion rates and achieve our 2024 target.

DEVELOPMENT ACTIVITIES

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 re-purposing these buildings. We also prioritize the re-use of architectural building elements where possible, such as repurposing wood flooring as ceiling finishes, radiators and other vintage components as decorative features and factory-sash windows as partition walls. 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 2021, the average waste diversion rate was 85% across 90% 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.

## Next Steps

- ➔ Continue to explore ways to increase waste data coverage across our standing portfolio, including the use of technologies and routine technical assessments in lieu of waste hauling reports where appropriate.
- ➔ Continue to roll out our national waste audit program, with an aim to audit 50 buildings covering 56.8% of our portfolio’s GFA in 2022.
- ➔ Evaluate regulatory requirements and certification programs to continuously improve waste management practices.
- ➔ Update our waste signage program and provide technical trainings to our users and custodial team members to improve at-source waste diversion.
- ➔ Formalize our three-year waste management strategy by the end of 2022.
- ➔ Adopt a zero-waste design in the re-development of our Calgary office.

\*Average waste diversion for our development activity 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 2021 was 90%, two of our 10 active projects (10% of total GLA) did not have waste diversion data available



# Climate Change Adaptation

## GOAL

- ✓ Prioritize climate change adaptation in our approach to acquisitions, development and operations.

We are taking a proactive approach to evaluate, adapt and mitigate against the physical risks that climate change poses to our business, assets and operational activities. Building on our portfolio-wide climate risk assessment using Four Twenty Seven® (427) data, we are developing a comprehensive physical climate risk assessment framework as part of a **Physical Climate Resilience Strategy** for our assets. This tool will allow us to better assess and evaluate building-specific impacts due to climate change.

We are partnering with third-party subject matter experts to develop our physical climate risk assessment framework. The framework will be based on the established methodology under ISO 14091, ISO 31000 and the Public Infrastructure Engineering Vulnerability Committee (PIEVC) Protocol. This approach will

allow us to calculate a more comprehensive climate-related risk rating across our standing portfolio. The risk rating will identify buildings that are considered the most vulnerable to climate-related risks and require in-depth assessment. These detailed assessments will help prioritize adaptation measures, as well as emergency response plans for our properties.

We recognize that climate risk evaluation is an emerging area of study, and iterations and refinement will be a critical part of our process. In addition to physical risks, we have begun identifying and addressing transitional risks and opportunities for our business. For more information and to review our inaugural TCFD Recommendations table, see page 50.

## Next Steps

- Establish a preliminary climate risk assessment framework based on the established methodology under ISO 14091, ISO 31000 and PIEVC.
- Pilot physical climate risk assessments at our buildings to identify climate-related risks and impacts, as well as adaptation measures and emergency response plans.
- Develop a climate risk rating for all properties across our portfolio.



# Sustainable Design Standards

## GOAL

- ✓ Align all new development and re-development projects with our Net Zero Carbon Plan.

From the beginning, Allied has focused on the adaptive re-use of older structures built over a century ago for light-industrial purposes. By recycling buildings rather than re-building them we have minimized our impact on the environment. This approach has evolved over time to better serve knowledge-based organizations and contribute to neighbourhoods in a manner that is sensitive to the surrounding community.

Net zero carbon development requires a fundamental re-think of how we procure, design and build. To prepare our team and our partners, in 2021 we began to re-evaluate our entire development framework. Following a review of best practices and lessons learned, we initiated the formulation of a **Sustainable Development Framework** that integrates the priorities of our **ESG Strategy, Net Zero Carbon Plan** and **Equity, Diversity and Inclusion (EDI) Roadmap**. Once complete, the Framework will include:

- Owner's Project Requirements (OPR), which outlines the minimum design requirements that all new developments and re-developments must achieve across energy, GHGs, water, waste, climate adaptation, health, wellbeing and safety and EDI.
- Progressive building performance targets and a governance approach that supports net zero carbon design and long-term value creation, aligned with our Net Zero Carbon Plan.
- A clear Standard Operating Procedure (SOP) for all future development projects to align with the Framework.

Continuous learning is fundamental to ongoing success. We are preparing to pilot a net zero carbon development to understand the technologies, partners and skills needed to scale and implement net zero developments across our portfolio. By evaluating our existing projects and learning from global leaders, we can identify and respond to the planning, economic and operational considerations for minimizing our carbon footprint on future projects.

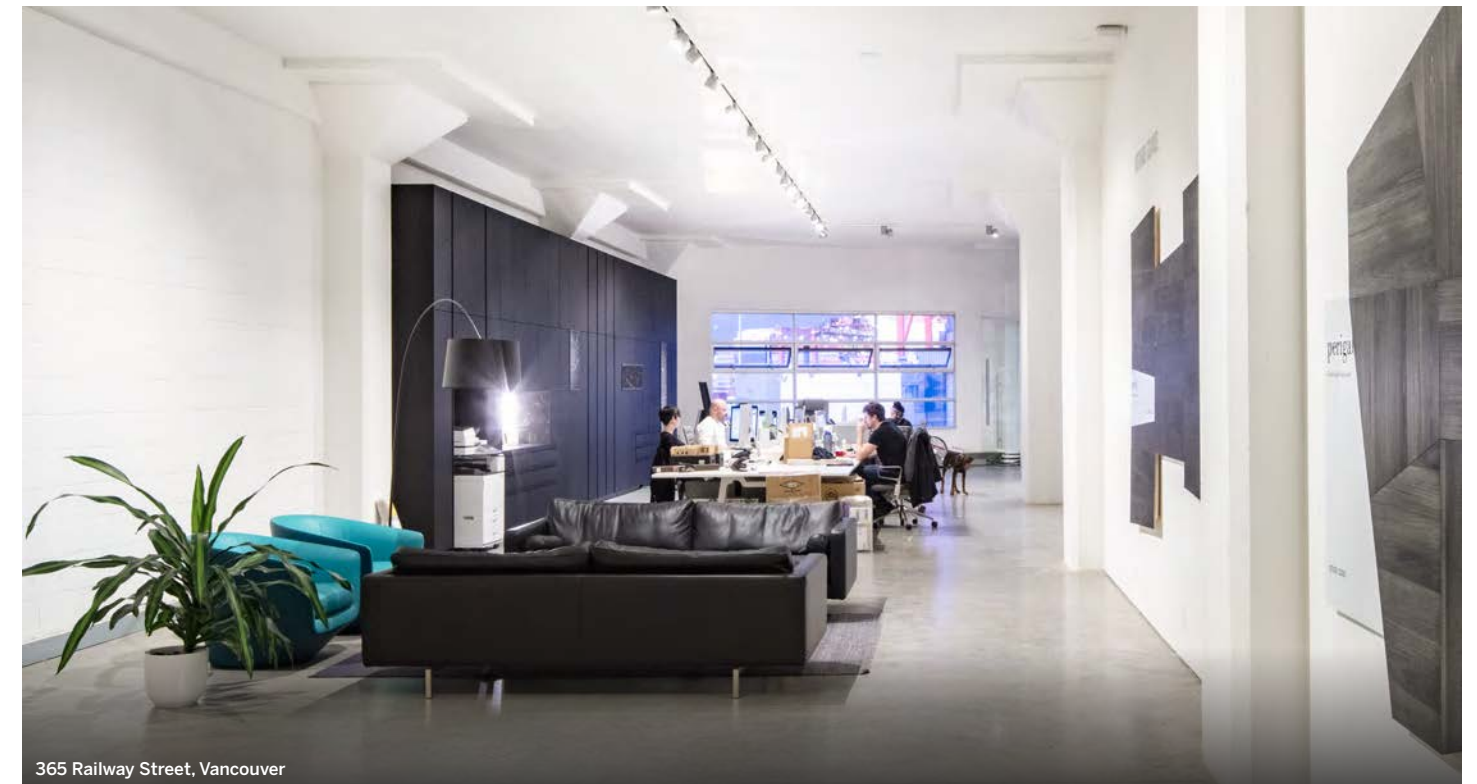
## NET ZERO CARBON PILOT PROJECTS

We have identified two expansion projects to serve as our net zero carbon development pilots:

- 1 365 Railway Street in Vancouver
- 2 Le Nordelec in Montréal

Both projects offer an opportunity to evaluate the cost, operational challenges and opportunities for net zero development in different jurisdictional contexts. For each of the net zero pilots, we intend to focus on four key areas:

- Building life-cycle analysis
- Building systems performance
- Building materials selection
- Envelope performance



365 Railway Street, Vancouver

The planning activities underway for the net zero pilot projects have already influenced decisions on other projects at earlier stages of design. We aim to begin construction on at least one of the two pilot projects in late 2022 or early 2023. Our commitment to sustainable design is not only an ESG priority but also integral to providing knowledge-based organizations with workspace that is sustainable and conducive to human wellness, creativity and connectivity.

## BUILDING CERTIFICATION COMMITTEE

Allied is in the process of evaluating third-party building certifications and ratings to establish a consistent approach across our portfolio and improve the performance of all buildings. Multi-disciplinary teams are evaluating the criteria and merit of each system, taking into consideration competitor offerings, leasing requirements, operating standards, ongoing costs and ESG objectives. We intend to establish a strategy for pursuing certification as well as maintaining compliance aligned to specific segments of the portfolio.

Over  
3.3M sq. ft.

of BOMA BEST certified  
space across our  
portfolio

Over  
1.9M sq. ft.

of LEED certified  
space across our  
portfolio

## Next Steps

- Complete and fully implement the Sustainable Development Framework.
- Complete a net zero carbon pilot project by 2024.
- Leverage the learnings from the pilot projects and Sustainable Development Framework to support net zero carbon transition plans for our standing portfolio.
- Evaluate suppliers to identify those that are aligned with the ambitions of our Net Zero Carbon Plan and Sustainable Development Framework.
- Finalize building certification strategy.



# Social

We aim to improve employee and user experience and support the communities where we operate.

29	Employee Engagement
31	Equity, Diversity & Inclusion (EDI)
35	Health, Wellbeing & Safety
39	User Experience
41	Community Building





# 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, inclusive 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 2021, we engaged Kincentric to evaluate employee engagement. Highlights include:

77%

OVERALL ENGAGEMENT SCORE, PLACING US IN CANADA'S TOP QUARTILE, NINE POINTS ABOVE THE AVERAGE CANADIAN EMPLOYER.

79%

FEEL THAT ALLIED INSPIRES THEM TO DO THEIR BEST WORK EVERY DAY.

83%

INDICATE THAT WHEN GIVEN THE OPPORTUNITY, THEY WOULD TELL OTHERS GREAT THINGS ABOUT WORKING HERE AND WOULD RECOMMEND ALLIED TO A FRIEND.

Our areas for improvement 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 career development opportunities. We reviewed the results in detail and put forward corporate and departmental action plans to address improvement opportunities.

## 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 2021, we built on a coaching-based approach for managers and created **Leadership at Allied**, a custom designed curriculum based on Allied's core competencies and beliefs on leadership. The program will be delivered to all people managers in 2022. 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 for all employees. Departments are encouraged to pursue programs that will elevate team members.

In 2021, we conducted a learning needs assessment across all departments and levels of the company to create our learning program, the **Allied Academy**. In addition, we designed a training curriculum of real estate fundamentals to increase company-wide knowledge of business basics. The curriculum will be delivered over the course of 2022 and is available to all employees. We also have mandatory cyber security training and ESG-related education.

\$360,800

invested in employee learning and development initiatives

72%

of workforce participated in professional development

## Next Steps

- Continue to conduct an annual third-party employee engagement survey. Our goal is to remain in the top quartile of all participating Canadian employers.
- Launch the Allied Academy and deliver content based on needs and priorities.
- Deliver Leadership at Allied, our custom leadership fundamentals curriculum, to all people leaders in 2022.





# Equity, Diversity & Inclusion (EDI)

## GOAL

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

We 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, abilities and other diverse backgrounds 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 levels 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.

In 2020, we engaged a third party to conduct a company-wide audit of our business through an EDI lens. Building on the results, we established a three-year **EDI Roadmap** focused on the following objectives:

- Provide training and mentorship for employees to build awareness of EDI issues and other soft skills that support an equitable and inclusive team, while also building a pipeline of diverse talent to senior levels of the organization.
- Increase the use of diverse hiring practices to broaden our pool of prospective candidates and provide hiring managers with the tools to ensure fairness and objectivity during recruitment.
- Measure our EDI performance on an annual basis to track progress.

- Ensure all communications (e.g., website, flyers, reports) are aligned to prevailing accessibility requirements and visually representative of the diverse communities that we serve.
- Develop guidelines for inclusive building design that considers accessibility from a range of diverse perspectives, including gender, ability, race and life stage.
- Evaluate existing and prospective vendors and suppliers to ensure adoption of EDI practices and alignment to Allied's commitments.
- Bolster our participation and engagement of communities by participating in local events and contributing consistently across regions.
- Celebrate, remember and learn about the history, culture and traditions of historically marginalized communities through events, campaigns and workshops.

## 2021 ACTIONS

## 2021 IMPACT

Hosted an employee-wide workshop to kick-off the implementation of Allied's EDI Roadmap, with a focus on anti-racism and allyship, facilitated by Larissa Crawford, the Founder and Managing Director of Future Ancestor Services.

**143** Allied team members registered for the workshop.  
**95%** of post-workshop survey respondents reported learning something new about anti-racism and allyship.

Established an EDI Index as part of our annual employee engagement survey to assess employee perception of our EDI performance.

**90%** of Allied employees feel that people are treated equally at Allied regardless of race, ethnicity and gender.

Identified assets slated for development that could provide an affordable transitional housing option for vulnerable families in Toronto.

Provided housing and social supports for two families in partnership with WoodGreen Community Services.

In 2018, the Board set an objective of achieving and maintaining one-third female representation. In 2020, the Board was successful in achieving its goal. In 2021, the Board commenced a multi-year process of recruitment and nomination to continue to diversify the Board by broadening recruitment beyond existing networks and expanding the candidate pool.

As of 2021, the Board is 40% female and 60% male. In order to increase Board diversity, the Governance, Compensation and Nomination Committee hired an external recruitment consultant to identify potential candidates for the Board with a focus on desired competencies and diversity objectives.

Established baseline employee diversity metrics.

Results on page 33.

## 2022 ACTION

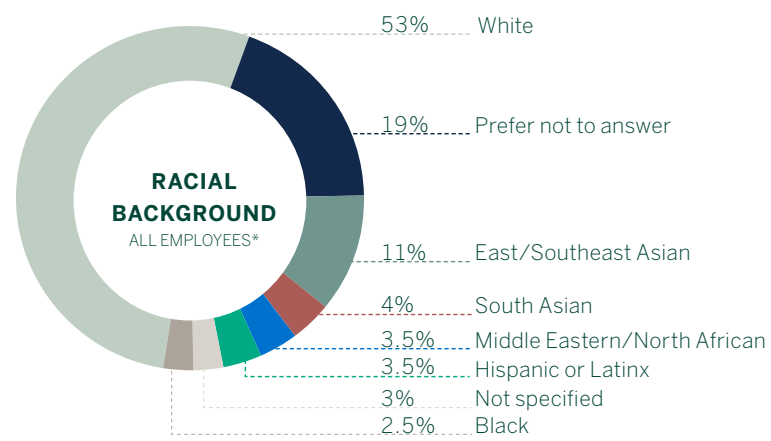
## 2022 IMPACT

Hosted a Black History Month campaign for users and employees, which included two workshops (one in English and one in French) with diversity and inclusion specialists, Professor Dean Delpeache and Maya Toussaint, to remember, celebrate and learn about the contributions and achievements of Black people in Canada.

**272** participants, including 142 users and 130 Allied team members, attended the webinars.  
**88%** of post-workshop survey respondents reported that the workshop increased their awareness and sensitivity to the experiences and perspectives of Black Canadians.

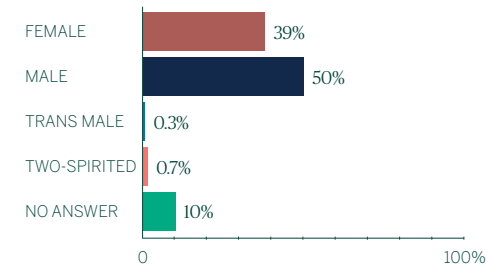


## 2021 BASELINE DIVERSITY METRICS

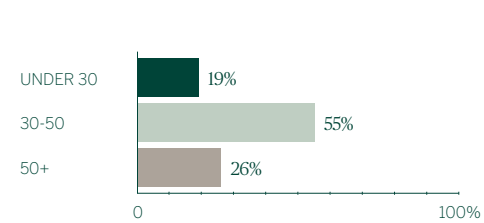


## ALL EMPLOYEES\*

## GENDER

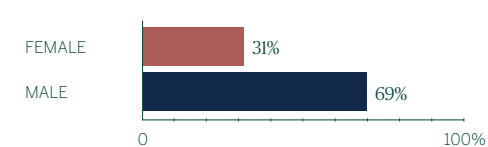


## AGE

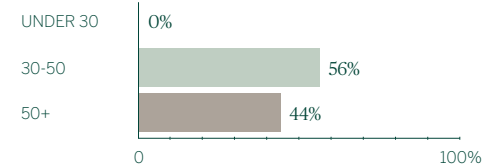


## EXECUTIVES AND VICE PRESIDENTS

## GENDER

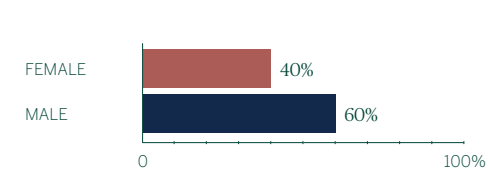


## AGE

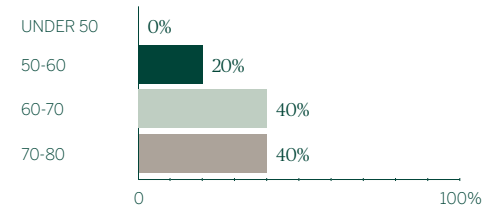


## BOARD

## GENDER



## AGE



\*Data collected from optional self-reported demographic survey. 92% of Allied employees responded to the demographic questions.



## Next Steps

- Establish inclusive building design guidelines for new and existing assets, informed by select building audits, prevailing research and expert guidance.
- Provide training and educational opportunities to employees and users on inclusive building design and operating practices.
- Integrate equity, diversity and inclusion criteria into our vendor evaluation scorecard.
- Continue to engage employees and users in events and workshops highlighting the history, culture and contributions of historically marginalized communities.



# Health, Wellbeing & Safety

## GOAL

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

We understand the importance of taking care of our employees' health and wellbeing inside and outside the office. Through an online tool called LifeWorks, we provide all employees with useful resources for addressing health and wellbeing issues, such as financial planning, 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.

Allied has developed emergency response plans for each asset and completed the first year of internal audits to ensure safe and healthy work environments for Allied staff and building users. Our regional Health and Safety Committees and Safety and Security Team assess our properties to ensure compliance with provincial requirements on an ongoing basis. Our Operations Team completes monthly inspections of each property to ensure that opportunities for improvement are identified and implemented.

## 2021 INITIATIVES

We developed and implemented Allied's **integrated risk management program** based on the ISO 31000:2018 standard.

The development process included a thorough review of all health, safety and security risks that apply to our operations as well as existing mitigation measures and additional opportunities

179

air quality audits  
conducted from  
2018 to 2021

to enhance on-site safety and security of our employees, contractors and building users. Our comprehensive analysis was used to develop Allied's multi-year **Health, Safety and Security Strategy** to ensure we provide a robust health, safety and security culture for all stakeholders. This program is being expanded in 2022 to capture asset-specific climate-related risk ratings identified by our physical climate risk assessment framework to maintain a comprehensive understanding of all risks and opportunities within our portfolio.

In 2021, we introduced a **Site Acquisition Safety and Security Guideline** to ensure new properties are in accordance with the Allied standard. This guideline and the associated inspections and assessments were used during the onboarding process of Gare Viger in Montréal and the Dominion Building in Vancouver.

## INDOOR AIR QUALITY

Across our portfolio, we optimize ceiling height, natural light, 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.

ALLIED

## Face Masks Required

Maintaining social distancing in common building areas can be a challenge so we require a face mask to be worn.

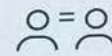
Forgot your face mask?  
Please wait for the next elevator.



What does wearing  
a face mask represent?



1. Respect for each other



2. Protect those at high risk



3. Peace of mind

While Allied cannot enforce face mask wearing, it is greatly appreciated that you do in the best interest of the community.

## Ongoing COVID-19 Response

Throughout the COVID-19 pandemic, the health and safety of our employees, users and communities have 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, as well as Standard Operating Procedures (SOPs) for all operational aspects supporting our workspace and UDC assets.

- 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 **COVID-19 rapid antigen screening program** for employees and contractors entering our facilities across Canada. In 2021, we conducted over 10,000 screenings across the country.
- 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.



MOBILITY & ACTIVE TRANSPORTATION

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 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.

AVERAGE BIKE, TRANSIT AND WALK SCORES

TORONTO	ALLIED	2021 CITY AVG.
BIKE SCORE	89	61
TRANSIT SCORE	99	78
WALK SCORE	97	61
KITCHENER	ALLIED	2021 CITY AVG.
BIKE SCORE	86	55
TRANSIT SCORE	62	47
WALK SCORE	82	45
CALGARY	ALLIED	2021 CITY AVG.
BIKE SCORE	82	50
TRANSIT SCORE	83	50
WALK SCORE	95	39
VANCOUVER	ALLIED	2021 CITY AVG.
BIKE SCORE	85	79
TRANSIT SCORE	99	74
WALK SCORE	95	80
EDMONTON	ALLIED	2021 CITY AVG.
BIKE SCORE	93	40
TRANSIT SCORE	88	49
WALK SCORE	96	40
MONTREAL	ALLIED	2021 CITY AVG.
BIKE SCORE	92	73
TRANSIT SCORE	79	67
WALK SCORE	87	65
OTTAWA	ALLIED	2021 CITY AVG.
BIKE SCORE	69	64
TRANSIT SCORE	93	50
WALK SCORE	94	45

Source: walkscore.com

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



Next Steps

- Implement Allied's multi-year Health, Safety and Security Strategy.

→ Incorporate asset-specific climate-related risk ratings into Allied's integrated risk management program.

→ Benchmark our 2021 health, safety and wellbeing performance to drive year-over-year improvements in line with our multi-year strategy.
- Continue to deliver health and wellness promotion through ongoing lunch and learns and educational communications.

→ Provide facilities that encourage active transportation, such as bike storage and lockers in all new developments and re-developments.

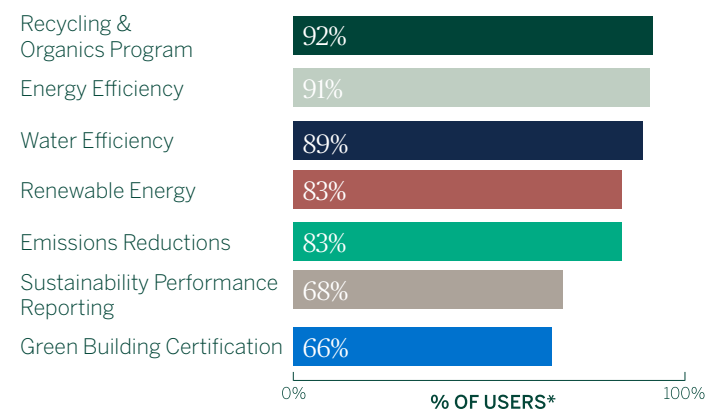


# User Experience

There is an undeniable connection between user experience and ESG. Achieving successful ESG performance is contingent upon the behaviours of our users. Our impact is greatly enhanced when we work together as partners to reduce on-site energy, water and waste consumption. Through the creation of our ESG Strategy, annual Kingsley **User Experience Assessment Survey** and ongoing user engagement, we've learned that the majority of our users are aligned with our ESG ambitions. Many are committed to evolving their businesses in a manner that generates positive impact for the economy, environment and people.

The Kingsley survey results, as outlined in the graph below, further demonstrate the alignment between our ESG priorities and those of our users. The items identified as "Important" and "Very Important" are consistent with our ESG Strategy.

## IMPORTANCE OF SUSTAINABILITY INITIATIVES TO OUR USERS



\*Users who checked Important or Very Important in survey responses.

Allied strives for continuous improvement that is informed by the direct feedback of our users. In 2020, we completed our inaugural third-party User Experience Assessment Survey with Kingsley. In November 2021, we completed our second survey, which demonstrated considerable progress over the prior year with improved ratings in all of the areas surveyed. We intend to conduct the survey every year.

## 2021 USER EXPERIENCE ASSESSMENT HIGHLIGHTS

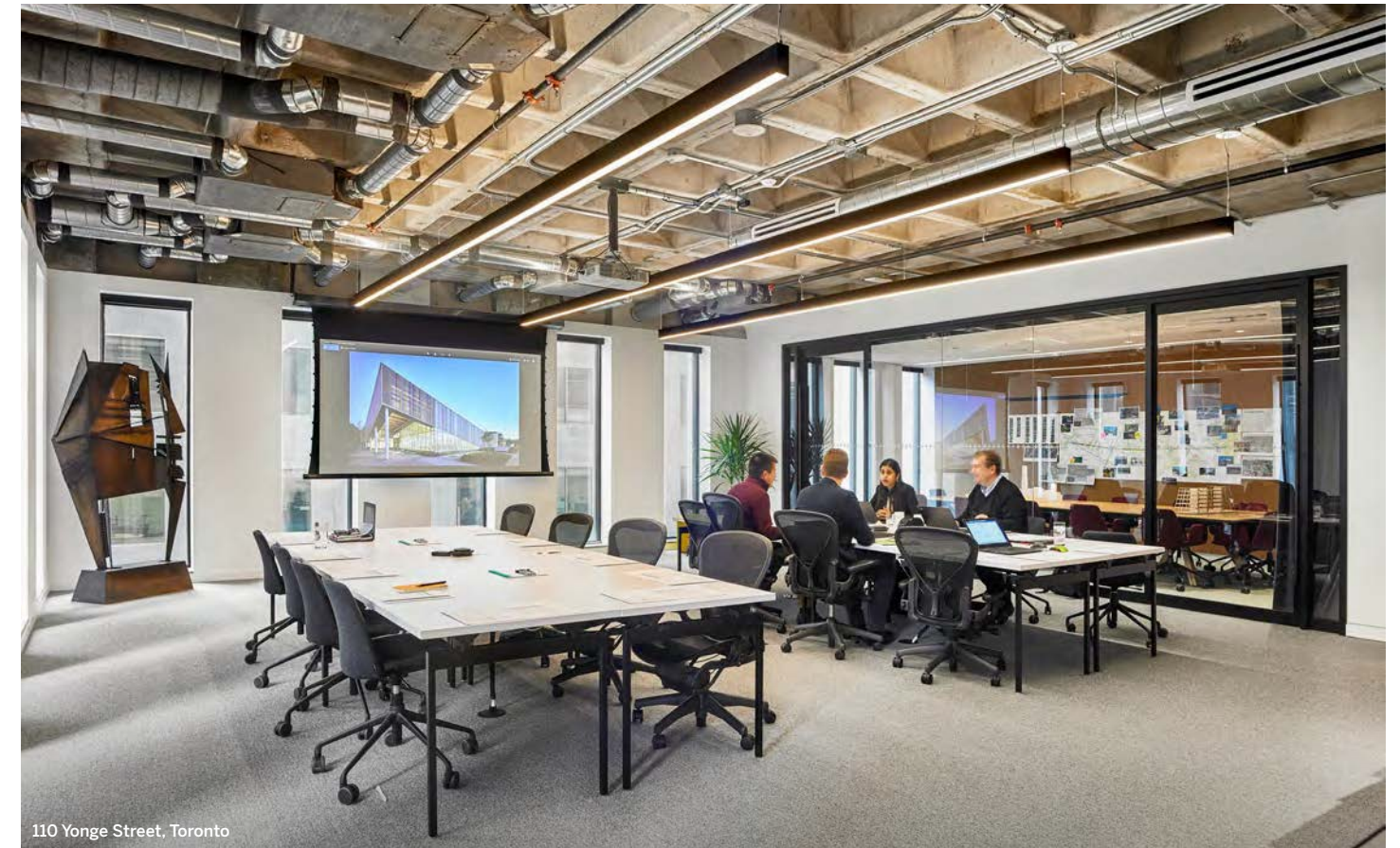
**100%** OF RATING AREAS IMPROVED FROM 2020

**6.5%** INCREASE IN OVERALL SATISFACTION FROM 2020

**46** PROPERTIES WON THE 2021 KINGSLEY EXCELLENCE AWARD, UP FROM 26 IN 2020

**↑** EXCEEDED THE KINGSLEY INDEX IN NET PROMOTER SCORE AND MANAGEMENT & BUILDING OPERATIONS OVERALL SATISFACTION

We attribute our improvement to the learnings from the 2020 survey and the creation of Smart Plans to prioritize key actions that address user needs. As users return to the office, our focus on user experience is more significant than ever. We are currently evaluating and redesigning our **User Experience Program** to deepen our connection with our users and improve the overall satisfaction of their office environment and surrounding community. Our program includes several priorities, including ESG-related programming to inspire, inform and facilitate sustainable behaviours.



## INITIATIVES

- Since 2017, we have partnered with Montréal-based Alvéole and Hamilton-based Humble Bee to transform unused rooftop space into honeybee habitats. In 2021, we had 32 hives across our rooftops. We intend to continue offering workshops for users to meet the bees and learn about the importance of biodiversity.
- In February 2022, we hosted two national Black History Month webinars with Professor Dean Delpeache and Maya Toussaint for users and Allied employees to learn about equity, diversity and inclusion, deepen our understanding of the barriers faced by members of the Black community and how to create a more equitable workplace.
- We held virtual waste and recycling workshops, delivered in partnership with CD Sonter, for users across all cities.

## Next Steps

- Redesign our User Experience Program in collaboration with all departments to increase the impact of our initiatives.
- Increase ESG-related engagements with users.
- Develop a national building intelligence strategy to augment our operating platform and support user experience.



# Community Building

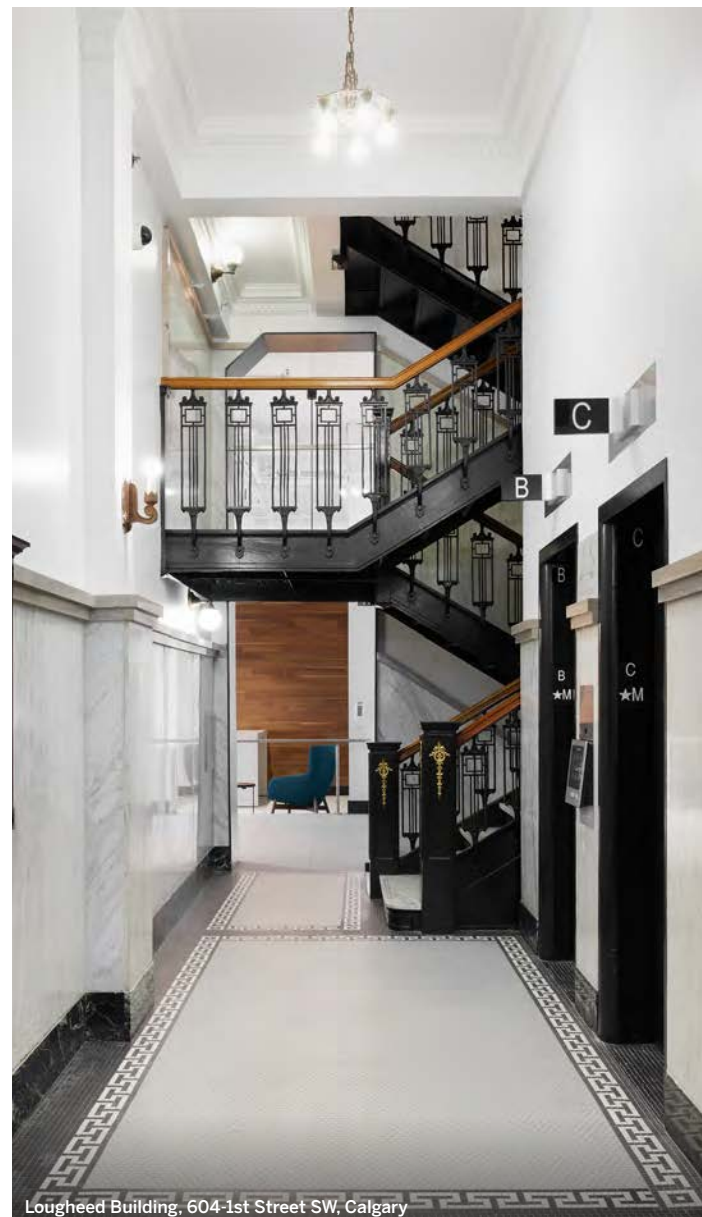
We believe that real estate is a profoundly human business that needs to keep pace with demographic and technological change, as well as the ongoing evolution in human attitudes and experiences. It needs to be run with future generations in mind to foster human wellness, creativity, connectivity and diversity. Our community building activity is guided by four main principles.

## 1 PRESERVE ARCHITECTURAL HISTORY

Since the beginning, Allied has focused on the adaptive repurposing of light industrial buildings. The preservation and re-use of these buildings has helped to enhance the neighbourhood, while respecting the communities in which we operate.

We preserve historic assets by replacing aging infrastructure with modern and efficient building materials and technology in a manner that improves performance, while maintaining character and history. At 217 Richmond Street in Toronto, we restored the north and east façades to their original quality by removing parging, repointing and tinting the brick, and restoring cornice and other decorative features. We also reinstated the Gelber Brothers sign on the west façade to its original colour and spirit to celebrate the building's history.

The Lougheed Block in Calgary, a designated heritage building, was once a preeminent space for office, retail and the arts. Due to the building's heritage significance, Allied's refurbishment goal was to bridge the city's history with the future of office space. We focused on restoring key features, such as the sandstone and brick exterior, storefront windows and heritage lobby, while adding new features, such as a glazed elevator shaft, internal balconies, rooftop patio, gym, bike storage and changing facilities.



Lougheed Building, 604-1st Street SW, Calgary

## 2 CREATE DISTINCTIVE PLACES

We prioritize creating distinctive experiences that provide value to our office users and visitors, while supporting local entrepreneurs and investing in public space. We often transform underutilized spaces for the benefit of our employees, users and the broader neighbourhood. As places of respite, activation or community gathering, we are working with our partners to create an "experiential layer" throughout many buildings across the country. In 2021, Allied partnered with MicroHabitat, an urban farming organization, to support local food systems by transforming our underutilized rooftops into productive urban gardens. MicroHabitat planted vegetables, herbs and edible flowers to create a resilient local food system that supports pollinators, while improving air quality and local biodiversity. From our rooftops at Queen Richmond Centre West and 555 Richmond Street West, MicroHabitat cultivated approximately 1,200 pounds of fresh produce, 2,000 edible plants and provided 120 meals to the Breakfast Club of Canada. The fresh produce was donated weekly to St. Felix's Community Meals Program to support those in need.

120  
meals  
donated

1,200  
pounds of  
fresh produce  
harvested



555 Richmond Street West, Toronto



### 3 OPERATE WITH SENSITIVITY

We see ourselves as integrated into the cities and neighbourhoods in which we operate. Our sensitivity ensures that we create buildings that are reflective and responsive of the community at large. In response to Canada's growing housing crisis, we began to explore how we could leverage our properties to help address Toronto's housing shortage. As part of the **HOME Initiative**, we identified several assets slated for development that could offer transitional housing for vulnerable populations in our community. In September 2021, in partnership with WoodGreen Community Services, a local social service agency, we were able to provide two families with housing and social supports. While residential properties occupy a very small portion of our portfolio, we intend to explore more opportunities for affordable housing within our standing portfolio and new development projects.

### 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 arts and culture into our buildings and partner with institutions that support artists and artist communities. In 2021, we established Allied's **Make Room for the Arts Committee** to elevate our outreach and further develop our relationship with artists. From hoarding to interior design and signage, this Committee helps to formalize how we work with and select artist projects. Many Make Room for the Arts projects are featured in **BLOCK**, Allied's semi-annual magazine that celebrates the intersection of beautiful spaces and creative ideas. [Read more](#) about the Make Room for the Arts program.

## Next Steps

- Measure the economic, community and cultural impact of Allied's arts and culture contributions.
- Continue supporting the economic viability of local artists and artist communities by hiring artists to integrate arts and cultural experiences into our buildings and the surrounding public realm.
- Identify and partner with local arts organizations to identify new opportunities for collaboration.
- Celebrate the rich history of our buildings by increasing documentation and storytelling of our notable historic and unique properties.



Allied commissioned this mural on 2233 Columbia Street in Vancouver as part of the 2021 Vancouver Mural Festival. The mural, *Dance as Though the Ancestors are Watching*, was created by local artist Sonny Assu (Ligwitda'xw of the Kwakwaka'wakw Nations). Assu explores multiple mediums and materials to negotiate western and Kwakwaka'wakw principles of art-making. Often autobiographical, humorous, solemn and/or political, his diverse practice deals with the realities of being Indigenous in the colonial state of Canada.

Photo credit: Sabrina Miso, Vancouver Mural Festival



# Governance

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

47	Governance Framework
49	Climate-Related Risk Management
50	→ TCFD Recommendations
53	ESG Disclosure & Transparency
54	→ UN Sustainable Development Goals



# 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:

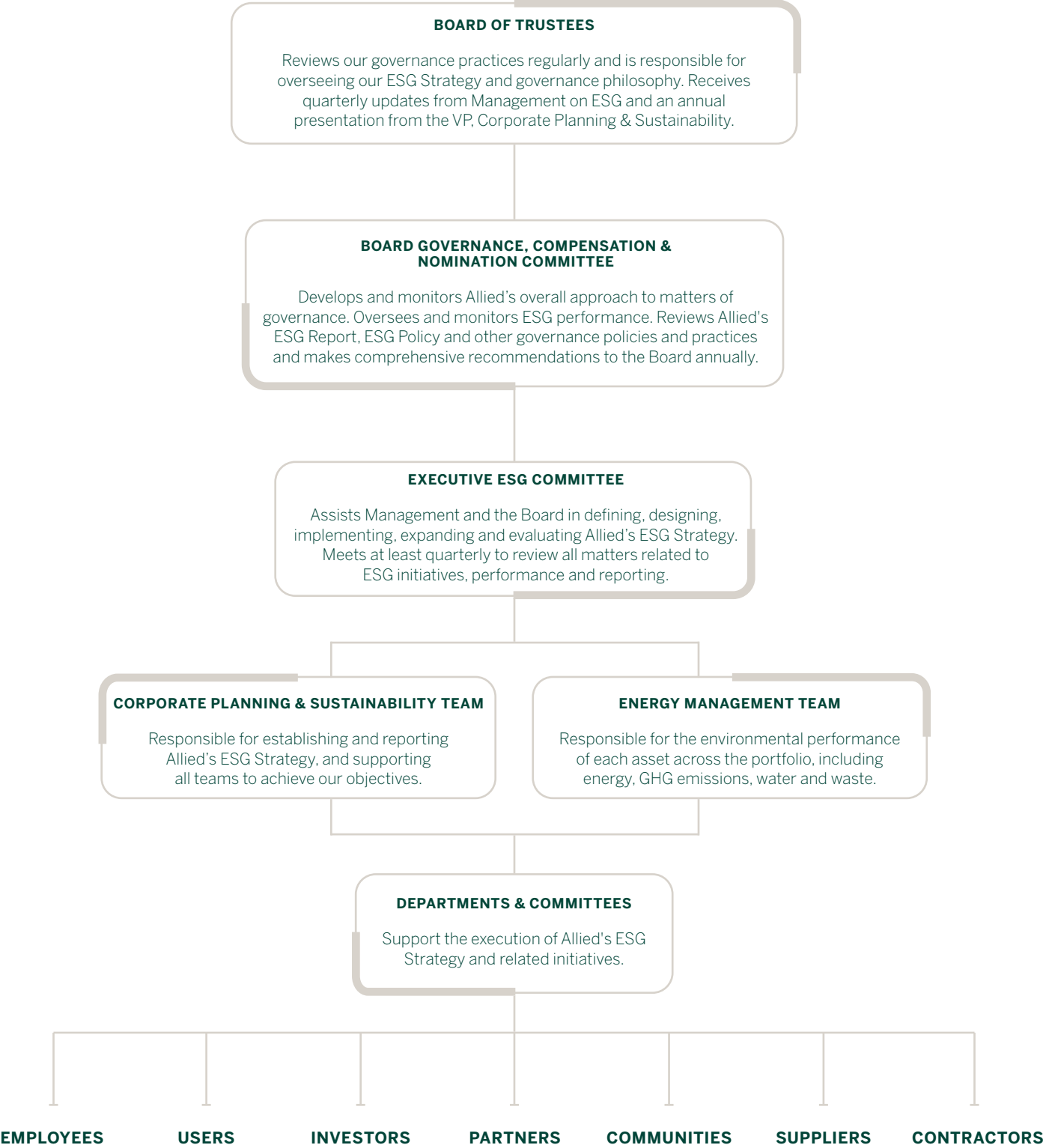
- Unit ownership guidelines for Trustees and Executive Officers, Trustee Independence, Succession Planning and Retirement Policy, Executive Officer Claw-Back Policy, Board Skills Matrix, Diversity Policy, Unitholder Engagement Policy, Code of Business Conduct, Insider Trading Policy, Whistleblower Policy, Disclosure Policy, Protocol for Review of Related Party Transactions and ESG Policy
- 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. In December 2021, the Board adopted an **ESG Policy** based on Allied’s goals set out in our ESG Strategy. Allied’s Board and Management are also committed to making our approach to ESG more manifest, deliberate and measurable. **Corporate ESG Metrics** were introduced in 2021, which are directly linked to annual executive compensation.

## ALLIED’S 2021 CORPORATE SCORECARD ESG METRICS

TARGET	RESULT	
Improve overall GRESB score to 70	80%	GRESB SCORE
Maintain above average employee engagement level of 75%	77%	EMPLOYEE ENGAGEMENT SCORE
Achieve improvement in user satisfaction compared to prior year	6.5%	SCORE IMPROVEMENT COMPARED TO 2020
Address priorities included in Allied’s Equity, Diversity and Inclusion (EDI) Roadmap	MET OUR TARGETS IN THE EDI ROADMAP	

### ESG GOVERNANCE





# Climate-Related Risk Management

## GOAL

- ✓ Integrate ESG-related risks, starting with transitional and physical climate risk, into our current risk management process and business functions.

Climate change risk has been identified by the Board as an environmental risk to Allied's business as the likelihood of natural disasters and severe weather increases due to rising global temperatures. To advance our climate-related risk evaluation and assessment practices, we recently began implementing the recommendations established by the Task Force on Climate-related Financial Disclosures (TCFD). The **ESG Committee** directed a cross-disciplinary group of executives with identifying the potential climate-related physical and transition risks and opportunities to Allied's business and integrating these findings into our business planning and strategy.

In response, we hosted a series of workshops with third-party climate experts in early 2022 to identify the potential risks and opportunities associated with the impacts of climate change on

the Canadian real estate sector using two scenarios across the short (before 2030) and long-term (beyond 2030). This exercise helped us evaluate our preparedness for climate-related impacts and highlighted innovative opportunities to mitigate interruption to operational activities and build business resilience. For more information on the specific findings of our climate scenario planning workshops and how we plan to integrate the findings into our business, see Allied's inaugural TCFD Recommendations disclosure table on the following pages.

Later this year, we plan to roll out Allied's **Physical Climate Resilience Strategy**. The aim of this asset-level strategy is to better understand the physical climate-related risks to our portfolio and implement measures that enhance the resilience of our buildings to mitigate the potential impacts of climate change.

## Task Force on Climate-related Financial Disclosures (TCFD)

### GOVERNANCE

The Board is responsible for overseeing Allied's risk assessment process by identifying the principal risks to 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. Climate change risk has been identified by the Board as an environmental risk to Allied's business since 2017, as the likelihood of natural disasters and severe weather increases due to rising global temperatures, and the shift to a low carbon economy will have associated policy, market and technological implications on real estate investment and management.

The Board is committed to continuously learn and refine how to evaluate risk and disclose Allied's performance with respect to climate change. In 2021, the Trustees received a presentation by the Canada Climate Law Initiative on the key risks and opportunities presented by climate change, its potential impact on the real estate sector and the role of the Board in climate governance and managing climate risk. The Board and its committees actively engage with Management regarding the identification and management of the principal and emerging risks facing Allied.

In 2021, Allied established an executive ESG Committee comprised of eight senior leadership team members. Management, via the ESG Committee, is responsible for implementing, expanding and evaluating Allied's ESG Strategy, which encompasses identifying risks and evaluating the actions to mitigate and address climate-related risks. The Committee meets at least quarterly to review all matters related to ESG, including climate risk. For more information on Allied's ESG governance structure, see page 48.

### RISK MANAGEMENT

Climate change has been identified as an environmental risk to Allied since 2017, and we intend to enhance both our transition and physical climate-related risk management processes. Transition risk is defined as financial or reputational risks stemming from policy, legal or technology market changes as the economy transitions to low carbon. Physical risk is defined as both acute risks from specific extreme weather events, such as hurricanes and flooding as well as chronic risks from long-term shifts in climate patterns, such as sea level rise, droughts and heat stress.

Allied currently manages transition risk through acquisition due diligence, regulatory reviews, GHG emissions reduction targets and monitoring and proactive management through our energy management function. We also use building certification minimum requirements, such as LEED Gold and BOMA BEST. We intend to enhance our risk management process by integrating key actions identified in our climate scenario workshops (see Strategy Section on page 51) across our core business functions. In the workshops, we prioritized actions based on our perceived level of preparedness by focusing on those that will directly contribute to building business resilience.

Allied initially identified the physical risks to our assets at the beginning of 2021 with a Climate Risk Tool to assess our entire portfolio using 427 data across seven risk indicators: sea level rise, water stress, heat stress, hurricanes, wildfires, earthquakes and floods. Based on this assessment, assets were assigned a risk score for each category and ranked on a percentile from 1-to-100. Building on this exercise, we have initiated property-specific assessments to identify climate-related risks caused by extreme weather events using current and future scenarios to mitigate potential negative impacts. We are now in the midst of developing a Physical Climate Resilience Strategy for Allied's standing portfolio. This will include evaluating the specific physical climate-related risks of each building to identify, evaluate, prioritize and implement opportunities that enhance the resilience of our buildings and mitigate physical climate risk across our portfolio.

Allied understands the importance of achieving net zero by 2050 or earlier to mitigate the adverse impacts of climate change and reduce the business' physical and transition risk exposure. We are in the process of developing a Net Zero Carbon Plan that will identify a pathway to achieve net zero carbon by 2050 or sooner. The plan and effective implementation will require significant changes in our approach to sustainable operations and decision-making across our portfolio. With oversight of the ESG Committee and stewarded by our multi-disciplinary Net Zero Project Team, we will explore possible pathways to net zero carbon and develop a plan informed by the internationally recognized Science Based Targets initiative (SBTi). The foundation of our net zero pathway is centered on four pillars related to our business activities: development and re-development projects, acquisition due diligence, operational assets and renewables and offsets. Our work will remain in-line with the global goal of achieving net zero by 2050 as we work to refine our milestones and measurable progress over time.



# Task Force on Climate-related Financial Disclosures (TCFD)

STRATEGY			
Climate change poses climate-related risks and opportunities to Allied as an owner and operator of 212 properties across Canada. Due to a rise in global temperatures, Allied recognizes that the likelihood of climate-related impacts to our business is increasing across the short, medium and long-term. We identify short-term as before 2030 and long-term as beyond 2030.			
One of Allied's ESG priorities is climate-related risk management, with a focus on integrating material transition and physical climate risks into our current risk management process, capital planning and asset-level preparedness. In order to advance our climate preparedness, the ESG Committee tasked a cross-disciplinary working group of executives with identifying potential climate-related risks and opportunities to Allied's business and integrating these findings into our core business planning and strategy. In early 2022, Allied hosted a series of workshops, with third-party climate experts to identify the potential risks and opportunities associated with the impacts of climate change on the Canadian real estate sector using two climate change scenarios across short and long-term time horizons. During the workshops we discussed the possible impacts of these scenarios, our current preparedness and identified priority actions that Allied can take to improve business resilience. We will integrate these priority actions into our core business functions to mitigate interruption to our operational activities in the face of climate change and report on our progress.			
SCENARIO ANALYSIS			
SCENARIO 1: LOWER THAN 2°C		SCENARIO 2: APPROXIMATELY 4°C	
The Paris Agreement-aligned scenario (lower than 2°C) was guided by IEA SDS and IPCC Representative Concentration Pathway (RCP) 2.6 and assumed widespread global action on climate change. The most significant impacts on the Canadian real estate market in this scenario could include strict uplift in building regulations, policies, carbon pricing and net zero emissions requirements for all new developments. This scenario suggested that stakeholder priorities may shift, potentially resulting in users refusing to lease space in buildings that are not net zero or net zero ready, as well as investors divesting from companies that do not have credible decarbonization plans. In this scenario, Allied's working group identified potential transition risks to be associated with policies and investments as well as opportunities in early-stage innovative technologies.		The Failure to Act scenario (approximately 4°C) was guided by IPCC RCP 6.0 and 8.5 and assumed limited global action on climate change. In this scenario, the most severe climate-related impacts to the Canadian real estate market could include significant supply chain disruptions due to extreme weather and geopolitical events, an increase in frequency and severity of extreme flooding and heat events across Canadian cities and an increase in insurance claims, rates and premiums in uninsurable regions. In this scenario, the potential risks and opportunities identified by the working group were primarily associated with the physical impacts of climate change.	
RISKS		RISKS	
SHORT-TERM (BEFORE 2030)	<ul style="list-style-type: none"><li>Insurers requiring resilience measures</li><li>Enhanced emissions reporting and transition planning obligations</li><li>Challenges leasing high-carbon buildings or buildings without decarbonization plans</li><li>Increased capital and development costs to meet decarbonization requirements for new and existing assets</li><li>Increased operational costs due to proactive mitigation measures</li><li>Carbon pricing rapidly increasing operational costs</li><li>Unpredictable policy change and variation across provinces</li><li>Rapid demand for electric vehicle charging infrastructure in new and existing buildings</li></ul>	<ul style="list-style-type: none"><li>Capitalize on grants and funding for net zero investments and green financing mechanisms</li><li>Prioritize low-carbon program due to increased demand from users and investors</li><li>Continue to adaptively re-use and enhance existing building stock</li><li>Upskill and build internal capacity</li><li>Develop partnerships with users to pilot net zero buildings</li><li>Enhance risk management process to incorporate climate-related impacts</li><li>Seek low-carbon technology and other potential new investments and co-investments</li><li>Introduce net zero as a service to users through carbon removal credits or other emissions reduction services</li><li>Invest in local supply chain and low-carbon partnerships</li></ul>	<ul style="list-style-type: none"><li>Increased insurance premiums</li><li>Increased overhead and storage for maintaining inventory of equipment to mitigate supply chain disruptions</li><li>Significant increase in operational costs and prolonged equipment downtime</li><li>Increased cost and timeline disruptions for development</li><li>Limited access to reliable water supply during potential droughts in Western Canada</li><li>Potential for uninsurable user spaces and stranded assets</li><li>Unreliable supply chain due to extreme weather events</li><li>Market variation in rents and demand due to inconsistent regional regulations</li><li>Increased planning and operational complexity due to varying requirements between provinces and municipalities</li></ul>
	<ul style="list-style-type: none"><li>OPPORTUNITIES</li></ul>	<ul style="list-style-type: none"><li>OPPORTUNITIES</li></ul>	
LONG-TERM (BEYOND 2030)	<ul style="list-style-type: none"><li>Significant variation of grid emission factors across provinces leading to varying operational costs</li><li>Increased hazardous material from increased use of batteries</li><li>Rapid growth in electricity demand leading to building brownouts</li><li>Social unrest from increased cost of living, accelerating inequality</li><li>Economic impacts to enterprises as a result of changing customer preferences</li></ul>	<ul style="list-style-type: none"><li>Cost reduction from upfront investment realized</li><li>Demand increase from limited supply of net zero office space</li><li>Explore and implement innovative and new technology revenue sources</li><li>Integrate green space into large development projects</li><li>Strengthen partnerships with low-carbon focused and aligned suppliers</li><li>Attract investors aligned with Allied's decarbonization goals</li></ul>	<ul style="list-style-type: none"><li>Integrate potential climate impact considerations into building design</li><li>Increase passive cooling and other innovative resilience design measures</li><li>Elevate building management plans to incorporate climate-related considerations</li><li>Seek certifications that demonstrate commitment to best in class health measures</li><li>Increased availability of skilled workers as urban population grows</li><li>Support community resilience during extreme weather events</li></ul>
	<ul style="list-style-type: none"><li>OPPORTUNITIES</li></ul>	<ul style="list-style-type: none"><li>OPPORTUNITIES</li></ul>	

METRICS AND TARGETS

Allied has established key intensity-based metrics for the environmental topics material to our business, including energy, GHG emissions, water and waste. Disclosing metrics related to physical and transition climate risk, such as Greenhouse Gas Intensity (GHGI), Energy Use Intensity (EUI), Water Use Intensity (WUI), energy and water consumption allows Allied and our stakeholders to understand how our assets are performing and how we are managing climate-related risk. For physical risks, we use metrics including 427 risk scores and peer-reviewed environmental datasets from IPCC (Intergovernmental Panel on Climate Change), NASA (National Aeronautics and Space Administration) and NOAA (National Oceanic and Atmospheric Administration) to evaluate and monitor exposure to extreme climate events. To ensure high quality reporting and comparability for our stakeholders, we prepare our ESG Report, including metrics and targets, in alignment with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB).

In 2021, Allied established intensity-based 2024 reduction targets for energy, GHG emissions, water and waste, with 2019 as our baseline year. The targets support Allied's ability to manage our climate-related risks and opportunities. The targets will be enhanced over time, particularly as we implement our Net Zero Carbon Plan. Pages 17-21 disclose our performance against our reduction targets as well as our Scope 1 and 2 emissions, GHGI, EUI, WUI and consumption metrics. As we develop our Net Zero Carbon Plan, we aim to begin reporting our Scope 3 emissions, in alignment with SBTi requirements.

Allied understands the importance of meaningfully integrating our climate-related metrics and targets into our business strategy and remuneration policy. As such, Allied's performance against GRESB, an internationally recognized benchmarking tool for the ESG performance of real estate companies, is directly linked to annual executive compensation. Allied aims to continuously evolve our strategy and risk management process to better serve our business and stakeholders.

Next Steps

→

Integrate the scenario analysis workshop findings into internal processes related to investment decisions, development activity and capital planning.

→

Develop and implement Allied's Physical Climate Resilience Strategy.

→

Continue to report our progress on climate-related resilience, including integrating transitional and physical risks into our risk management practices.



# 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 us to submit to scrutiny in this regard, just as we submit to extensive financial and operational scrutiny.

DISCLOSURE FRAMEWORKS & THIRD-PARTY ASSESSMENTS	
3 ISS GOVERNANCE QUALITYSCORE as at December 31, 2021	75 100 2021 GRESB Development Portfolio
7 ISS SOCIAL QUALITYSCORE as at December 31, 2021	80 100 2021 GRESB Standing Investments
4 ISS ENVIRONMENT QUALITYSCORE as at December 31, 2021	92 100 2021 BOARD GAMES








Not only is Allied committed to submitting to third-party scrutiny, we are committed to continuously enhancing disclosure of our ESG performance. We prepared our 2021 ESG Report in accordance with Global Reporting Initiative (GRI) 2021 Universal Standards and the Sustainability Accounting Standards Board (SASB) Real Estate Standard for a second year. As of this year, our ESG Report includes our climate-related risk management activities based on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals (UN SDGs).

## Next Steps

- Submit annually to GRESB on both our standing portfolio and development activities.
- Continue to report in alignment with GRI, SASB and UN SDGs.
- Report our progress on the TCFD recommendations in our 2022 ESG Report.

## United Nations Sustainable Development Goals (UN SDGs)

The UN created the SDGs to serve as guidance to achieve a more sustainable future for people and planet. As a public entity and global citizen, Allied supports the UN SDGs. Our ESG initiatives contribute to the following UN SDG goals and related targets.

UN SDG	UN SDG TARGET	UN SDG INDICATOR	ALLIED'S ALIGNMENT
 3 GOOD HEALTH AND WELL-BEING	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8.1 Coverage of essential health services	Employee Engagement (page 29) and Health, Wellbeing and Safety (page 35)
	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks		Ongoing COVID-19 Response (page 36)
 5 GENDER EQUALITY	5.1 End all forms of discrimination against all women and girls everywhere	5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex	Equity, Diversity & Inclusion (page 31)
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	5.5.2 Proportion of women in managerial positions	Equity, Diversity & Inclusion (page 31)
 6 CLEAN WATER AND SANITATION	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	6.4.1 Change in water-use efficiency over time	Water Management (page 19)
 7 AFFORDABLE AND CLEAN ENERGY	7.3 By 2030, double the global rate of improvement in energy efficiency	7.3.1 Energy intensity measured in terms of primary energy and GDP	Net Zero Carbon Plan (page 15) and Energy Management & GHG Emissions Reduction (page 17)
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	9.4.1 CO <sub>2</sub> emission per unit of value added	Net Zero Carbon Plan (page 15) and Energy Management & GHG Emissions Reduction (page 17)
 11 SUSTAINABLE CITIES AND COMMUNITIES	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	Mobility & Active Transportation (page 37)
	11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	11.4.1 Total per capita expenditure on the preservation, protection and conservation of all cultural and natural heritage, by source of funding (public, private), type of heritage (cultural, natural) and level of government (national, regional and local/municipal)	Community Building (page 41)
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and re-use	12.5.1 National recycling rate, tons of material recycled	Waste Management (page 21)
 13 CLIMATE ACTION	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	13.1.3 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction	Climate Change Adaptation (page 23) and Climate-related Risk Management (page 49)
	13.2 Integrate climate change measures into national policies, strategies and planning	13.2.2 Total greenhouse gas emissions per year	Energy Management & GHG Emissions Reduction (page 17)



# Appendix

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67	GRI Table
97	Statement of Verification



# Reporting Methodology & Environmental Performance Data

## PORTFOLIO DEFINED

### Allied uses three portfolio definitions in this report

- **Standing portfolio:** This includes data for operational buildings owned by Allied in the reporting year including joint-venture properties where we own more than 25%. In 2021, this represents 179 buildings with a total Gross Floor Area (GFA) of 18,456,581 sq. ft. Properties excluded from our standing portfolio definition include the following buildings where Allied is the occupier, not the owner: 250 Front Street W; and buildings operated but not owned by Allied: 99 Yorkville Ave. New buildings acquired by Allied in 2022 are not included in our 2021 standing portfolio definition; this includes 1010 Sherbrooke Street W., 110 Yonge Street, 175 Bloor Street East, 525 University Ave., 1185 W. Georgia Street and 1508 W. Broadway. All properties under major renovation with partial occupancy and/or utility consumption are included within the standing portfolio, this includes: 400 Atlantic, Boardwalk & Revillon Building - 10310 102nd Avenue NW, Revillon Parkade - 10230 104 Street NW, 422-424 Wellington Street W. and Lougheed Building - 604 1st Street SW. For GRI and SASB, these properties are excluded or prorated based on the date of the major renovation, resulting in slightly different total consumption and data coverage numbers.
- **Like-for-like change:** Like-for-like values reflect total consumption for operational buildings owned by Allied in both 2020 and 2021. 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 2020 and 2021
  - Data coverage is positive
  - Data coverage for both 2020 and 2021 are within 1% of each other
  - Asset is fully operational for both 2020 and 2021
- **Target portfolio:** Allied set inaugural targets for energy, GHG emissions, water and waste reduction in 2021. The target end-year is 2024 (with results to be reported in 2025), and uses 2019 as the baseline year. For energy and carbon, this covers 112 properties totaling 14.0 million sq. ft. or 76% of our standing portfolio GFA. Water and waste data coverages are lower due to lack of access to data in 2020 when the target portfolio was established (see Water and Waste sections below). Included in our target portfolio are all operational buildings owned by Allied as at December 31, 2021, with some exclusions outlined on page 58.

## DATA MANAGEMENT

### Energy

- Energy performance is tracked using ENERGY STAR® Portfolio Manager
- Energy data coverage was 94% across our standing portfolio in 2020 and 95% in 2021
- Energy Use Intensity is calculated by dividing the consumption from all operational buildings owned by Allied as at December 31, 2021 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 2020 and 95% in 2021
- GHG data is calculated in metric tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) 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
  - Measurabl uses emission factors based on published values from the 2022 Canadian National Inventory Report (NIR). For properties using district energy systems, Allied uses emission factors published by the local district energy utilities where available
- The energy consumption of our indirectly managed floorspace is part of our Scope 3 emissions and are 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, 2021 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 75% across our standing portfolio in 2020 and 83.3% in 2021
- Water Use Intensity is calculated by dividing the consumption from all operational buildings owned by Allied as at December 31, 2021 by the total square footage (GFA) of the same list of buildings
- Some assets located within the City of Montréal do not have building level water meters installed on site, limiting our water data coverage. Where sites have 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, 2021
- Waste data coverage was 80% across our standing portfolio in 2020 and 82% in 2021
- 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. Some assets located within the City of Montréal have their waste collected by local municipality that does not provide waste hauling and diversion data, limiting our waste data coverage

STANDING PORTFOLIO PERFORMANCE					
METRIC	2019	2020	2021	LIKE-FOR-LIKE	
Energy Consumption (MWh)	473,265 MWh	477,661 MWh	496,689 MWh	0.3%	energy consumption reduction from 2020, covering 87% of our standing portfolio
GHG Emissions Scope 1 & Scope 2 (tCO <sub>2</sub> e)	43,882 tCO <sub>2</sub> e	44,270 tCO <sub>2</sub> e	45,323 tCO <sub>2</sub> e	2.67%	emissions increase from 2020, covering 87% of our standing portfolio
Water Use Intensity (L/ft²)	70.57 L/ft²	43.19 L/ft²	40.08 L/ft²	9.2%	water consumption reduction from 2020, covering 57% of our standing portfolio
Water Consumption (m³)	647,943 m³	635,403 m³	663,401 m³		
Waste Production (t)	9,911 t	4,334 t	3,939 t	6.0%	decrease in waste generation

TARGET PORTFOLIO COVERAGE & PERFORMANCE				
METRIC	2019 BASELINE COVERAGE (GFA)	2019 BASELINE	2021 ACTUAL	2024 TARGET
Average Energy Use Intensity (EUI)	14.0M ft²	24.7 kWh/ft²	20.9 kWh/ft²	22.6 kWh/ft²
Average Greenhouse Gas Intensity (GHGI)	14.0M ft²	2.49 kgCO <sub>2</sub> e/ft²	2.18 kgCO <sub>2</sub> e/ft²	2.33 kgCO <sub>2</sub> e/ft²
Cumulative Greenhouse Gas Emissions	14.0M ft²	34,799 tonne CO <sub>2</sub> e	30,467 tonne CO <sub>2</sub> e	32,563 tonne CO <sub>2</sub> e
Average Water Use Intensity (WUI)	8.6M ft²	67.0 L/ft²	38.0 L/ft²	59.1 L/ft²
Waste Diversion Rate	12.5M ft²	46%	47%	64%

## 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 (0.6M ft²): 151 Front Street, 905 King Street
- Residential homes (0.02M ft²): 501 Adelaide W, 499 Adelaide W, 589-591 Richmond W, 133 George, 135 George, 137 George, 139 George, 141 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, Union Centre - 20 York, 36-40 Wellington, 50 Wellington, 668 King, 117-119 John, 478 King - Retail JV, 54 The Esplanade, 552-560 King, 613 11th Ave, 617 11th Ave, Alberta Block - 805 1st Street, Alberta Hotel - 808 1st Street, 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 Street
- Recent property acquisition (in 2022): Dominion Building – 207 W. Hasting Street, 1010 Sherbrooke, 175 Bloor Street East, 110 Yonge, 525 University Ave, 1508 W. Broadway, 1185 West Georgia

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

1050 Homer, 1220 Homer, 948-950 Homer, 342 Water, 375 Water, 365 Railway, 151-155 West Hastings, 2233 Columbia, Customs House - 134 11th Ave, Demcor Condo - 221 10th Ave, Glenbow Ellison - 812 11th Ave, TELUS Sky - 685 Centre, 241 Spadina, 125 John, 387 Adelaide, 388 King, 420 Wellington, College & Palmerston - 491 College JV, 3530-3540 Saint-Laurent, 4396-4410 Saint-Laurent, Nordelec - 1301-1303, Montmorency, Nordelec - 1655 Richardson, 425 Viger

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

365 Railway, 375 Water, Customs House - 134 11th, Demcor Condo - 221 10th, Glenbow Ellison - 812 11th, Lougheed - 604 1st Street, TELUS Sky - 685 Centre, 125 John, 3510 Saint-Laurent, 3530-3540 Saint-Laurent, 400 Atlantic, 425 Viger, 4396-4410 Saint-Laurent, 451-481 Sainte-Catherine, 480 Saint-Laurent, 5445 de Gaspé, 5455 de Gaspé, 5505 Saint-Laurent, 6300 Parc, 700 De La Gauchetière, 740 Saint Maurice, 747 Square Victoria, 8 Place du Commerce, 85 Saint-Paul, Nordelec - 1301-1303 Montmorency, Nordelec - 1655 Richardson, Nordelec - 1751 & 1700 Saint Patrick, RCA Building - 1001 Lenoir

### Properties excluded from Waste Intensity target portfolio boundary due to 2019 Baseline at or below 0t (due to data gaps)

1220 Homer, 2233 Columbia, 365 Railway, Customs House - 14 11th, Demcor Condo - 221 10th, Glenbow Ellison - 812 11th, Lougheed - 604 1st Street, TELUS Sky - 685 Centre, 375 Water, 387 Adelaide, 125 John, 185 Spadina, 208 Adelaide, College & Palmerston - 491 College Street, 25 Breithaupt, 51 Breithaupt, 64 Jefferson, 740 Saint Maurice, 747 Square Victoria, 8 Place du Commerce, CDM - 75 Queen & 700 Wellington, 3530-3540 Saint-Laurent, Nordelec - 1301-1303 Montmorency, 425 Viger, 4396-4410 Saint-Laurent, 451-481 Sainte Catherine



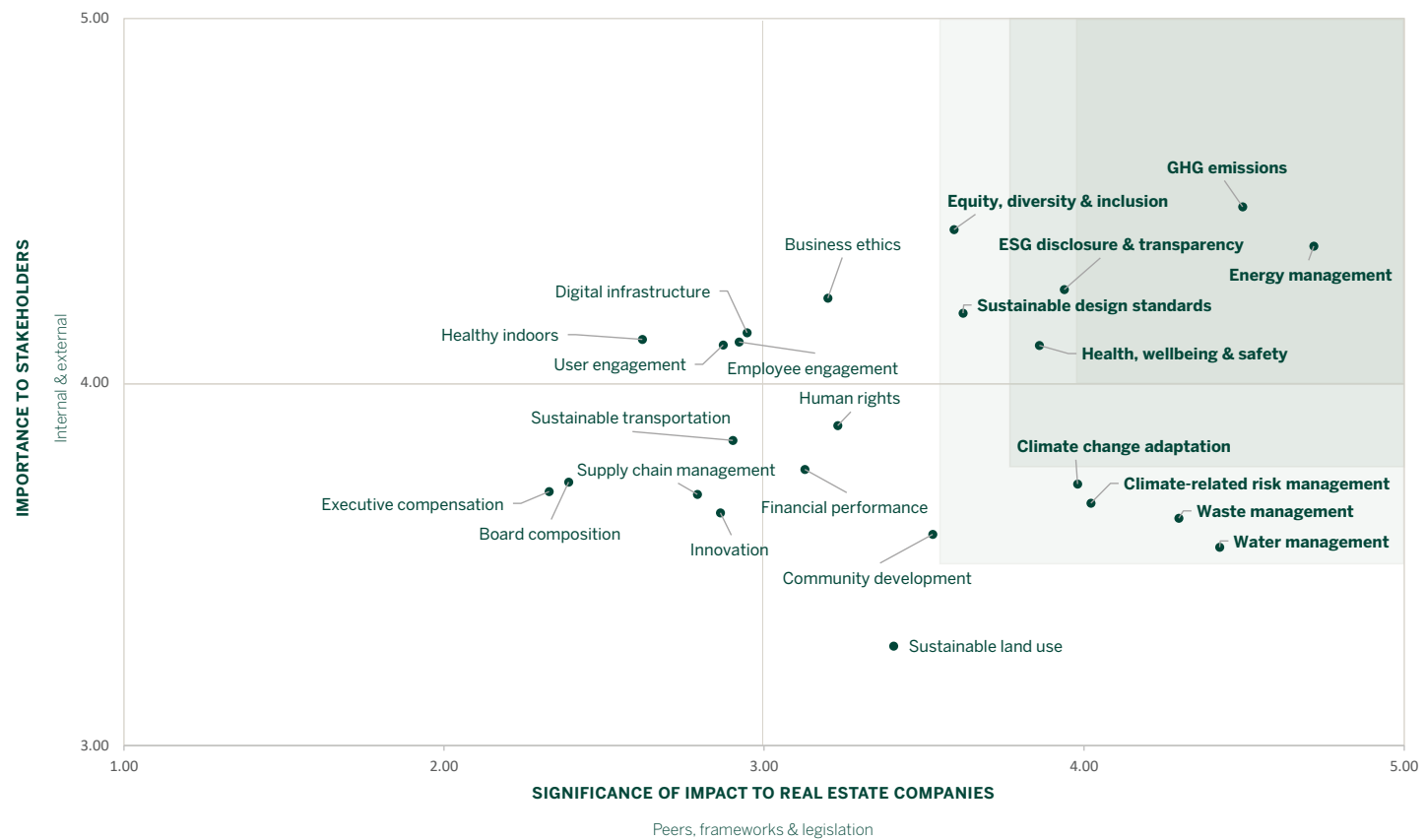
# Materiality Assessment

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. For our assessment, we defined impact as both actual and potential impacts from the development and operation of our buildings. This includes impacts directly related to our buildings, such as environmental resource consumption, emissions, occupant health and wellbeing and connectivity to the community. It also includes our impacts as an organization, such as how we treat our employees, contribute to communities, disclose our performance and manage risks to our company, employees and users. 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 cities 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.

ALLIED'S MATERIALITY MATRIX





SASB Table

ENERGY MANAGEMENT			RESPONSE										
SASB CODE	ACCOUNTING METRICS	UNIT OF MEASUREMENT	TOTAL	OFFICE	MIXED USE (OFFICE/ RETAIL)	RETAIL (BARS/ RESTAURANTS)	RETAIL (HIGH STREET)	MIXED USE (OTHER)	EDUCATION	TECHNOLOGY (DATA CENTRE)	LODGING, LEISURE, RECREATION	RESIDENTIAL	PARKING
IF-RE-130A.1	Energy consumption data coverage as a percentage of total floor area, by property sub-sector	% by floor area (ft²)	95.01%	96.23%	83.00%	73.25%	41.99%	100%	100%	100%	100%	100%	16.82%
IF-RE-130A.2	(1) Total energy consumed in 2020 by portfolio area with data coverage	Gigajoule (GJ)	1,744,955.99 GJ	1,088,395.19 GJ	68,783.62 GJ	9,546.16 GJ	171.50 GJ	129,027.60 GJ	4,975.20 GJ	436,366.80 GJ	5,589.29 GJ	1,701.83 GJ	401.72 GJ
IF-RE-130A.2	(2) Percentage of total energy that is grid electricity, by property sub-sector	%	61.4%	62.8%	42.7%	42.6%	48.1%	74.1%	62.6%	57.8%	48.8%	31.0%	100.0%
IF-RE-130A.2	(3) Percentage of total energy that is renewable, by property sub-sector	%	-	-	-	-	-	-	-	-	-	-	-
IF-RE-130A.3	Like-for-like change in energy consumption of portfolio area with data coverage, by property sub-sector	%	-0.29%	-2.52%	-0.02%	38.75%	-	11.13%	6.39%	0.97%	-	-4.68%	13.49%
IF-RE-130A.4	Percentage of eligible portfolio that has obtained an energy rating, by property sub-sector	% by floor area (ft²)	65.09%	72.81%	40.36%	-	41.99%	72.15%	-	-	-	-	-
IF-RE-130A.4	Percentage of eligible portfolio that is certified to ENERGY STAR, by property sub-sector	% by floor area (ft²)	16.23%	14.86%	-	-	-	72.15%	-	-	-	-	-
IF-RE-130A.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy		<p>Allied's overarching aim for energy management is to reduce the energy consumption at our properties by optimizing systems design and conservation practices. To accelerate our environmental action, Allied is developing a <b>Net Zero Carbon Plan</b> that will identify pathways to achieve net zero carbon by 2050 or sooner. The plan and effective implementation will require significant changes in our approach to sustainable asset management and decision-making across our portfolio. Allied is taking a multi-disciplinary approach to explore possible pathways to net zero carbon. We will develop this plan with reference to established internationally recognized frameworks, such as the Science Based Targets initiative (SBTi).</p> <p>Property Investment Analysis: We consider a building's energy performance from acquisition. In addition to in-person tours and environmental audits, our team reviews capital budgets to determine opportunities for upgrades that will reduce energy consumption and demand. If the acquired building has an energy or sustainability 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. We have an established, multi-disciplinary approach for onboarding acquired buildings. Energy management is an integral part of this process to ensure the building's utility performance is benchmarked in ENERGY STAR Portfolio Manager and where applicable, performance audits (energy, water, waste) are executed by the Energy Management Team and relevant third parties. This information helps us identify energy conservation opportunities and create execution plans. Once an acquisition is complete, Allied holds multi-disciplinary asset management workshops to develop a holistic long-term vision as well as targets and strategies for the building(s). The Energy Management Team is actively involved in the workshops and setting building-specific environmental performance targets in alignment with our ESG Strategy.</p> <p>New Development &amp; Re-development: To ensure our development process aligns with our ESG Strategy, in 2021 our team re-evaluated the environmental 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, sets guidelines for consultants and joint-venture partners and outlines how we will evaluate ESG performance. With the updated OPR in place, we have started to focus on carbon reduction. Over the next year, we will be creating a <b>Sustainable Development Framework</b>, as part of Allied's Net Zero Carbon Plan, that will encompass progressive building performance targets, specific energy and carbon design requirements and a governance approach that supports net zero carbon design. In addition to the OPR, we follow ASHRAE Standards and Toronto Green Standard, and aim to achieve building certifications where possible or at a minimum, follow the requirements the certifications outline. All Allied's new developments or intensification projects follow LEED Gold Core &amp; Shell requirements or better and all major refurbishments achieve LEED Existing Building certifications.</p> <p>Operational Strategy: Allied's Energy Management Team within our National Operations department oversees the environmental (energy, GHG emissions, water and waste) performance of our standing portfolio. The Team serves as internal subject matter experts and is responsible for creating and executing strategic plans that elevate the environmental performance of our standing portfolio. Our <b>Energy Management Framework</b> follows the standard "Plan, Do, Check, Act" process and consists of six key functions: Utility (energy, GHG emissions, water and waste) Management, Performance Benchmarking, Regulatory Compliance, Utility Procurement Management, Building Climate Resiliency and Certifications and User Engagement. Using a 2019 baseline year, in 2021 we established our inaugural five-year operational targets of 22.6 kWh/ft² in Energy Use Intensity (EUI), 59.1 L/ft² in Water Use Intensity (WUI) and 2.33 kg/ft² in GHG Intensity (GHGI) by 2024.</p> <p>Data collection, measurement and benchmarking are fundamental to enhance the environmental performance of our buildings. We use ENERGY STAR Portfolio Manager and Measurabl as our automated utility data collection systems across Allied's entire portfolio. We monitor each property's ENERGY STAR Score, which measures the energy performance of buildings against peers on a 1-100 scale. 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 through our internal data quality assurance process and by submitting for third-party data verification prior to publishing our environmental performance information.</p> <p>We collaborate with top-tier, third-party consulting firms to complete technical energy assessments of our portfolio, in line with ASHRAE Level II requirements. In 2021, we established a national strategy for executing energy, water and waste audits to improve consistency, quality and collaboration to ultimately develop innovative and building-specific solutions. Allied's energy audit specifications set out the technical requirements for consultants when conducting on-site audits and drafting final reports. The specifications include references to relevant codes and standards, technical calculation requirements and standard forms and templates to control quality and consistency of the studies that are performed.</p> <p>From 2019 to 2021, we completed a total of 109 technical energy and water assessments at our buildings, representing 48% and 42% of our portfolio, respectively. These technical assessments form the basis for identifying low cost and deep energy retrofit projects, funded through Allied's five-year <b>National Energy and Water Budget</b>. 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, 53 LED lighting retrofits have been executed nationally, with additional retrofits planned to begin in 2022. Allied prioritizes low- to no-cost measures with a return on investment (ROI) of five years or less at buildings with above average utility costs. We pursue measures that aim to enhance building performance, user comfort and equipment performance. Where available, we apply for provincial incentives to help subsidize the cost of energy projects and drive down ROI.</p> <p>Allied is in the process of evaluating third-party building certifications and ratings to establish a consistent approach across the portfolio. The Building Certification Committee, representing team members from across departments, is in the process of evaluating the merit of each system, taking into consideration competitor offerings, leasing requirements, operating standards, ongoing costs and ESG objectives. Allied intends to establish a strategy for pursuing certification for specific segments of the portfolio. As at December 31, 2021, Allied achieved two LEED Platinum, two LEED Gold, one LEED Certified, five BOMA BEST Silver, six BOMA BEST Gold and three BOMA BEST Platinum certified buildings across our portfolio.</p>										



# SASB Table

WATER MANAGEMENT			RESPONSE										
SASB CODE	ACCOUNTING METRICS	UNIT OF MEASUREMENT	TOTAL	OFFICE	MIXED USE (OFFICE/ RETAIL)	RETAIL (BARS/ RESTAURANTS)	RETAIL (HIGH STREET)	MIXED USE (OTHER)	EDUCATION	TECHNOLOGY (DATA CENTRE)	LODGING, LEISURE, RECREATION	RESIDENTIAL	PARKING
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area by property sub-sector	% by floor area (ft²)	88.91%	89.77%	97.08%	57.21%	41.99%	80.04%	100%	100%	100%	93.44%	-
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (2) floor area in regions with High or Extremely High baseline water stress, by property sub-sector	-	98.65%	99.21%	100%	0%	0%	100%	-	-	100%	-	-
IF-RE-140a.2	Water withdrawn by portfolio area with data coverage, by property sub-sector	Thousand cubic meters (m³)	636.48 m³	496.54 m³	75.00 m³	10.66 m³	0.01 m³	31.93 m³	3.01 m³	6.67 m³	9.42 m³	3.25 m³	-
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sub-sector	%	-9.19%	-12.69%	8.36%	30.87%	-	-17.71%	52.67%	-37.54%	29.20%	-33.63%	-
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks		<p>Allied's portfolio is concentrated in major urban centres in Canada. As such, Allied's primary water source is from municipal water supplies and public utilities. Primary water consumption across the portfolio includes potable water consumption, plumbing use or specific business purposes and consumption attributed to HVAC performance, maintenance and cleaning.</p> <p>Although water-stress levels are considered low across most of our portfolio, Allied recognizes that the availability of global fresh water 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 our portfolio. In Quebec, not all buildings are invoiced for their water consumption and therefore, 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.</p> <p>Using 2019 as our baseline, we set a 2024 Water Use Intensity (WUI) target of 59.1 L/ft² for our target portfolio. In 2021, we established a national strategy for executing energy, water and waste audits to improve consistency, quality and collaboration to ultimately develop innovative building-specific solutions. We have established a consolidated, master tracker with a series of key decision factors to transparently map out the building auditing schedule over the next five years. Allied's energy and water audit specifications set out the technical requirements for project consultants when conducting on-site audits and drafting final reports. The specifications include references to relevant codes and standards, technical calculation requirements and standard forms and templates to control quality and consistency of the studies that are performed. These technical assessments are the basis of identifying the water retrofit projects funded through our <b>National Energy and Water Budget</b>. The greatest opportunity to increase water efficiency across our portfolio is by prioritizing upgrades to our plumbing fixtures and HVAC systems. In 2021, we completed restroom renovations at 13 properties, which includes replacing existing plumbing fixtures with water-efficient low-flow fixtures.</p>										



# SASB Table

MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS			RESPONSE										
SASB CODE	ACCOUNTING METRICS	UNIT OF MEASUREMENT	TOTAL	OFFICE	MIXED USE (OFFICE/ RETAIL)	RETAIL (BARS/ RESTAURANTS)	RETAIL (HIGH STREET)	MIXED USE (OTHER)	EDUCATION	TECHNOLOGY (DATA CENTRE)	LODGING, LEISURE, RECREATION	RESIDENTIAL	PARKING
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area by property sub-sector	% 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. In 2022, we began an initiative to review all of our leases and abstract relevant cost recovery clauses in order to calculate the associated leased area by property sub-sector.										
IF-RE-410a.2	Percentage of tenants that are separately metered or sub-metered for (1) grid electricity consumption and (2) water withdrawals, by property sub-sector	% by floor area (ft²)	At our buildings, we typically have two scenarios for sub-metering: (1) Buildings with multiple utility meters, some of which Allied is the account holder and for the others, users are the account holder and pay their bills directly. We typically do not receive data for user-held accounts, unless provided by the user at Allied's request. (2) Allied is the sole account holder for all utilities. At some of these properties we have installed third-party sub-metering systems to meter user suite usage. For newly developed buildings and buildings undergoing re-development, Allied incorporates CARMA energy sub-metering systems to more accurately monitor user energy consumption levels and allocate utility cost. As at December 31, 2021, we have 17 buildings with CARMA energy sub-metering system covering 5,323,456 sq. ft. of gross building areas.										
IF-RE-410a.3	Discussion of approach to measuring, incentivizing and improving sustainability impacts of tenants		Creating meaningful user experience 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 our users through ESG education and operational protocols to reduce environmental impacts throughout our buildings. Allied provides employees with toolkits to promote environmental behaviours at our buildings. Toolkits include information on green cleaning, pest control and implementing multi-stream waste bins, to support both Allied and building users' sustainability ambitions. Since 2017, we have implemented waste management initiatives and training programs for our users, suppliers and internal team members to improve waste behaviours and increase the diversion rate of recycling, organics, e-waste and hazardous waste. In 2021 and 2022, we held virtual Waste and Recycling Workshops for our users across all cities where we operate with a total of 107 attendees. While the COVID-19 pandemic brought new challenges and opportunities, in 2021 we were able to engage with our users remotely. Regular correspondence included information on our COVID-19 health and wellbeing protocols.  To ensure continuous improvement of our users' experience at our buildings, we engage Kingsley, a third-party organization, to distribute our annual <b>User Experience Assessment Survey</b> . 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 second annual Kingsley survey in November 2021 and are committed to completing an annual survey to assess our performance. Allied intends to use this information to support our users in the achievement of their sustainability goals.  Our standard lease agreement from 2018 onward includes a cost recovery clause for resource efficiency-related capital improvements, encouraging user energy conservation. Allied also collects information from users for mandatory energy rating schemes, such as ENERGY STAR Portfolio Manager profiles.										

CLIMATE CHANGE			RESPONSE										
SASB CODE	ACCOUNTING METRICS	UNIT OF MEASUREMENT	TOTAL	OFFICE	MIXED USE (OFFICE/ RETAIL)	RETAIL (BARS/ RESTAURANTS)	RETAIL (HIGH STREET)	MIXED USE (OTHER)	EDUCATION	TECHNOLOGY (DATA CENTRE)	LODGING, LEISURE, RECREATION	RESIDENTIAL	PARKING
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property sub-sector	Square feet (ft²)  <i>Areas of properties located in 100-year flood zones. Identified using FM Global Flood Risk Tool</i>	7,850,324 ft²	7,121,168 ft²	99,130 ft²	4,288 ft²	-	594,595 ft²	-	-	-	-	-
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks		Climate change poses physical and transitional risks to Allied's business as an owner and operator of properties across Canada. 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. In 2021, Allied initiated a high-level climate resilience assessment across our portfolio. We analyzed 427 Climate Risk data on seven risk indicators: sea level rise, water stress, heat stress, hurricanes, wildfires, earthquakes and floods. 427 provided a risk rating for this standard set of risk indicators based on third-party climate data. This data helped reveal a regional view of climate risk across our portfolio.  We have begun additional, site-specific physical climate risks assessments at our properties to identify risks from extreme weather events using current and future scenarios to identify measures to mitigate potential impacts from extreme weather events. Going forward, we intend to develop a <b>Physical Climate Resilience Strategy</b> for Allied's standing portfolio. Key actions will include developing a robust methodology and evaluating the specific physical climate risks of each building to identify, evaluate, prioritize and implement opportunities that enhance the capacity of our buildings to mitigate the effects of climate change.  To advance knowledge of climate-related governance and increase engagement among our Trustees, we partnered with the Canada Climate Law Initiative as specialists in climate risk to deliver an education session to Allied's Board in December 2021. To align with best practice reporting of climate-related risks and opportunities, we report in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD) and its recommended disclosures for governance, strategy, risk management and metrics and targets.  In 2022 we partnered with third-party climate resilience experts to host workshops with an internal cross-disciplinary senior leadership working group. Workshop activities include assessing climate-related risks and opportunities to our organization's business activities under different climate-related scenarios. We plan to integrate workshop outcomes into our long-term strategy, risk management and business process planning to better manage risk and efficiently allocate capital.										



# GRI Table

## GRI: Content Index

DISCLOSURES	DESCRIPTION	RESPONSE
GRI CONTENT INDEX		
	ii. Statement of Use	Allied Properties REIT has reported in accordance with the GRI Standards for the period January 1, 2021 - December 31, 2021
	iii. Title of GRI 1 used	GRI 1: Foundation 2021
	iv. GRI Sector Standards(s) that apply to the organizations sector(s)	Not applicable - the real estate sector guidance not released at time of publication.

## GRI 2: General Disclosures 2021

DISCLOSURES	DESCRIPTION	RESPONSE
THE ORGANIZATION AND ITS REPORTING PRACTICES		
2 - 1	a. Legal name of the organization	Allied Properties Real Estate Investment Trust
	b. Ownership and legal form	Allied Properties REIT, widely held and publicly traded on the Toronto Stock Exchange (XTSE: AP.UN)
	c. Location of headquarters	134 Peter Street, Suite 1700 Toronto, Ontario M5V 2H2
	d. Location of operations	Canada
2 - 2	a. list all its entities included in its sustainability reporting	Allied Real Estate Investment Trust List of all entities: Refer to page 17 of 103 in our 2021 Annual Information Form ( <a href="https://www.alliedreit.com/wp-content/uploads/2022/02/Allied-REIT-Q4-2021-AIF-FINAL.pdf">https://www.alliedreit.com/wp-content/uploads/2022/02/Allied-REIT-Q4-2021-AIF-FINAL.pdf</a> )
	b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting	Sustainability reporting is consistent with financial reporting unless otherwise noted. See Reporting Methodology on page 57 for further details.
	c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities iii. whether and how the approach differs across the disclosures in this Standard and across material topics	As disclosed in Note 2(C) of Allied's 2021 Financial Statements ( <a href="https://alliedreit.com/wp-content/uploads/2022/02/Allied-REIT-Q4-2021-AIF-FINAL.pdf">https://alliedreit.com/wp-content/uploads/2022/02/Allied-REIT-Q4-2021-AIF-FINAL.pdf</a> ): The consolidated financial statements comprise the financial statements of Allied and its subsidiaries. Subsidiaries are all entities over which Allied has control, where control is defined as the power to direct the relevant activities of an entity so as to obtain benefit from its activities. Control exists when a parent company is exposed to, or has rights to, variable returns from the subsidiaries and has the ability to affect those returns through its power. Subsidiaries are consolidated from the date control is transferred to Allied, and are de-consolidated from the date control ceases . Intercompany transactions between subsidiaries are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by Allied. All subsidiaries have a reporting date of December 31.
2 - 3	a. specify the reporting period for, and the frequency of, its sustainability reporting	January 1, 2021 - December 31, 2021, annual reporting
	b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this	The financial reporting period is the calendar year (January 1 to December 31 of each year). This aligns with the sustainability reporting period.
	c. report the publication date of the report or reported information	Monday, June 27, 2022
	d. specify the contact point for questions about the report or reported information	Jo Flatt, VP, Corporate Planning & Sustainability, <a href="mailto:jflatt@alliedreit.com">jflatt@alliedreit.com</a>
2 - 4	a. report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	The indirect emissions from the district energy system at 151 Front Street is now calculated using the emissions factor provided by the local district energy utility. This change resulted in a drop of our portfolio emissions when compared to the default emission factor from Measurabl, our data software system. Our 2020 Scope 2 emissions figure is corrected from 22,872 tCO <sub>2</sub> e to 20,106 tCO <sub>2</sub> e. The same methodology is used for our 2021 Scope 2 emissions number.



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
THE ORGANIZATION AND ITS REPORTING PRACTICES		
2 - 5	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved	We seek to provide assurance on our reported information by having our energy, GHG, water and waste data verified annually to support accurate sustainability reporting. This is coordinated and overseen by our Vice President, Corporate Planning & Sustainability and Director, Energy Management. Externally verified data is shared with the ESG Committee and the Board via the ESG Report and related presentations.
	b. if the organization’s sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s) ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process iii. describe the relationship between the organization and the assurance provider	The 2021 energy, GHG, water and waste data included in this report has been externally verified by Quinn & Partners using ISO 140-64-3:2019 (Page 97 in the ESG Report). Quinn & Partners is a third-party consultancy and is not involved in the collection of data.
ACTIVITIES AND WORKERS		
2 - 6	a. report the sector(s) in which it is active	Real estate
	b. describe its value chain, including: i. the organization’s activities, products, services, and markets served ii. the organization’s supply chain iii. the entities downstream from the organization and their activities	<p>i. Allied’s primary business activities include operating, developing and re-developing distinctive urban workspace in Canada’s major cities and network-dense UDC space in Toronto. Our primary property types are office, data centres and retail with geographic locations in Vancouver, Calgary, Edmonton, Toronto, Kitchener, Ottawa and Montréal. Our mission is to provide knowledge-based organizations with workspace and UDC space that is sustainable and conducive to human wellness, creativity, connectivity and diversity. Knowledge-based organizations generate approximately 40% of Canada’s economic output, owning and occupying over 27% of all business establishments and employing about a third of the Canadian workforce. Our office users are at varying stages of growth and development in their business life cycles, ranging from early-stage businesses occupying 5,000 sq. ft. or less, up to established businesses occupying 100,000 sq. ft. or more.</p> <p>ii. / iii. 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, 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 Montréal). For development and major refurbishment projects, we aim to engage suppliers local to the project location where possible. We broadly categorize knowledge-based organizations, our users, into the following groups:</p> <ul style="list-style-type: none"><li>• Business services and professional</li><li>• Educational and institutional</li><li>• Financial services</li><li>• Government</li><li>• Life sciences</li><li>• Media and entertainment</li><li>• Telecommunications and information technology</li></ul>
	c. report other relevant business relationships	Our joint-venture partners in 2021 included RioCan Real Estate Investment Trust, Telus, Westbank and Perimeter Development Corporation.
	d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	<ul style="list-style-type: none"><li>• Acquisitions &amp; Dispositions: Allied acquired 10 properties in 2021, and acquired the remaining 50% interest in four other properties in 2021, all totaling \$344.6 million. Allied also completed the acquisition of the Union air rights in 2021 for \$14.8 million. During the year ended December 31, 2021, Allied disposed of three phases of The Well air rights for total proceeds of \$71.6 million. Please refer to Note 4 in the annual 2021 Financial Statements.</li><li>• Our core operational and development activities did not change in 2021.</li></ul>



GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE																																																																																				
ACTIVITIES AND WORKERS																																																																																						
2 - 7	a. report the total number of employees, and a breakdown of this total by gender and by region	Total: 352 Female: 154 (44%) Calgary - 21 Kitchener - 0 Montréal - 38 Ottawa - 1 Toronto - 90 Vancouver - 4 Male: 198 (56%) Calgary - 18 Kitchener - 4 Montréal - 53 Ottawa - 3 Toronto - 110 Vancouver - 10 Employee data report pulled from ADP																																																																																				
	b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region;	<table><tr><th></th><th>FEMALE</th><th>MALE</th><th>GRAND TOTAL</th></tr><tr><td>Consultant</td><td>1</td><td></td><td>1</td></tr><tr><td>Calgary</td><td>1</td><td></td><td>1</td></tr><tr><td>Contract Full-Time</td><td>7</td><td>4</td><td>11</td></tr><tr><td>Montréal</td><td>5</td><td></td><td>5</td></tr><tr><td>Toronto</td><td>2</td><td>2</td><td>4</td></tr><tr><td>Contract Part-Time</td><td>1</td><td>1</td><td>2</td></tr><tr><td>Montréal</td><td></td><td>1</td><td>1</td></tr><tr><td>Toronto</td><td>1</td><td></td><td>1</td></tr><tr><td>Full-Time</td><td>144</td><td>192</td><td>336</td></tr><tr><td>Calgary</td><td>20</td><td>18</td><td>38</td></tr><tr><td>Kitchener</td><td></td><td>4</td><td>4</td></tr><tr><td>Montréal</td><td>33</td><td>52</td><td>85</td></tr><tr><td>Ottawa</td><td>1</td><td>3</td><td>4</td></tr><tr><td>Toronto</td><td>86</td><td>107</td><td>193</td></tr><tr><td>Vancouver</td><td>4</td><td>8</td><td>12</td></tr><tr><td>Full-Time 32 Hours</td><td>1</td><td></td><td>1</td></tr><tr><td>Toronto</td><td>1</td><td></td><td>1</td></tr><tr><td>Intern</td><td></td><td>1</td><td>1</td></tr><tr><td>Toronto</td><td></td><td>1</td><td>1</td></tr><tr><td>Grand Total</td><td>154</td><td>198</td><td>352</td></tr></table>		FEMALE	MALE	GRAND TOTAL	Consultant	1		1	Calgary	1		1	Contract Full-Time	7	4	11	Montréal	5		5	Toronto	2	2	4	Contract Part-Time	1	1	2	Montréal		1	1	Toronto	1		1	Full-Time	144	192	336	Calgary	20	18	38	Kitchener		4	4	Montréal	33	52	85	Ottawa	1	3	4	Toronto	86	107	193	Vancouver	4	8	12	Full-Time 32 Hours	1		1	Toronto	1		1	Intern		1	1	Toronto		1	1	Grand Total	154	198	352
		FEMALE	MALE	GRAND TOTAL																																																																																		
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Montréal	33	52	85																																																																																			
Ottawa	1	3	4																																																																																			
Toronto	86	107	193																																																																																			
Vancouver	4	8	12																																																																																			
Full-Time 32 Hours	1		1																																																																																			
Toronto	1		1																																																																																			
Intern		1	1																																																																																			
Toronto		1	1																																																																																			
Grand Total	154	198	352																																																																																			
	c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count, full-time equivalent (FTE), or using another methodology at the end of the reporting period, as an average across the reporting period, or using another methodology	All employees are reported in headcount. We have one employee who is full-time, 32 hours per week (.80 headcount) and we have two employees part-time (.50 headcount). Contract part time: 2, Montréal - 1 and Toronto - 1 Full-time (32 hrs): 1, Toronto																																																																																				
	d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b	This data was compiled using a headcount report from our payroll and HR software ADP.																																																																																				
	e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	Temporary numbers go up slightly in the summer with the interns joining us on a four-month contract, typically from May to August (11 interns in Summer 2021).																																																																																				
2 - 8	a. report the total number of workers who are not employees and whose work is controlled by the organization and describe: i. the most common types of worker and their contractual relationship with the organization ii. the type of work they perform	a. Our total contractual workers that were employed to support Allied's building operations in 2021 was approximately 330 Montréal & Ottawa - 125 Calgary & Edmonton - 50 Toronto & Kitchener - 125 Vancouver - 30 i & ii) The most common type of contractual workers that Allied employs are security guards, janitorial service providers and parking operators. Security guards are employed at our buildings 24/7 to provide services, such as patrols, asset protection and access control. Our janitorial contractors provide cleaning services at our buildings and parking operators assist Allied in managing and patrolling our parking lots.																																																																																				
	b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i. in head count, full-time equivalent (FTE), or using another methodology ii. at the end of the reporting period, as an average across the reporting period, or using another methodology	Data was collected through close collaboration with Allied's Portfolio Operations Team across our seven cities (Vancouver, Calgary, Edmonton, Toronto, Kitchener, Ottawa and Montréal). The number of workers is reported in full-time equivalent (40 hrs per week). Due to the nature and turnover of short-term contracts, we excluded any contractors that were not employed on an ongoing basis throughout 2021 (i.e., plumbers if there is a flood at a building).																																																																																				
	c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	None																																																																																				



GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE																																																																																																		
GOVERNANCE																																																																																																				
2 - 9	a. describe its governance structure, including committees of the highest governance body	Pages 47-49 in report (Governance section) and <a href="https://www.alliedreit.com/company/esg/">https://www.alliedreit.com/company/esg/</a>																																																																																																		
	b. list the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people	Page 48 in report (Governance section) and <a href="https://www.alliedreit.com/company/esg/">https://www.alliedreit.com/company/esg/</a>																																																																																																		
	c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members ii. independence iii. tenure of members on the governance body iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender vi. under-represented social groups vii. competencies relevant to the impacts of the organization viii. stakeholder representation	<p><b>The Board of Trustees is Allied's highest governance body, composed of 10 Trustees as at December 31, 2021. Trustees for 2021 were Kay Brekken, Gerald Connor, Lois Cormack, Gordon Cunningham, Michael Emory, James Griffiths, Margaret Nelligan, Stephen Sender, Peter Sharpe and Jennifer Tory.</b></p> <p>i. Non-executive: 90% / Executive: 10% (Michael Emory) ii. Independent: 80% / Non-independent: 20% (Michael Emory and Margaret Nelligan) iii. Kay Brekken: &lt;1 year; Gerald Connor: 19 years; Lois Cormack: 3 years; Gordon Cunningham: 19 years; Michael Emory: 19 years; James Griffiths: 15 years; Margaret Nelligan: 6 years; Stephen Sender: 1 year; Peter Sharpe: 9 years; Jennifer Tory: 1 year. iv. Kay Brekken: None Gerald Connor: Chairman of Cumberland Private Wealth Management Inc.; Director of SQI Diagnostics Inc. Lois Cormack: CEO of Spring Living Retirement Communities; Director of Medical Facilities Corporation Gordon Cunningham: None Michael Emory: CEO of Allied Properties REIT; Director of Equitable Group Inc. James Griffiths: None Margaret Nelligan: Partner of Aird &amp; Berlis LLP Stephen Sender: Director of Sienna Senior Living Inc. Peter Sharpe: Director of Postmedia Network Canada Corp. and Morguard Corporation Jennifer Tory: Director of BCE Inc. v. Female: 40% / Male: 60% vi. None vii.</p> <table><tr><th>PROPOSED TRUSTEE</th><th>AUDIT/ ACCOUNTING</th><th>BUSINESS LEADERSHIP</th><th>CAPITAL MARKETS</th><th>COMPENSATION/ HUMAN RESOURCES</th><th>GOVERNANCE/ CORPORATE RESPONSIBILITY</th><th>LEGAL</th><th>REAL ESTATE</th><th>RISK MANAGEMENT</th></tr><tr><td>Kay Brekken</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Gerald R. Connor</td><td>x</td><td>x</td><td>x</td><td></td><td></td><td></td><td>x</td><td>x</td></tr><tr><td>Lois Cormack</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Gordon R. Cunningham</td><td></td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td></tr><tr><td>Michael R. Emory</td><td></td><td>x</td><td>x</td><td></td><td></td><td>x</td><td>x</td><td>x</td></tr><tr><td>James Griffiths</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Margaret T. Nelligan</td><td></td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td></tr><tr><td>Stephen L. Sender</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Peter Sharpe</td><td></td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Jennifer Tory</td><td></td><td>x</td><td></td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr></table> <p>viii. Trustees are not selected to represent specific stakeholder groups. See disclosure 2-10 for more information on Trustee selection.</p> <p><b>The Board of Trustees has two standing committees, the Audit Committee and the Governance, Compensation and Nomination Committee. The Audit Committee members for 2021 were Kay Brekken, Gerald Connor, Lois Cormack, James Griffiths and Stephen Sender.</b></p> <p>i. Non-executive: 100% / Executive: 0% ii. Independent: 100% / Non-independent: 0% iii. Kay Brekken: &lt;1 year; Gerald Connor: 19 years; Lois Cormack: 3 years; James Griffiths: 15 years; Stephen Sender: 1 year iv. Kay Brekken: None Gerald Connor: Chairman of Cumberland Private Wealth Management Inc.; Director of SQI Diagnostics Inc. Lois Cormack: CEO of Spring Living Retirement Communities; Director of Medical Facilities Corporation James Griffiths: None Stephen Sender: Director of Sienna Senior Living Inc. v. Female: 40% / Male: 60% vi. None vii. Refer to page 74 of 103 in our 2021 Annual Information Form <a href="https://alliedreit.com/wp-content/uploads/2022/02/Allied-REIT-Q4-2021-AIF-FINAL.pdf">https://alliedreit.com/wp-content/uploads/2022/02/Allied-REIT-Q4-2021-AIF-FINAL.pdf</a> viii. Trustees are not selected to represent specific stakeholder groups. See disclosure 2-10 for more information on Trustee selection.</p>	PROPOSED TRUSTEE	AUDIT/ ACCOUNTING	BUSINESS LEADERSHIP	CAPITAL MARKETS	COMPENSATION/ HUMAN RESOURCES	GOVERNANCE/ CORPORATE RESPONSIBILITY	LEGAL	REAL ESTATE	RISK MANAGEMENT	Kay Brekken	x	x	x	x	x		x	x	Gerald R. Connor	x	x	x				x	x	Lois Cormack	x	x	x	x	x		x	x	Gordon R. Cunningham		x	x	x	x	x	x	x	Michael R. Emory		x	x			x	x	x	James Griffiths	x	x	x		x		x	x	Margaret T. Nelligan		x	x	x	x	x		x	Stephen L. Sender	x	x	x	x	x		x	x	Peter Sharpe		x	x	x	x		x	x	Jennifer Tory		x		x	x		x
PROPOSED TRUSTEE	AUDIT/ ACCOUNTING	BUSINESS LEADERSHIP	CAPITAL MARKETS	COMPENSATION/ HUMAN RESOURCES	GOVERNANCE/ CORPORATE RESPONSIBILITY	LEGAL	REAL ESTATE	RISK MANAGEMENT																																																																																												
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Gerald R. Connor	x	x	x				x	x																																																																																												
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GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE																																																						
GOVERNANCE																																																								
2 - 9	c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members ii. independence iii. tenure of members on the governance body iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender vi. under-represented social groups vii. competencies relevant to the impacts of the organization viii. stakeholder representation	<p>The Governance, Compensation and Nomination Committee members for 2021 were Kay Brekken, Lois Cormack, Gordon Cunningham, Peter Shape and Jennifer Tory.</p> <p>i. Non-executive: 100% / Executive: 0%</p> <p>ii. Independent: 100% / Non-independent: 0%</p> <p>iii. Kay Brekken: &lt;1 year; Lois Cormack: 3 years; Gordon Cunningham: 19 years; Peter Sharpe: 9 years; Jennifer Tory: 1 year.</p> <p>iv. Kay Brekken: None</p> <p>Lois Cormack: CEO of Spring Living Retirement Communities; Director of Medical Facilities Corporation</p> <p>Gordon Cunningham: None</p> <p>Peter Sharpe: Director of Postmedia Network Canada Corp. and Morguard Corporation</p> <p>Jennifer Tory: Director of BCE Inc.</p> <p>v. Female: 60% / Male: 40%</p> <p>vi. None</p> <p>vii.</p> <table><tr><th>PROPOSED TRUSTEE</th><th>AUDIT/ ACCOUNTING</th><th>BUSINESS LEADERSHIP</th><th>CAPITAL MARKETS</th><th>COMPENSATION/ HUMAN RESOURCES</th><th>GOVERNANCE/ CORPORATE RESPONSIBILITY</th><th>LEGAL</th><th>REAL ESTATE</th><th>RISK MANAGEMENT</th></tr><tr><td>Kay Brekken</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Lois Cormack</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Gordon R. Cunningham</td><td></td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td><td>x</td></tr><tr><td>Peter Sharpe</td><td></td><td>x</td><td>x</td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr><tr><td>Jennifer Tory</td><td></td><td>x</td><td></td><td>x</td><td>x</td><td></td><td>x</td><td>x</td></tr></table> <p>viii. Trustees are not selected to represent specific stakeholder groups. See disclosure 2-10 for more information on Trustee selection.</p> <p>For more information, see Allied's Notice of Annual and Special Meeting of Unitholders and Management Information Circular (Link: <a href="https://alliedreit.com/wp-content/uploads/2022/04/2022AlliedMIC.pdf">https://alliedreit.com/wp-content/uploads/2022/04/2022AlliedMIC.pdf</a>)</p>	PROPOSED TRUSTEE	AUDIT/ ACCOUNTING	BUSINESS LEADERSHIP	CAPITAL MARKETS	COMPENSATION/ HUMAN RESOURCES	GOVERNANCE/ CORPORATE RESPONSIBILITY	LEGAL	REAL ESTATE	RISK MANAGEMENT	Kay Brekken	x	x	x	x	x		x	x	Lois Cormack	x	x	x	x	x		x	x	Gordon R. Cunningham		x	x	x	x	x	x	x	Peter Sharpe		x	x	x	x		x	x	Jennifer Tory		x		x	x		x	x
	PROPOSED TRUSTEE	AUDIT/ ACCOUNTING	BUSINESS LEADERSHIP	CAPITAL MARKETS	COMPENSATION/ HUMAN RESOURCES	GOVERNANCE/ CORPORATE RESPONSIBILITY	LEGAL	REAL ESTATE	RISK MANAGEMENT																																															
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Gordon R. Cunningham		x	x	x	x	x	x	x																																																
Peter Sharpe		x	x	x	x		x	x																																																
Jennifer Tory		x		x	x		x	x																																																
2 - 10	a. describe the nomination and selection processes for the highest governance body and its committees	<p>The Governance, Compensation and Nomination Committee is responsible for identifying suitable candidates to be recommended for election to the board of Trustees by Unitholders. The Trustees are to be elected by resolution passed by a majority of the votes cast at a meeting of the Unitholders. Trustees elected at an annual meeting will be elected for terms expiring at the next annual meeting and will be eligible for re-election. A Trustee elected to fill a vacancy will be elected for the remaining term of the Trustee he or she is succeeding. Unitholder proposals for the nomination of Trustees may be made in accordance with the Declaration of Trust of Allied. In 2021, the Governance, Compensation and Nomination Committee engaged external recruitment consultants to assist in the identification and recruitment of potential candidates for election as an independent trustee.</p>																																																						
	b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders) ii. diversity iii. independence iv. competencies relevant to the impacts of the organization	<p>b. The Board seeks trustees who represent a mix of backgrounds and experiences that will enhance the ability of the Board to guide the long-term strategy and ongoing business operations of Allied, and has adopted a policy with respect to trustee qualifications.</p> <p>i. Unitholders may propose nominees for election as a Trustee in accordance with the Declaration of Trust.</p> <p>ii. Diversity, including gender and other elements of diversity, is an important factor that is taken into account in identifying and selecting Board members. Under Allied's Diversity Policy, the Governance, Compensation and Nomination Committee must identify and select candidates based on merit using objective criteria with due regard to diversity. The Governance, Compensation and Nomination Committee will annually (i) assess the effectiveness of the Board and executive management appointment/nomination process at achieving the diversity objectives of Allied and (ii) consider and, if determined advisable, recommend to the Trustees for adoption, measurable objectives for achieving diversity on the Board and executive management. At any given time, the Board may seek to adjust one or more objectives concerning its diversity and measure progress accordingly.</p> <p>iii. The independence of Trustees is highly valued and considered in the nomination of potential Trustees. In addition to independence from management of Allied, interlocking board memberships among the Trustees and nominees are also considered.</p> <p>iv. Refer to the Trustee skill set matrix on page 26 of 100 in Allied's Notice of Annual and Special Meeting of Unitholders and Management Information Circular (<a href="https://alliedreit.com/wp-content/uploads/2022/04/2022AlliedMIC.pdf">https://alliedreit.com/wp-content/uploads/2022/04/2022AlliedMIC.pdf</a>)</p>																																																						
2 - 11	a. report whether the chair of the highest governance body is also a senior executive in the organization	No																																																						
	b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	Not applicable																																																						



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
GOVERNANCE		
2 - 12	a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization’s purpose, value or mission statements, strategies, policies, and goals related to sustainable development	The Board is responsible for overseeing Allied’s business and affairs as set out in the Declaration of Trust. The Trustees have adopted a Trustees’ Mandate, a copy of which may be found as Schedule “D” in Allied’s Management Information Circular ( <a href="https://alliedreit.com/wp-content/uploads/2022/04/2022AlliedMIC.pdf">https://alliedreit.com/wp-content/uploads/2022/04/2022AlliedMIC.pdf</a> ). The Trustees’ Mandate was expanded in December 2021 to include the responsibility to monitor Allied’s ESG Strategy and to include information security risks in its risk assessment responsibilities.
	b. describe the role of the highest governance body in overseeing the organization’s due diligence and other processes to identify and manage the organization’s impacts on the economy, environment, and people, including: i. whether and how the highest governance body engages with stakeholders to support these processes ii. how the highest governance body considers the outcomes of these processes	(b) & (c) See pages 47-48 for a description of the Board's oversight of Allied's ESG Strategy and process for reviewing effectiveness. Impacts are monitored as part of ongoing ESG Strategy management and implementation.
	c. describe the role of the highest governance body in reviewing the effectiveness of the organization’s processes as described in 2-12-b, and report the frequency of this review	
2 - 13	a. describe how the highest governance body delegates responsibility for managing the organization’s impacts on the economy, environment, and people, including: i. whether it has appointed any senior executives with responsibility for the management of impacts; ii. whether it has delegated responsibility for the management of impacts to other employees;	See page 47 for a description of the Board's process for delegating responsibility for managing Allied’s impacts on the economy, environment and people.
	b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization’s impacts on the economy, environment, and people	On a quarterly basis, Management via the ESG Committee, makes a presentation to the Board regarding Allied's ESG strategy, initiatives and reporting. Allied’s ESG Report is reviewed by the Board annually. For more information on Allied's ESG Governance Structure, see page 48.
2 - 14	a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization’s material topics, and if so, describe the process for reviewing and approving the information	Allied's Board of Trustees reviews our governance practices regularly and is responsible for overseeing our ESG Strategy and governance philosophy, including Allied's material topics. The Board receives quarterly updates from Management on ESG and an annual presentation from the VP, Corporate Planning & Sustainability. Allied’s ESG Report is reviewed by the Board annually. For more information, see page 48.
	b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization’s material topics, explain the reason for this	Not applicable
2 - 15	a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated	The Trustees have adopted a Code of Business Conduct (the “Code”) applicable to all employees, officers and Trustees of Allied which addresses conflicts of interest, among other things. The Board of Trustees monitors compliance with the Code and Management provides an annual report to the Board regarding issues, if any, arising under the Code. Trustees and senior officers are required to complete a conflict of interest questionnaire annually and all employees officers and Trustees are required to report any conflicts of interest arising in connection with their activities for Allied and any violations or suspected violations of the Code. The Governance, Compensation and Nomination Committee reviews the adequacy of the Code on an annual basis. The Trustees are required to review and approve all material-related party transactions in accordance with the processes and protocols developed by the Governance, Compensation and Nomination Committee. Under the protocol for related party transactions adopted by the Trustees, all Trustees, officers and employees of Allied are required to notify the General Counsel, the CEO or the Chair of Allied regarding any related party transaction of which they become aware. The Board of Trustees reviews all related party transactions, regardless of their value, no less than quarterly. Any related party transaction that has a value that will or may be expected to exceed CAD\$100,000 in any fiscal year shall require the approval or disapproval of the Trustees (or the Independent Trustees or a committee thereof, as applicable), subject to certain limited exceptions. Allied's Code of Business Conduct can be found on our website at: <a href="https://alliedreit.com/wp-content/uploads/2021/06/Code-of-Business-Conduct-v3.pdf">https://alliedreit.com/wp-content/uploads/2021/06/Code-of-Business-Conduct-v3.pdf</a>
	report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: i. cross-board membership ii. cross-shareholding with suppliers and other stakeholders iii. existence of controlling shareholders iv. related parties, their relationships, transactions, and outstanding balances	i. Cross-board membership is reported to unitholders annually in each Management Information Circular of Allied. ii. There is no cross-shareholding to report. iii. The existence of controlling unitholders, if any, is reported to Unitholders no less than annually in each Management Information Circular of Allied. iv. Material related party transactions, including outstanding balances, are reported to Unitholders in the notes to the financial statements for each quarterly and annual period.



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
GOVERNANCE		
2 - 16	a. describe whether and how critical concerns are communicated to the highest governance body	Allied has an open process for Unitholders to contact the Board of Trustees, including the chairs of the Board committees, by mail or e-mail to the Chair of the Board. The mailing address and e-mail address are included no less than annually in each Management Information Circular of Allied. The Chair reports to the Governance, Compensation and Nomination Committee and the Board of Trustees with respect to all communications with Unitholders. Senior executives provide, at a minimum, quarterly updates to the Board of any concerns that are elevated from our employees.
	b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	There were no critical concerns communicated to the Board during the reporting period.
2 - 17	a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	As an owner and operator of over 200 properties across Canada, building and operating climate resilient buildings is an integral part of our sustainable development. 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. 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. The Board expressed interest in receiving ongoing updates on the actions being taken to evaluate climate risk and support the development of Allied's <b>Net Zero Carbon Plan</b> . To advance knowledge of climate-related governance and increase engagement among our Trustees, we partnered with the Canada Climate Law Initiative as specialists in climate risk who delivered an education session for Allied's Board in December 2021.
2 - 18	a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people	The Board is responsible for monitoring Allied's ESG Strategy and evaluates the overall ESG performance of our organization through third-party assessments and frameworks that evaluate Allied's impacts on the economy, environment and/or people. The Board reviews the assessment scores from ISS, Board Games, GRESB, our User Engagement Survey and Employee Engagement Survey at least annually. Our 2021 performance and scores for ISS, Board Games and GRESB can be found on page 53. Highlights from our User Engagement Survey can be found on page 39 and highlights from our Employee Engagement Survey can be found on page 29. On an annual basis, the Board evaluates their own governance, performance and issue prioritization by completing a Board Effectiveness Survey.
	b. report whether the evaluations are independent or not, and the frequency of the evaluations	
	c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices	To drive continuous improvement of our impacts on the economy, environment and people, Allied's Board adopted a formal ESG Policy in December 2021. To advance knowledge of climate-related governance and increase engagement of the Board, we partnered with the Canada Climate Law Initiative who provided an education session for Allied's Board in December 2021. See disclosure 2-10 for information related to Trustee evaluations and selection.
2 - 19	a. describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay ii. sign-on bonuses or recruitment incentive payments iii. termination payments iv. clawbacks v. retirement benefits	<b>Executives</b> i. Fixed compensation for senior executives is comprised of base salary, which is set annually, generally with reference to competitive base salaries for peer companies, taking into consideration each individual's contributions to Allied's success, tenure in the job and internal equities among positions. Variable compensation for senior executives is comprised of (i) an annual cash incentive bonus depending upon the achievement of individual performance goals and short-term corporate performance goals of Allied and (ii) equity based long-term incentive compensation. The proportion of total pay delivered through "at risk" performance-based compensation increases directly with the senior executives' level of responsibility at Allied. Similarly, the proportion of equity-based compensation also increases directly with the executives' level within Allied. The Governance, Compensation and Nomination Committee believes this ensures that the senior executives are held most accountable for achievement of critical strategic and operating performance goals and for changes in Unitholder value. In addition, the Governance, Compensation and Nomination Committee believes that this mix and weighting aligns the interests of senior executives with those of the Unitholder, provides significant incentives for superior performance and assists in keeping Allied competitive in the market for high-quality executives. ii. Sign-on bonuses and recruitment incentive payments are considered on a case-by-case basis. No such payments were made to senior executives in 2021. iii. The employment contract with the CEO provides for notice periods, termination payments and accelerated vesting and release of equity compensation in the event that his employment terminates in certain circumstances, which differs from other employees. Agreements with the CFO and COO provide for termination payments in the event of the termination of employment without just cause within 18 months of a change of control of Allied. iv. Allied has adopted a compensation claw-back policy for each executive officer of Allied whereby the Board of Trustees may require reimbursement of annual incentive bonus and equity based compensation by the executives in certain circumstances. v. Allied provides up to 5% of a senior executive's base salary for registered savings programs. <b>Trustees</b> i. For 2021, Trustees received an annual retainer of \$52,500 and \$52,500 in equity based compensation. In addition, the Chair of the Board received \$45,000, the Chair of the Audit Committee received \$25,000 and the Chair of the Governance, Compensation and Nomination Committee received \$10,000, in each case as an annual retainer for their services in these roles. Trustees were also able to elect to receive all or a portion of their compensation as equity compensation rather than cash. For Trustees, a- ii, iii, iv and v are not applicable.
	b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people	<b>Executives</b> In 2021, the annual incentive bonuses of each of the senior executives was based, in part, on performance against four corporate ESG objectives, including employee engagement, user (i.e., tenant) satisfaction, and Allied's equity, diversity and inclusion ("EDI") priorities set out in Allied's <b>EDI Roadmap</b> . In addition, the annual incentive bonuses of certain senior executives was based, in part, on performance against individual ESG objectives. For more information see page 47 in the Report. <b>Trustees</b> For Trustees, compensation is not linked to objectives or performance.



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
GOVERNANCE		
2 - 20	a. describe the process for designing its remuneration policies and for determining remuneration, including: i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives	i. The Governance, Compensation and Nomination Committee is responsible for making recommendations for approval by the Trustees with respect to compensation plan design and the remuneration of the senior executives of Allied. ii. Unitholders have an opportunity to have a say on Allied’s approach to executive compensation through a non-binding advisory vote, commonly known as “Say-on-Pay”, at each annual meeting of Unitholders. This vote gives Unitholders an opportunity to either endorse or not endorse Allied’s approach to its executive compensation programs and policies and forms an important part of the process of engagement between Unitholders and the Board of Trustees on executive compensation. While this vote is advisory and non-binding, the Governance, Compensation and Nomination Committee and the Board will consider the result, together with feedback received from other Unitholder engagement activities, in future compensation planning. Unitholders are also invited to contact the Chair of the Board of Trustees directly by mail or by e-mail if they have any comments or questions about Allied's approach to executive compensation. iii. To ensure that executive pay programs are competitive, Allied assesses compensation levels compared to the marketplace on a regular basis. The Governance, Compensation and Nomination Committee retains an independent compensation consultant on a biennial basis to conduct a comprehensive compensation review and to evaluate the competitiveness of Allied’s executive compensation programs relative to its peer group and the appropriateness of Allied’s executive and trustee compensation levels and design. In interim years, Allied may also retain a compensation consultant on an ad hoc issue-specific basis. In 2021, the Governance, Compensation and Nomination Committee engaged an independent compensation advisor to conduct a comprehensive review of its executive compensation program, incentive plan design, trustee compensation and peer group design for benchmarking pay and performance. The compensation advisor is independent of Allied, the Board of Trustees and senior executives.
	b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable	Allied issued a press release and discloses the voting results of the Say-on-Pay resolution, and any Unitholder proposals, if applicable, as a part of its report on voting results for each annual meeting of Unitholders. Allied also discloses the results of the Say-on-Pay resolution in the management information circular for the following year's annual meeting of Unitholders. At the 2021 annual meeting of Unitholders, 84.77% of the proxies received voted “For” the Say-on-Pay resolution.
2 - 21	a. report the ratio of the annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	Ratio is 50:1 • Total Compensation for Highest Paid Employee (CEO): \$4,113,447 • Median Total Compensation (excluding the CEO): \$82,975 (ratio is 50:1)
	b. report the ratio of the percentage increase in annual total compensation for the organization’s highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	Ratio is 6:1 • CEO annual total compensation increased by 40% in 2021 due to a one-time decrease in 2020 • Median % increase: 6.4%
	c. report contextual information necessary to understand the data and how the data has been compiled	The substantial increase in CEO annual total compensation in 2021 is a result of a one-time substantial decrease in CEO compensation in the previous year (2020) primarily to align executive compensation with Unitholder return. The increase in 2021 CEO annual total compensation represents a return to 2019 compensation levels.
STRATEGY, POLICIES AND PRACTICES		
2 - 22	a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development	Letter from CEO on page 3.
2 - 23	a. describe its policy commitments for responsible business conduct, including: i. the authoritative intergovernmental instruments that the commitments reference ii. whether the commitments stipulate conducting due diligence iii. whether the commitments stipulate applying the precautionary principle iv. whether the commitments stipulate respecting human rights	a. The Trustees have adopted a Code of Business Conduct (the “Code”) applicable to all employees, officers and Trustees of Allied which addresses, among other things, health and safety, privacy, conflicts of interest and following the law, including environmental, employment, safety and anti-corruption laws, and prohibits the payment of bribes. i. None ii. Yes. The Code provides that managers must be diligent in looking for indications that unethical or illegal conduct has occurred. Anyone having a concern about unethical or illegal activities is expected to inform their manager and take appropriate and consistent action. iii. No iv. Our Code includes a commitment to protecting individual rights under Proprietary Information section. The Code of Business Conduct can be found on our website at: <a href="https://alliedreit.com/wp-content/uploads/2021/06/Code-of-Business-Conduct-v3.pdf">https://alliedreit.com/wp-content/uploads/2021/06/Code-of-Business-Conduct-v3.pdf</a>
	b. describe its specific policy commitment to respect human rights, including: i. the internationally recognized human rights that the commitment covers ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment	Allied is committed to meet or exceed respect to human rights under applicable Canadian Law including The Canadian Human Rights Act, The Canada Labour Code and The Fair Wages and Hours of Labour Act. Allied is also committed to meet or exceed human rights laws within the jurisdictional areas where we own and operate buildings, including the BC Human Rights Code, Alberta Human Rights Act, Ontario Human Rights Code and Quebec's Charter of Human Rights and Freedoms.
	c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this	<a href="https://alliedreit.com/wp-content/uploads/2021/06/Code-of-Business-Conduct-v3.pdf">https://alliedreit.com/wp-content/uploads/2021/06/Code-of-Business-Conduct-v3.pdf</a>
	d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level	The Board of Trustees, which is the most senior level of the organization, has adopted the Code of Business Conduct.
	e. report the extent to which the policy commitments apply to the organization’s activities and to its business relationships	All of Allied's business activities are guided by our Code of Business Conduct.
	f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties	All employees must review and certify compliance with our Code of Business Conduct annually.



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
STRATEGY, POLICIES AND PRACTICES		
2 - 24	a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: i. how it allocates responsibility to implement the commitments across different levels within the organization ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures iii. how it implements its commitments with and through its business relationships iv. training that the organization provides on implementing the commitments	The Code of Conduct is embedded within our hiring process and employees certify compliance with it annually. All policies developed are anchored in our Code of Business Conduct.
2 - 25	a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to	Allied does not have a formal organizational remediation process, but we are committed to properly remedy negative impacts that our business operations may cause or contribute to in accordance with the laws of Canada and the provinces in which we operate.
	b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in	
	c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;	
	d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms	
	e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback	
2 - 26	a. describe the mechanisms for individuals to: i. seek advice on implementing the organization’s policies and practices for responsible business conduct ii. raise concerns about the organization’s business conduct	<ul style="list-style-type: none"><li>• Allied has a formal Whistleblower Policy in place <a href="https://alliedreit.com/wp-content/uploads/2022/01/10-Whistleblower-Policy-1.pdf">https://alliedreit.com/wp-content/uploads/2022/01/10-Whistleblower-Policy-1.pdf</a>.</li><li>• Allied also has an open-door culture and encourages employees to raise any concerns through Management. Allied's leadership team is committed to attending regular site visits to ensure face time and urge any site-specific concerns to be raised during these visits.</li></ul>
2 - 27	a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: i. instances for which fines were incurred ii. instances for which non-monetary sanctions were incurred	No fines for instances of non-compliance with laws and regulations noted in the current nor previous reporting periods.
	b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	
	c. describe the significant instances of non-compliance	
	d. describe how it has determined significant instances of non-compliance.	
2 - 28	a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.	Allied is an active partner in industry associations including BOMA, ULI, NAOIP and CREW.



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
STRATEGY, POLICIES AND PRACTICES		
2 - 29	a. describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified ii. the purpose of the stakeholder engagement iii. how the organization seeks to ensure meaningful engagement with stakeholders	<p>Stakeholder engagement is fundamental to our approach to ESG and business philosophy. We actively engage our key stakeholders to ensure satisfaction and to support our financial and ESG performance objectives.</p> <p><b>Investor Engagement</b></p> <ul style="list-style-type: none"><li>• Regular investor presentations and one-on-one meetings</li><li>• Annual General Meeting</li><li>• Quarterly earnings calls including Q&amp;A with CEO, CFO, COO and EVP, Development</li><li>• Press releases announcing significant business developments</li><li>• TCFD, GRI, SASB and UN SDG-aligned disclosures for cross-industry comparison</li></ul> <p><b>User Engagement</b></p> <ul style="list-style-type: none"><li>• <b>User Engagement Program</b> led by our Portfolio Operations Team since 2015</li><li>• Annual third-party user satisfaction assessment</li><li>• Regular meetings with users to maintain ongoing communication and feedback</li><li>• Hosting user appreciation events, such as summer BBQs, holiday breakfasts or educational events including composting or beehive workshops. 25-50% of our tenants attended events focused on increasing ESG awareness</li></ul> <p><b>Employee Engagement</b></p> <ul style="list-style-type: none"><li>• Annual third-party employee engagement survey</li><li>• Training and educational opportunities, including the development and roll-out of the <b>Allied Academy</b></li><li>• Annual performance reviews</li><li>• On-boarding orientation</li><li>• Intranet site for internal communications</li><li>• Whistleblower hotline</li><li>• Internal committees, such as the <b>Equity, Diversity and Inclusion Committee</b> and the <b>Make Room for the Arts Committee</b></li><li>• Regular town hall meetings and e-mail communications from the CEO</li></ul> <p><b>Community Engagement</b></p> <ul style="list-style-type: none"><li>• <b>Make Room for the Arts</b> program and <b>Allied Music Centre</b></li><li>• Sponsorship and in-kind support for regional community events</li><li>• Interaction with communities throughout the development process e.g., town hall meetings</li><li>• Strategic partnerships with charities, NGOs and community partners for specific projects</li></ul>
2 - 30	a. report the percentage of total employees covered by collective bargaining agreements	0% of employees covered by collective bargaining agreements.
	b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	Not applicable



# GRI Table

## GRI 3: Material Topics 2021

DISCLOSURES	DESCRIPTION	RESPONSE
STRATEGY, POLICIES AND PRACTICES		
3 - 1	a. describe the process it has followed to determine its material topics, including: i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships ii. how it has prioritized the impacts for reporting based on their significance	<p>The ESG topics listed on page 11 are deemed material as identified by our evidence-based materiality assessment and extensive stakeholder engagement process, which is described on page 59 of this report. Materiality was determined by evaluating the significance of Allied's impact on that topic as well as the perceived importance of the topic to stakeholders. When we refer to the significance of Allied's impact, this means our ability to have a significant economic, environmental and/or human impact, both positive and negative. The significance of our impact was determined by in-depth reviews of relevant industry standards, legislation where we own and operate buildings and international disclosure frameworks. Perceived importance was determined based on stakeholder feedback from an employee-wide survey (64% response rate), one-on-one interviews with seven members of the Allied leadership team and in-depth interviews with 12 external stakeholders.</p> <p>Ten topics were deemed material to Allied; we refer to these as our priority ESG topics. The impact of Allied's business activities for each priority topic form the basis of our ESG Strategy and annual ESG reporting. Economic, environmental and human impacts, both positive and negative, are integrated within the disclosures for our priority topics. Specific and measurable environmental impacts are explicitly disclosed within the Energy &amp; GHG Emissions, Water and Waste Management sections pages 17, 19 and 21 respectively. Human impacts are taken into account within the Equity, Diversity &amp; Inclusion and Health, Wellbeing &amp; Safety sections of this report pages 31 and 35 respectively.</p>
	b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	<ul style="list-style-type: none"><li>• 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.</li><li>• An employee-wide survey to understand Allied's ESG priorities. The survey achieved a 64% response rate.</li><li>• 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.</li></ul>
3 - 2	a. list its material topics	<ol style="list-style-type: none"><li>1. Energy management</li><li>2. GHG emissions reduction</li><li>3. ESG disclosure &amp; transparency</li><li>4. Health, wellbeing &amp; safety</li><li>5. Climate change adaptation</li><li>6. Climate-related risk management</li><li>7. Equity, diversity &amp; inclusion</li><li>8. Sustainable design standards</li><li>9. Waste management</li><li>10. Water management</li></ol> <p>Page 11 of this report</p>
	b. report changes to the list of material topics compared to the previous reporting period.	None
3 - 3	a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;	<ol style="list-style-type: none"><li>1. Energy management (GRI 302: Energy), page 17 in ESG Report</li><li>2. GHG emissions reduction (GRI 305: Emission) page 17 in ESG Report</li><li>3. Waste management (GRI 306: Waste), page 21 in ESG Report</li><li>4. Water management (GRI 303: Water &amp; Effluents), page 19 in ESG Report</li><li>5. Sustainable design standards</li><li>6. Climate change adaptation</li><li>7. Equity, diversity &amp; inclusion (GRI 405: Diversity &amp; Equal Opportunity, GRI 406: Non-Discrimination)</li><li>8. Health, wellbeing &amp; safety (GRI 403: Occupational Health &amp; Safety), page 35 in ESG Report</li><li>9. Climate-related risk management</li><li>10. ESG disclosure &amp; transparency</li></ol> <p>For more information on our impact, see page 59.</p>
	b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships	
	c. describe its policies or commitments regarding the material topic	
	d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation iii. actions to manage actual and potential positive impacts	
	e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions ii. goals, targets, and indicators used to evaluate progress iii. the effectiveness of the actions, including progress toward the goals and targets iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures	
	f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective(3-3-e).	



# GRI Table

## GRI 300-400: Topic Disclosures

DISCLOSURES	DESCRIPTION	RESPONSE
ENVIRONMENTAL		
302: Energy 2016	302-1: Energy consumption within the organization	<p>a. Total fuel from non-renewable sources (in joules or multiples):</p> <ul style="list-style-type: none"><li>• 2020: 116,627 MWh or 419,857 GJ (Converted using Measurabl's conversion factor of 0.27777778)</li><li>• 2021: 122,739 MWh or 441,860 GJ (Converted using Measurabl's conversion factor of 0.27777778)</li></ul> <p>• Fuel type used: Natural gas</p> <p>b. Total fuel consumption within the organization from renewable sources:</p> <ul style="list-style-type: none"><li>• 2021: 0 MWh</li></ul> <p>c. Total electricity and district (which include heating, cooling, steam consumption) in watt hours or multiples:</p> <ul style="list-style-type: none"><li>• 2020 Electric: 297,863 MWh      • 2021 Electric: 297,735 MWh</li><li>• 2020 District: 63,309 MWh      • 2021 District: 64,236 MWh</li></ul> <p>d. Total electricity sold:</p> <ul style="list-style-type: none"><li>• 2021: 91 MWh</li></ul> <p>e. Total energy consumption for organization:</p> <ul style="list-style-type: none"><li>• 2020: 477,661 MWh</li><li>• 2021: 484,730 MWh</li></ul> <p>f. Numbers represent absolute consumption (total for all sites in reporting year) directly taken from Measurabl's 2021 GRESB Report Data Summary, where emission factors are based on 2022 Canadian National Inventory Report (NIR), with the exception of emissions from district energy systems where emissions factors are available from local utilities and used in lieu of default emission factors from Measurabl.</p> <ul style="list-style-type: none"><li>• In 2021, Allied's energy data coverage is 95%.</li></ul> <p>g. Numbers converted where required using Measurabl's conversion factors.</p>
	302-3: Energy Intensity	<p>a. Energy intensity ratio for the organization using absolute energy:</p> <ul style="list-style-type: none"><li>• 2020: 27 kWh/ft² (represents 94% of portfolio coverage)</li><li>• 2021: 28 kWh/ft² (represents 96.56% of portfolio coverage)</li></ul> <p>b. Organization-specific metric chosen to calculate the above ratio: Total portfolio floor area: 17,840,036 ft²</p> <p>c. Types of energy included in the intensity ratio: electricity, natural gas, district hot water, district chilled water, district steam.</p> <p>d. The ratio only uses energy consumption within the organization.</p>
303: Water & Effluents 2018	303-5: Water consumption	<p>a. Total water consumption:</p> <ul style="list-style-type: none"><li>• 2020: 635,403 m³</li><li>• 2021: 636,482 m³</li></ul> <p>b. Total water consumption from all areas with water stress:</p> <ul style="list-style-type: none"><li>• 2021: 66,487 m³</li></ul> <p>c. Not applicable, water storage has not been identified as having a significant water-related impact.</p> <p>d. All water is from municipal water supply. No estimations or assumptions are used.</p>
305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	<p>a. Gross Scope 1 GHG Emissions:</p> <ul style="list-style-type: none"><li>• 2020: 19,587 tCO<sub>2</sub>e</li><li>• 2021: 20,157 tCO<sub>2</sub>e</li></ul> <p>b. Gases included in calculation: Carbon Dioxide (CO<sub>2</sub>), Nitrous Oxide (N<sub>2</sub>O) and methane (CH<sub>4</sub>). Scope 1 emissions include emissions attributable to burning of natural gas.</p> <p>c. Not applicable - our energy supply does not include combustion of organic material.</p> <p>d. Allied's base year is 2019. Total scope 1 emissions in 2019 was 20,526 tCO<sub>2</sub>e.</p> <p>e. Allied utilizes Measurabl, which uses emission factors from 2022 Canadian National Inventory Report (NIR). Measurabl uses industry standard emission factors across fuels and global regions, and these emission factors include lifecycle emissions from energy generation.</p> <p>f. Consolidation approach as defined in Allied's reporting boundary.</p> <p>g. See (e.), Allied utilizes Measurabl. No estimations or assumptions used.</p>



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
ENVIRONMENTAL		
305: Emissions 2016	305-2: Energy indirect (Scope 2) GHG emissions	<p>a. Gross Scope 2 GHG emissions:</p> <ul style="list-style-type: none"><li>• 2020: 20,106 tCO<sub>2</sub>e*</li><li>• 2021: 18,597 tCO<sub>2</sub>e*</li></ul> <p>*both 2020 and 2021 emission factors include using local district energy emission factors from local district energy utility providers, where available.</p> <p>b. Not applicable as Allied does not consume gross market-based energy.</p> <p>c. Gases included in calculation: Carbon Dioxide (CO<sub>2</sub>), Nitrous Oxide (N<sub>2</sub>O) and Methane (CH<sub>4</sub>). Scope 2 emissions include emissions attributable to consumption of electricity and district energy.</p> <p>d. Allied's base year is 2019. Total scope 2 emissions in 2019 was 21,672 MTCO<sub>2</sub>e</p> <p>e. Allied utilizes Measurabl, which uses emission factors from 2022 Canadian National Inventory Report (NIR). Measurabl uses industry standard emission factors across fuels and global regions, and these emission factors include lifecycle emissions from energy generation.</p> <p>f. Consolidation approach as defined in Allied's reporting boundary.</p> <p>g. See (e.), Allied utilizes Measurabl. No other estimations or assumptions are used, with the exception of emissions from district energy systems where emissions factors are available from local utilities and used in lieu of default emission factors from Measurabl.</p>
	305-4: GHG emissions intensity	<p>a. GHG emissions intensity:</p> <ul style="list-style-type: none"><li>• 2020: 2.55 kgCO<sub>2</sub>e</li><li>• 2021: 2.56 kgCO<sub>2</sub>e</li></ul> <p>b. Organization-specific metric used to calculate the ratio: 17,857,133 ft² (Total portfolio floor area)</p> <p>c. Type of GHG emissions included in the ratio: Scope 1 and Scope 2</p> <p>d. Gases included in calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O</p>
306: Waste 2020	306-1: Waste generation and significant waste-related impacts	<p>Refer to page 21 in this ESG Report.</p> <p>Detailed description of type of waste generated through operations:</p> <p>Total waste collected is the weight in metric tons 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, concrete. Hazardous waste includes printer/toner cartridges, batteries, electronic waste, fluorescent lamps. Several of Allied's assets do not have any associated waste data because the waste is picked up by the local municipality and it does not provide waste data, or the waste is managed by a single tenant, for example residential dwellings, restaurants and bars and 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. In 2021, waste data coverage was 83% across the portfolio.</p>
	306-2: Management of significant waste-related impacts	<p>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 re-purposing these historical structures. We preserve these assets without compromise to character by upholding high design standards and replacing infrastructure with modern and efficient technology.</p> <p>In accordance with our User Construction Manual, the below outlines our policy on construction waste management practices:</p> <p>Construction and demolition work should be planned and managed in accordance with the Building's Construction Waste Policy and should incorporate the following practices:</p> <p>a) Reduce the materials brought to the site to the minimum required to complete the work and to the minimum required to package and transport the material.</p> <p>b) Re-use material where appropriate on renovations or changes to existing work.</p> <p>c) Recycle material by separation of recyclable material and diverting it to an appropriate recycling facility.</p> <p>d) Adhere to Canadian Environmental Protection Act, 1999 (S.C. 1999, c.33), Waste Audits &amp; Waste Reduction Work Plans (O.R. 102/94) and Industrial, Commercial &amp; Institutional Source Separation Programs (O.R. 103/94).</p> <p>e) Tenant's contractors shall provide confirmation of proper disposal of construction waste in keeping with local regulations and guidelines.</p> <p>b. Allied's waste hauling practices must comply with all local regulatory requirements and performance standards. Allied conducts e-waste take back programs at some of our properties where electronic waste is recycled and diverted from landfill. Larger properties have an area to store collection until it's ready to be disposed. Allied's current providers, Aevitas, Quantum Recycling and Bulb Eater, are available at our larger properties, which allows us to properly dispose of e-waste and hazardous materials from landfill. We also receive building-level diversion reports from our waste haulers that feed into benchmarking and tracking waste data. Allied also leads educational campaigns for employees and our users. In 2019, we overhauled our waste management program to introduce multi-stream mixed recycling and conducted multiple training sessions with our tenants.</p> <p>c. 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. All contractor personnel must comply with the rules and regulations applicable to each property.</p> <p>Allied also imposes specific requirements within our waste and recycling contracts to ensure the waste haulers manage waste adequately, responsibly and in a first-class manner. Examples of such requirements include but are not limited too:</p> <ul style="list-style-type: none"><li>• 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.</li><li>• The contractor must colour code waste and recycling bins/totes by stream: waste (black), paper/cardboard (grey), organics (green), cans/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.</li><li>• The contractor must provide a monthly diversion report in Excel format 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.</li></ul> <p>d. Waste haulers must provide waste diversion reports for each property on a monthly-basis, summarizing waste stream results for the current month and the same month from previous years. This data is compiled and recorded within ENERGY STAR Portfolio Manager (a centralized database for energy, water and waste data) on behalf of Allied by a third-party waste consultant. To ensure accurate waste data was collected, Allied conducts third-party data verification. Since Allied began reporting its ESG performance, no material discrepancies, errors or omissions were noted. We are currently developing and implementing additional strategies and resources to achieve our 2024 waste diversion target of 64%.</p>



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
ENVIRONMENTAL		
306: Waste 2020	306-3: Waste generated	<p>a. Total waste generated:</p> <ul style="list-style-type: none"><li>• Hazardous: 2020: 60 t 2021: 21 t</li><li>• Non-Hazardous: 2020: 4,274 t 2021: 3,856 t</li></ul> <p>Breakdown by Disposal Route:</p> <ul style="list-style-type: none"><li>• Landfill: 2020: 2,333 t 2021: 2,060 t</li><li>• Composted: 2020: 356 t 2021: 389 t</li><li>• Recycled: 2020: 1,645 t 2021: 1,428 t</li></ul> <p>b. Waste haulers provide Allied with monthly diversion reports for our records. The data is compiled and recorded in ENERGY STAR Portfolio Manager (a centralized database for energy, water and waste data) on behalf of Allied by a third-party waste consultant.</p>
SOCIAL		
403: Occupational Health & Safety 2018	403-1: Occupational health and safety management system	Allied has an occupational health and safety management system that meets and exceeds provincial and federal occupational health and safety requirements including policy; roles and responsibilities; hazard recognition, reporting and assessment; health and safety committees; workplace inspections; training; injury and incident investigations. The components of the health and safety management system comply with the Ontario Occupational Health and Safety Act, Quebec's Act Respecting Occupational Health and Safety, Alberta's Occupational Health and Safety Act and British Columbia's Occupational Health and Safety Regulation. This occupational health and safety management system applies to all of Allied's employees, contractors and visitors across all sites owned and managed by Allied.
	403-2: Hazard identification, risk assessment, and incident investigation	<p>Allied has specific occupational health and safety policies and programs to support the identification, assessment and resolution of workplace hazards. These policies and programs include training all Allied staff, contractors and stakeholders on reporting workplace hazards using the hazard reporting form and building incident reports. Allied also trains and certifies members of the Allied Health and Safety Committee on their legislated roles and responsibilities. These reports are reviewed by Allied supervisors and management to identify root causes of the hazards, and to identify corrective actions and trends across the organization. In 2021, Allied developed and implemented a formal risk management program based on the ISO 31000:2018 risk management framework. Through this program, Allied has identified all occupational health, safety and security risks as they apply to our employees, contractors and the users of our properties. In 2022, this program will be expanded to further capture all environmental and climate-related risks as they pertain to our operations. In 2021, Allied implemented a process to uncover all health, safety and security hazards for new acquisitions to ensure that properties brought under Allied management meet or have plans to meet the organization's standards as they relate to employee, contractor and user health and safety.</p> <p>Allied's Hazard Reporting Policy and Health and Safety Policy state that it is the responsibility of all employees, contractors and visitors to report workplace hazards to the organization. Management is committed to formally responding to all hazard reports, observations and recommendations in no more than 21-days. Employees are encouraged to report hazardous workplace situations and are encouraged to do so in order to continuously improve the organization's health and safety program. Those reporting workplace hazards are protected from reprisals by the organization for utilizing their fundamental labour rights.</p> <p>All Allied employees and contractors are protected from workplace reprisals for refusing to work in a situation or perform work that could or would result in injury, illness or more serious consequences. Allied has a formal Refusal to Work Policy that is consistent with federal and provincial legislation ensuring the rights of all workers to refuse unsafe work. All work refusals are investigated by the employee's manager, a worker representative of the Allied Health and Safety Committee and senior management as appropriate. In the event that an agreement to resolve the hazard cannot be reached internally, a member of the senior management team will contact the local provincial labour ministry to have an inspector attend the workplace and provide support in resolving the concern.</p> <p>Workplace incident investigations are initiated with the employee or contractor and their supervisor completing an incident report and submitting it to the local Allied Health and Safety Committee and Talent Team. The supervisor, with the support of senior management and relevant subject matter experts, will complete a root cause analysis to determine the actions needed to prevent recurrences, focusing first on eliminating the hazard, and if not possible, finding a sufficient substitution. If neither of these options are practical or possible, appropriate engineering controls followed by administrative controls will be considered. Additional personal protective equipment is considered as a last resort to protect employees and contractors from future recurrences. All recommendations determined as a result of the root cause analysis are reviewed by senior management and the local Allied Health and Safety Committee for alignment prior to implementation.</p>
	403-3: Occupational health services	Allied maintains first aid stations that meet or exceed provincial requirements in all buildings under our management, and has Allied personnel trained in first aid. Noise level assessments are completed where there is a potential for noise levels to exceed provincial requirements to ensure adequate protection for Allied workers and contractors. Allied maintains the ability to complete workplace ergonomic assessments and since the start of the COVID-19 pandemic, each building has been equipped with signage and hand sanitation stations. Personnel have been provided with training on hand hygiene practices and equipped with enhanced filtration, medical grade masks and personal hand sanitizer. In 2021, Allied started a voluntary COVID-19 rapid testing program to allow employees and third-party service providers in Allied buildings to screen for COVID-19 prior to coming to work. This program has allowed Allied to successfully maintain operations and prevent the spread of the virus in the workplace.
	403-4: Worker participation, consultant, and communication on occupational health and safety	Allied has three formal joint management-worker health and safety committees to provide employees with direct means of participation in Allied's health and safety programs across the country. The committees are comprised of at least four members representing management and workers, and are chaired jointly by worker and management representatives. Our committees are empowered to identify risks and hazards, to develop solutions and to make recommendations to senior management for final decision. The committees actively participate in the review and identification of workplace health and safety training, incident investigations and occupational health testing within our buildings and workspaces. The committees, like all employees, are protected from reprisals for reporting and communicating workplace risks and hazards as per Allied's policy. Each committee meets a minimum of once every three months, but has initiated a continuous improvement program to increase this frequency to monthly.
	403-5: Worker training on occupational health and safety	Occupational Health and Safety training is offered to Allied employees through two primary channels - online, which we utilize for annual and new hire compliance training, and in-person by a qualified third-party trainer for hazard-specific or hands-on training. All training provided to Allied personnel is offered during standard working hours and requires the individuals to complete a competency test to ensure they have gained the required knowledge to be effective. All new hires are required to complete Occupational Health and Safety online training and the Operations Team is required to complete the training annually.



# GRI Table

DISCLOSURES	DESCRIPTION	RESPONSE
SOCIAL		
403: Occupational Health & Safety 2018	403-6: Promotion of worker health	<p>a. Allied uses accredited third parties to provide occupational health services to its employees. Our Employee Assistance Program (EAP), LifeWorks, provides health and wellness resources and confidential support and is accessible at all times. Where Allied is informed of confidential health information regarding an employee, this information is held within the Talent Team to ensure that all private material is kept strictly confidential. Any employee can access the EAP 24-hours a day, seven-days a week by phone, e-mail or chat. A mobile phone application is available by our service provider so that employees can conveniently and privately get access to health and wellbeing information, services and support. In addition to the EAP, Allied offers all full-time and permanent employees an extended benefits program, in partnership with Manulife. The program covers various health expenses and provides subsidized medical, vision, dental, long-term disability and life insurance.</p> <p>b. Allied offers an optional Wellness Spending Account for reimbursement of fitness and/or wellness related expenses to promote health and provides up to four education sessions per year on a variety of health and wellness topics, including mental health and financial items. Allied also provides six personal days to each employee annually to allow them to have time away from work for medical, vision, dental or other personal appointments to support their health and wellbeing.</p>
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Allied has a contractor management and permit to work program that is used to ensure that work being performed by third parties meets Allied's minimum requirements and expectations as it relates to that organization's workers' health and safety. For contractor management, the guidelines are provided to third-party service providers during the contracting process. Permits are required by Allied when high hazard work is being performed. Allied must also provide authorization prior to commencement, especially during construction projects. To ensure the health and safety of building users, Allied completes frequent inspections of common areas to ensure they are free of hazards and that all systems associated with occupant health and wellness are functioning as intended. In 2021, Allied started to complete building audits to review the level of conformance with Allied policies and procedures conducted by our service providers. Where opportunities for improvement exist, we complete root cause analysis to ensure appropriate corrective and preventative actions are identified. As outlined above, Allied also initiated a COVID-19 rapid testing program. All employees, including third-party service providers, such as our janitorial and security partners, participate. The testing helps to ensure that positive COVID-19 cases are identified prior to entering the workplace to maintain a safe and healthy environment for all employees and users.
405: Diversity & Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	<p>a. Executives and Vice Presidents</p> <p>i. 31% F / 69% M</p> <p>ii. 56% 30-50 / 44% over 50</p> <p>iii. No other indicator</p> <p>b. All employees</p> <p>i. 44% F / 56% M</p> <p>ii. 19% under 30 / 55% 30-50 / 26% over 50</p> <p>iii. No other indicator</p>
GRI 406: Non-Discrimination 2016	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, 2021 to December 31, 2021 as presented in Allied’s Environmental, Social and Governance Report and 2022 GRESB Real Estate Assessment response.

### QUINN & PARTNERS RESPONSIBILITIES

Quinn & Partners conducted a verification of Allied’s 2021 energy, water, waste and GHG emissions statements to a limited level of assurance in accordance with ISO 14064-3:2019<sup>1</sup>. The verification ensures that the inventory conforms to the requirements and principles of the *GHG Protocol Corporate Accounting and Reporting Standard*<sup>2</sup> and aligned with *ISO 14064-1:2018*<sup>3</sup>. 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 2021 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’ 2021 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 steam
- Other indirect GHG emissions (Scope 3) – energy use in tenant areas when available<sup>4</sup>

### ENERGY, WATER AND WASTE

- Total energy, 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 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 ISO 14064-1:2018 and the GHG Protocol 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 and implements quality-checking processes to reduce the impact they may have on the accuracy of the resulting statements.

### OUR CONCLUSIONS

Quinn & Partners conducted a verification of Allied’s 2021 energy, water, waste and GHG emissions statements for the reporting year from January 1, 2021 to December 31, 2021 to a limited level of assurance. The verification proceedings were conducted to reflect actual reported performance data for the portfolio, wherever property-level data was provided. It does not include unreported or estimated data for missing data or properties. 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.

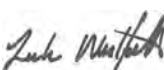
### ATTESTATION



BRENDAN ROBBINS  
VERIFIER  
QUINN & PARTNERS INC.  
JUNE 10, 2022



DANIEL PASS, GHG-IQ  
LEAD VERIFIER  
QUINN & PARTNERS INC.  
JUNE 10, 2022



LUKE WESTFALL, P.ENG  
INDEPENDENT REVIEWER  
QUINN & PARTNERS INC.  
JUNE 10, 2022

### CLIENT’S ATTESTATION

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



EDMUND WONG  
ALLIED’S REPRESENTATIVE

JUNE 10, 2022

DATE

1. ISO 14064-3:2019 - Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statement

2. The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (World Resources Institute/World Business Council - Revised Edition)

3. ISO 14064-1:2018 – Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

4. Tenant areas, water use and waste generated in operations correspond to Category 3, Category 12 and Category 5 of the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard





“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

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