Environmental, Social and Governance Report
## Contents

1. Our Foundation
2. Message from our CEO
3. Our Report
4. About Allied
5. 2022 Highlights
6. ESG at Allied
7. ESG Strategy

### Environmental
8. Net Zero Carbon Plan
10. Climate Change Adaptation
11. Water Management
12. Waste Management
13. Sustainable Design Standards

### Social
14. Employee Engagement
15. Equity, Diversity & Inclusion (EDI)
16. Health, Wellbeing & Safety
17. User Experience
18. Community Building

### Governance
19. Climate-Related Risk Management
20. ESG Disclosure & Transparency
21. Other ESG Focus Areas

### Appendix
22. Reporting Methodology & Environmental Performance Data
23. Materiality Assessment
24. SASB Table
25. GRI Table
26. Task Force on Climate-related Financial Disclosures (TCFD)
27. United Nations Sustainable Development Goals (UN SDGs)
28. Statement of Assurance
Our Foundation
Our Foundation  Environmental  Social  Governance

Message from our CEO

Over three decades ago, Allied began adaptively re-using space in response to the need for knowledge-based organizations to attract and retain top talent. We grew the portfolio across Canadian cities, consolidating underutilized land while focusing on century-old structures for their inherent appeal and unique character. By re-purposing rather than building new, we demonstrated an intrinsic commitment to the environment. By preserving historical buildings, creating distinctive workspaces and curating unique retail experiences, we contributed to vibrant, amenity-rich neighbourhoods.

At the time, the concept of ESG had yet to take shape, so we were unknowingly practicing the “E” and “S”, and later the “G” when Allied went public in 2003. As ESG issues gained importance in the global conscience, we recognized the value of submitting ourselves to external scrutiny and investing in programs to further our impact. Allied formally applied for its first GRESB assessment in 2019 to benchmark our progress. This marked an important evolution that enabled us to integrate ESG into our operations platform and corporate culture, guiding our decision-making and long-term strategies.

We are committed to our ESG goals, grateful for the support of team members, users, partners and investors that have supported us along the journey. In 2022, we exceeded environmental targets, advanced our Net Zero Carbon Plan, implemented actions in our Equity, Diversity and Inclusion Roadmap and maintained a robust governance framework. Recognizing that the greenest building is often one that already exists, we commit to certifying 70% of our standing portfolio to BOMA and/or LEED in the next five years to continue enhancing the operational performance of our assets. We know that by acting today for a better tomorrow, we can leverage our business activities to generate a positive global impact.

You can read more about our commitments and performance in the following report.

Cecilia C. Williams
President & CEO

Our Report

This report communicates Allied’s ESG Strategy, 2022 ESG performance and some notable achievements in 2023. It also provides data comparisons against our 2019 baseline and discloses progress against our 2024 reduction targets for key environmental metrics.

Every year, we intend to increase our data coverage and enhance the disclosure of our ESG performance metrics. In 2022, we maintained environmental performance at levels similar to 2021, while physical occupancy increased throughout the portfolio.

REPORTING FRAMEWORKS

We have prepared our 2022 ESG Report in accordance with the Global Reporting Initiative (GRI) 2021 Universal Standards, the Sustainability Accounting Standards Board (SASB) Real Estate Standard and 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).

EXTERNAL ASSURANCE

As part of our commitment to providing consistent and accurate data, we submitted all 2022 energy, greenhouse gas (GHG) emissions, water and waste data included in this report for third-party assurance.

APPENDIX

Please see appendices for further details related to our reporting boundaries and methodology, detailed disclosures and alignment with reporting frameworks and our third-party assurance statement.
About Allied

Allied is a leading owner-operator of distinctive urban workspace in Canada’s major cities.

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

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

CORE VALUES
- Respect
- Teamwork
- Creativity
- Focus
- Enthusiasm
- Community

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

**Not including Assets Held for Sale valued at $1.4B and Properties Under Development valued at $1.5B.
2022 Highlights

Outperformed 2024 Reduction Targets

We continued to exceed our 2024 reduction targets for Energy Use Intensity (EUI), Greenhouse Gas Intensity (GHGI) and Water Use Intensity (WUI). In 2022, we maintained environmental performance at levels similar to 2021, while physical occupancy increased throughout the portfolio.

- **Energy Use Intensity (EUI):** 13% ↓ from 2019 baseline
- **Water Use Intensity (WUI):** 31% ↓ from 2019 baseline
- **Greenhouse Gas Intensity (GHGI):** 11% ↓ from 2019 baseline
- **Waste Diversion:** 2% ↑ from 2019 baseline

Developed an Internal Price of Carbon

We established Allied’s shadow price of carbon to support financial analysis and decision-making for all new investments, developments and retrofit opportunities. The shadow price allows us to quantify the impact of carbon to our business by assigning a notional price to every tonne of carbon emitted.

Co-Hosted Indigenous Relations Workshop Series

In June 2022 and March 2023, Allied partnered with ULI Toronto, Shared Path and Westbank to deliver a workshop series for leaders in the industry to advance their understanding of colonization and its impact on Indigenous Peoples, and to start exploring opportunities to collaborate in real estate development.

- **89%** of employees feel people are treated equally regardless of race / ethnicity and gender.
- **75%** of workforce participated in professional development.

Outperformed Peers in User Experience

We will certify an additional 8.1 million sq. ft. to LEED and/or BOMA by 2028, increasing our certification percentage from 27% to 70% across the portfolio.

- **70%** certification target

Improved GRESB Score by Six Points

for our standing investments and seven points for developments compared to 2021, achieving scores of 86 and 82 respectively.

- **2023**

Recognized as a Canadian “Best Employer”

in 2020, 2021 and 2023. Allied’s 2023 engagement score was 75%.
BOARD OF TRUSTEES
Reviews our governance practices regularly and is responsible for overseeing and monitoring our ESG strategy, including the integration of ESG into our overall business strategy. Receives regular updates from Management on ESG and an annual presentation from the VP, Corporate Planning & Sustainability.

BOARD GOVERNANCE, COMPENSATION & NOMINATION COMMITTEE
Develops and monitors Allied’s overall approach to matters of governance. Oversees and monitors ESG performance. Reviews Allied’s ESG Report, ESG Policy and other governance policies and practices and makes comprehensive recommendations to the Board annually.

EXECUTIVE ESG COMMITTEE
Assists Management and the Board in defining, designing, implementing, expanding and evaluating Allied’s ESG Strategy. Meets semi-annually to review all matters related to ESG initiatives, performance and reporting.

CORPORATE PLANNING & SUSTAINABILITY TEAM
Responsible for establishing and reporting Allied’s ESG Strategy and supporting all teams to achieve our ESG objectives.

ASSET & ENVIRONMENTAL SUSTAINABILITY TEAM
Responsible for establishing and executing the environmental performance strategies of Allied’s portfolio, including energy, GHG emissions, water and waste.

DEPARTMENTS & COMMITTEES
Support the execution of Allied’s ESG Strategy and related initiatives.

RESOURCES AND TOOLS
ESG POLICY | CORPORATE ESG METRICS | 2024 REDUCTION TARGETS | ESG STRATEGY | NET ZERO CARBON PLAN | EDI ROADMAP | SUSTAINABLE DEVELOPMENT FRAMEWORK | PHYSICAL CLIMATE RESILIENCE STRATEGY | NATIONAL BUILDING CERTIFICATION STRATEGY

GOVERNANCE

RESOURCES
AND TOOLS

ESG POLICY
CORPORATE ESG METRICS
2024 REDUCTION TARGETS
ESG STRATEGY
NET ZERO CARBON PLAN
EDI ROADMAP
SUSTAINABLE DEVELOPMENT FRAMEWORK
PHYSICAL CLIMATE RESILIENCE STRATEGY
NATIONAL BUILDING CERTIFICATION STRATEGY

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ESG at Allied
In 2021, we completed Allied’s inaugural ESG Strategy to reflect the interests of our key stakeholders, define goals and targets for our ESG priorities and provide a strong framework to support our evolving aspirations. Developing the Strategy encompassed three key actions:

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

In 2022, we reviewed our Materiality Assessment* to ensure that our ESG priorities remained in alignment with our stakeholders and leading market forces. As part of this process, we conducted a desktop review of relevant legislation, sustainability frameworks and peers. We hosted four employee engagement sessions to review current priorities and evaluated investor communications and questionnaires to identify emerging trends and interests. The results of this review demonstrated that our ESG priorities remain in alignment with stakeholder expectations and market demands.

While employees and users 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 15 and 19 respectively.

We continuously evaluate emerging ESG topics and trends. This report describes our work in several areas, including biodiversity, human rights, sustainable procurement and cybersecurity. Over the next year, we will undertake another review of our ESG Strategy to ensure we are consistent with prevailing stakeholder expectations and evolving reporting frameworks.

*Read more about our 2021 Materiality Assessment on page 27.
Environmental

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

- Net Zero Carbon Plan
- Energy Management & GHG Emissions Reduction
- Climate Change Adaptation
- Water Management
- Waste Management
- Sustainable Design Standards
Net Zero Carbon Plan

In 2022, we continued to advance our Net Zero Carbon (NZC) Plan, in alignment with the Science Based Targets Initiative’s (SBTi) Corporate Net-Zero Standard V1.0. The Plan is guided by the ESG Committee, with support from industry experts and stewarded by a multi-disciplinary NZC project team. Our 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.

2022 PROGRESS

INTERNAL SHADOW PRICE OF CARBON
We established an internal shadow price of carbon to support the financial analysis and decision-making for all new investments, developments and retrofit opportunities. The shadow price acts as a national market price per tonne of operational carbon emitted. It enables us to quantify the impact of carbon emissions to our business and to make decisions that account for expected transition risk. To determine the shadow price of carbon, we compared a conventional office building to an NZC building by evaluating the following factors:
• Operational expenses incurred by existing and planned carbon tax policies
• Lost or gained rental income and occupancy
• Increased or diminished asset value
• Changes to the cost of debt
• Costs associated with the social impacts of carbon

The shadow price will be reviewed annually to ensure we are responding to prevailing market drivers, economic conditions and government policies.

UPDATING OWNER’S PROJECT REQUIREMENTS
All future ground-up developments will require:
• Life-cycle cost analyses to evaluate the feasibility of achieving net zero and LEED v4 BD+C Platinum. The analysis applies the internal shadow price of carbon to evaluate different development options.
• Whole-building life-cycle assessments to quantify our Scope 3 emissions and evaluate embodied carbon per LEED v4 BD+C Building Life-Cycle Impact Reduction Option 2 requirements.

EXISTING BUILDING NZC TRANSITION STUDY
We developed a deep carbon retrofit concept-design for four buildings, totaling 1.5 million sq. ft., to demonstrate how to decarbonize while modernizing the existing HVAC system, improving user comfort, enhancing system reliability and reducing operational costs. The studies will inform our NZC Plan by providing representative estimates of the capital investment and operational impacts to achieve deep carbon reductions. With this analysis, we will proceed to the detailed design stage to refine project cost estimates, projected energy and carbon savings and optimize project design parameters before moving into construction.

EDUCATIONAL WORKSHOPS
We conducted multiple workshops to equip our NZC project team members with the fundamental knowledge of GHG emissions and accounting, life-cycle cost analysis, regulatory and market trends, building technologies and renewable energy and offsets. We also hosted educational seminars for all employees to learn about the fundamentals of energy management and GHG accounting.

NEXT STEPS

1. Quantify the impacts of operational carbon from all future development projects. Establish absolute carbon performance targets and carbon budgets for all ground-up development and re-developments.
2. Develop an NZC acquisition checklist to evaluate the implications of transitioning new acquisitions to net zero as part of our due diligence process. Checklist activities to include, measuring the acquisition’s total carbon emissions, calculating the cost of transitioning the building to net zero and reviewing potential operating costs due to existing and future carbon regulations.
3. Continue to develop our NZC transition roadmap for our standing portfolio by identifying representative buildings and estimating costs to transition the buildings to NZC. Establish a timeline and budget for transitioning our portfolio in line with chosen emissions reduction targets.
4. Finalize clear boundaries for Scope 1, 2 and 3 emissions for GHG accounting and net-zero target setting in alignment with SBTi.
5. Determine residual Scope 1 and 2 emissions, identify renewable energy certificates, power purchase agreements and carbon offset options. Establish procurement requirements.
6. Finalize targets and Allied’s approach for the NZC transition plan. Submit our commitment and targets to SBTi.
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

<table>
<thead>
<tr>
<th>GOAL</th>
<th>TARGET</th>
<th>BASELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Emissions (tCO₂e)***</td>
<td>3.632</td>
<td>3.005</td>
</tr>
<tr>
<td>2022</td>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>GHG Emissions Intensity (kgCO₂e/ft²)**</td>
<td>2.18</td>
<td>2.49</td>
</tr>
<tr>
<td>2022</td>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>Energy Use Intensity (kWh/ft²)</td>
<td>2.26</td>
<td>2.47</td>
</tr>
<tr>
<td>2022</td>
<td>2021</td>
<td></td>
</tr>
</tbody>
</table>

To support the continuous improvement of our environmental performance, in 2020 we established five-year energy and GHG emissions reduction targets against a 2019 baseline.

Our 2022 energy and GHG performance continued to exceed our 2024 targets by 5.2% and 4.9%, respectively. Comparing 2021 results with 2022, our performance remained consistent, despite the increase in energy usage from higher physical occupancy.

DATA COVERAGE

Over the past several years, we focused on increasing our data coverage for performance benchmarking and energy auditing to identify conservation opportunities and implement projects with a strong economic payback. In 2022, we maintained 95% energy data coverage across our standing portfolio, while continuing to increase our portfolio size.

2022 INITIATIVES

Our energy management program focuses on four pillars: data collection, tools and systems, audits and retrofits, education and engagement. As of 2022, we are prioritizing supporting our team with the training, tools and processes for ongoing performance optimization, fault detection and diagnostics (FDD) and continuous commissioning. In 2022, we:

- Created a quarterly environmental sustainability dashboard to regularly review, identify and correct performance deviation and deficiencies.
- Launched an internal training module through the Allied Academy on energy management best practices.
- Leveraged submetering systems and interval data for FDD.
- Established a Building Automation Systems (BAS) standard for ground-up developments and retrofit projects to prepare us for portfolio-scale continuous commissioning.
- Invested over $7 million of non-recoverable funds in energy and water conservation capital projects over the past three years.
- Completed lighting retrofits covering over 2.2 million sq. ft. Since 2019, we have performed 76 lighting retrofit projects covering over 7.9 million sq. ft., reducing our lighting energy costs by more than 40%.
- Established a national LED lighting fixture standard for tenant improvement work that provides greater energy efficiency and material quality at a lower cost relative to the conventional approach. We will deploy over 1,000 new fixtures in 2023, covering approximately 800,000 sq. ft.
- Installed smart LED lighting fixtures in parking garages at five buildings in Montreal. The new fixtures are achieving greater than 50% energy reduction compared to the pre-retrofit lighting systems. The smart fixtures include remote control, integrated occupancy and daylight sensors, continuous dimming and tunable colour levels, allowing us to optimize energy performance to building activity.
- Commerced retro-commissioning (RCx) at two large buildings to identify low-to-no-cost energy conservation measures and move towards continuous commissioning.
- Started our strategic replacement of end-of-life fossil fuel-based equipment to transition buildings to low carbon, eliminating the use of natural gas from space heating and achieving up to 95% reduction in operational carbon.

Next Steps

- Implement RCx at additional assets in 2023.
- Continue to deploy energy conservation measures with less than five years of payback, including 20 LED lighting retrofit projects in 2023, covering over one million sq. ft.
- Continue to identify decarbonization opportunities with end-of-life capital renewal projects.
- Continue to elevate our operations platform by deploying tools, technologies and training for performance optimization and FDD.
- Upgrade energy and water submetering systems at 10 buildings in 2023.
- Complete energy management plans, establish building-specific targets and performance monitoring protocols for all operational assets.

CAPITAL RENEWAL PROJECT 4396-4410 SAINT-LAURENT
Replacing end-of-life steam boiler-radiator system with electric baseboards and digital controls

<table>
<thead>
<tr>
<th>GOAL</th>
<th>BUILDING CARBON REDUCTION</th>
<th>REDUCTION IN ANNUAL EMISSIONS</th>
<th>EXPECTED PAYBACK</th>
</tr>
</thead>
<tbody>
<tr>
<td>95%</td>
<td>80 tCO₂e</td>
<td>6 years</td>
<td></td>
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</tbody>
</table>

*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. We are reporting our 2022 performance against our 2019 baseline and 2024 targets. Year-over-year performance for our standing portfolio is included in the Appendix and supplementary SASB tables.

**Baseline, Target and 2021 absolute emissions have been adjusted from previous reports due to the removal of RCA 1001 Lenoir from our target boundary as the building is undergoing major renovation and is no longer suitable for like-for-like comparison.

***Greenhouse Gas Intensity refers to Allied’s operational carbon emissions (Scope 1 and 2) from our properties.
Deep Carbon Reduction at De Gaspé

5455 De Gaspé is a 519,559 sq. ft., 12-storey office building with a large server room of approximately 4,500 sq. ft., which requires year-round cooling. As part of a building system upgrade, we identified an opportunity to recover the heat generated by the servers as a low-carbon energy source for space heating, reducing the need for natural gas boilers. Using Quebec’s clean electricity to drive the heat recovery chiller for the majority of the building’s heating load, we are expecting to achieve up to 70% reduction in GHG emissions. The natural gas boilers are maintained at the site for system redundancy and operational flexibility. The operations team can switch between natural gas or electricity as the building’s heating source, in response to external conditions such as electric grid stress signals or unexpected changes in energy commodity prices.

Maximizing Heat Recovery Opportunities for Reduction in Annual GHG Emissions

<table>
<thead>
<tr>
<th>Goal</th>
<th>70% Reduction in Annual GHG Emissions</th>
<th>6 years Estimated Payback Without Internal Shadow Price of Carbon</th>
<th>67% of Project Cost Secured and Funded by Low-Carbon Subsidies</th>
<th>1.7 years Estimated Payback with Internal Shadow Price of Carbon</th>
<th>$55,000 of Savings Per Year</th>
<th>450 tCO₂e Reduction in Annual GHG Emissions</th>
<th>10.3 kg/ft² Post-Retrofit Building GHG Emissions</th>
</tr>
</thead>
</table>

Next Steps

- Complete physical climate risk assessments in accordance with the new framework 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.
Water Management

**Goal**

改善用水效率和减少消费，整体提高用水效率。

**Target Portfolio Performance**

2022 initiatives

- 增加了水审计的数量，覆盖了17座建筑和3.5百万平方英尺。
- 集成水表计量在1001 Boulevard Robert-Bourassa，增加覆盖面积超过100万平方英尺。
- 利用市政间歇水表数据来识别泄漏。此倡议的成功导致部署了智能间歇子表，用于持续检测泄漏和警报，促进用水节约。

**Data Coverage**

我们的现有组合数据覆盖继续从2020年的75%提升到2021年的2022年的80%。这主要是由于修复和安装水表在我们的蒙特利尔物业，因为水表数量并不是用于计费的。我们承诺增加数据覆盖，以衡量我们的性能，优先审计和翻新的特性，最大限度地提高影响和回报投资。

**Next Steps**

- 继续安装水表并增加数据覆盖，以覆盖我们组合物业。
- 在所有建筑物进行智能水表计量，以改善用水消耗。
- 开发内部用水审计检查表，继续进行建筑用水审计，以覆盖我们组合。

Waste Management

**Goal**

减少我们的开发和运营活动产生的废物。

**Target Portfolio Performance**

2022 initiatives

- 完善了我们的废物管理策略。
- 进行920万平方英尺的废物审计，我们的组合超过50%。
- 建立了一个用户参与计划，鼓励行为改变，减少填埋废物，包括年度废物减少周和地球日活动，包括电子废物驱动，废物调查和教育网络研讨会。我们也通过总结废物审计结果，支持他们按照建议实施改进。

**Data Coverage**

我们的组合数据覆盖继续在2021年基础上提升到2022年的85%。这主要是由于在几个关键物业进行废物审计，以提高废物覆盖。

**Next Steps**

- 在第二年从2020年到2021年提升80%的废物覆盖率。
- 在2023年举行全国电子废物驱动活动，收集超过7500磅的电子废物。
Over the course of 2022, Allied designed and re-built our 7,000-square-foot office at Vintage Towers in downtown Calgary. The primary project goal was to achieve zero waste during demolition and construction. To reach our goal, we considered how our new office could be designed utilizing re-purposed materials from the existing suite and the old Allied office while also meeting modern workspace design standards. A necessary first step was to catalogue all existing materials and determine what could be strategically de-commissioned, disassembled and re-used on the current project or stored for future projects.

We implemented numerous creative solutions to re-purpose office furniture, including re-configuring out-of-date cubicles into a modern bench solution rather than purchasing new. In addition, we re-purposed bricks, timber beams, laminated veneer lumber, lighting fixtures and rough-cut Douglas Fir from other Allied projects across the region as part of the build-out. The project exceeded the LEED v4.1 ID+C diversion target of 50% for commercial interiors by 23% and diverted a total of 67,821 lbs from landfill. It also provided useful insight on how we can adapt standard construction practices to meet our waste goals on future projects.

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.

→ Develop a waste management training template for all janitorial staff.

→ Evaluate potential incentive programs to influence user behaviour and improve waste reduction and diversion.

→ Develop a waste diversion checklist for all future office renovation projects based on lessons-learned from the Calgary office re-development.
Sustainable Design Standards

GOAL

Align all ground-up development and re-development projects with our Net Zero Carbon Plan.

Allied has always focused on the adaptive re-use of century-old structures originally built for light-industrial purposes. By recycling and modernizing rather than building new, we minimize our impact on the environment. In 2022, we completed our Sustainable Development Framework for ground-up developments. The Framework holds us accountable to our environmental commitments by integrating systems and tools that help us achieve our goals. These include Standard Operating Procedures, progressive building performance targets and a governance approach that supports NZC design and long-term value creation. While still in the early stages of its deployment, the Framework is already helping us improve our sustainability performance.

BUILDING CERTIFICATION STRATEGY

In 2021, we established an internal multi-disciplinary committee to evaluate leading building certifications and determine a consistent approach across our portfolio. The Committee finalized a National Building Certification Strategy in 2023.

Key commitments include:

- For all ground-up developments, at a minimum, we pursue LEED v4 BD+C Gold certification and complete a life-cycle assessment. We also assess the feasibility of achieving LEED v4 BD+C Platinum and CaGBC Zero Carbon Building-Design certification using life-cycle cost analysis and our internal shadow price of carbon.
- We are targeting 70% certification of our standing portfolio to LEED and/or BOMA by 2028.* We will certify an additional 8.1 million sq. ft., increasing our certification percentage from 27% to 70% across the portfolio.

The Fleck Brothers Warehouse, located at 365 Railway, was constructed in 1949 as a late Moderne-style concrete structure. The warehouse is a rare surviving example of industrial design by prominent local architect William F. Gardiner. The building is in Railtown, a neighbourhood preserved for the creative economy by maintaining industrial and light industrial spaces to encourage creative product manufacturing within the city.

365 Railway

The Fleck Brothers Warehouse, located at 365 Railway, was constructed in 1949 as a late Moderne-style concrete structure. The warehouse is a rare surviving example of industrial design by prominent local architect William F. Gardiner. The building is in Railtown, a neighbourhood preserved for the creative economy by maintaining industrial and light industrial spaces to encourage creative product manufacturing within the city.

450 KING STREET WEST

450 King Street West in Toronto is a proposed two-tower, 12-storey mixed-use building consisting of residential, office and retail space. In line with our Sustainable Development Framework, in 2022 we undertook a life-cycle assessment (LCA) to evaluate the amount of embodied carbon in the proposed design. To reduce our carbon impact, we’ve pivoted from a concrete structure to a hybrid steel and wood structure. Per the LCA, the structural redesign to a steel and timber scheme is estimated to achieve 63% lower emissions compared to the original concrete structure.

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Next Steps

- Expand the Sustainable Development Framework to include all renovations and capital projects.
- Complete an NZC pilot project in alignment with the revised timeline given recent delays in building applications.
- Leverage the learnings from the pilot projects and Sustainable Development Framework to support NZC transition plans for our standing portfolio.
- Evaluate suppliers to identify those that are aligned with the ambitions of our NZC Plan and Sustainable Development Framework.
- Certify 70% of our standing portfolio, 8.1 million sq. ft., to LEED and/or BOMA by 2028.

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Social

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

We strive to provide our employees with a distinctive work environment that fosters creativity and connectivity in a manner that is sustainable and conducive to wellness and diversity. This is reflected in how we design not only our physical spaces, but also our organizational structure and talent programming.

In 2022, we implemented a new operating framework to enhance our ability to innovate and collaborate across disciplines. We created multi-disciplinary property teams, organized around specific properties or portfolios, responsible for delivering key performance metrics and exceptional user experience. This structure promotes shared learning, faster decision-making and improved execution. Its multi-disciplinary nature also encourages innovation and enables diverse perspectives to contribute more equitably.

**ENGAGEMENT METRICS**

We partner with Kincentric to evaluate our employee engagement and compare key dimensions year-over-year. Allied’s engagement score was not immune to external factors such as the pandemic and macroeconomic uncertainty. According to Kincentric, global engagement scores dropped on average by nine percent in 2022. Areas for our improvement included maintaining sufficient staffing levels, retaining the people we need to succeed and overall employee experience. Based on the results, we developed corporate and departmental actions plans to address areas for improvement. Since 2021, we have seen a greater than five percent increase in our biggest areas for improvement, namely employees’ sense of empowerment and collaboration, affirming the changes to our structure and processes.

**PROFESSIONAL DEVELOPMENT**

Investing in our employees’ continuous development is an important component of our talent strategy. In 2022, we launched Allied Academy, our employee learning and development platform. The curriculum focuses on four pillars: knowledge and skill development, leadership, mentorship and career development; regulatory and compliance.

As part of Allied Academy we delivered three modules of the Allied designed course, Real Estate Fundamentals. Members of the Allied team, along with industry experts, are designing and delivering modular content covering topics in finance and accounting, leasing, real estate management, acquisitions and development.

**INTERNAL MOBILITY**

Internal mobility improves engagement and loyalty, fosters productivity and creativity and ensures the transfer of important knowledge. In 2022, 75% of internal applicants were successful in securing an internal opportunity. Allied also executed a senior leadership succession from within for the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer positions.

**HEALTH & WELLNESS**

The health and wellbeing of our employees is a top priority. Allied maintains a comprehensive employee benefits package, which includes:

- Comprehensive extended health, dental and drug benefits with 100% of premiums paid for by the company
- Basic life and accidental death and dismemberment insurance
- Dependent life insurance
- Optional employee and spousal life insurance
- Short and long-term disability insurance
- Emergency out-of-country medical insurance
- Annual supplemental Healthcare (HCSA) or Wellness Spending Account (WSA)
- Employee and family assistance program
- Company contributions to Registered Retirement Savings Plan

We held 12 educational sessions nationally on a range of wellness-related topics, including physical health, mental wellbeing and financial literacy. We also invested $122,533 in a supplementary HCSA or WSA for all full-time employees.

**Next Steps**

- Launch Allied Academy’s Learning Playlists, a curated monthly e-learning curriculum of courses on a wide variety of technical and soft skills, including financial literacy, sustainability, mental health and wellbeing, customer service, leadership, career development and digital dexterity.
- Pilot a mentorship program that provides participants an opportunity to learn from individuals with different experiences outside their day-to-day management.
- Provide employees with one paid volunteer day with a registered charity of their choice.
- Partner with educational institutions to expand our pipeline of future talent.
**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 (EDI) 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.

We have made great strides since the inception of our EDI Committee and the creation of our inaugural EDI Roadmap which 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 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 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.

### 2022 ACTIONS

- Partnered with the Rick Hansen Foundation to conduct an accessibility audit at three representative buildings in our portfolio.
- Inserted non-discrimination and equal opportunity clause into all vendor contracts to promote discussion and increase EDI awareness.
- In 2022, the Board continued its multi-year process of recruitment and nomination to continue Board diversification by expanding beyond existing networks and increasing the candidate pool.
- Hosted two virtual Pride Month workshops in English and French with Chris Veldhoven, Consultant, Educator and Advocator, and Marie LaRochelle, Coach and Consultant. The outcome of the sessions was to deepen understanding of the obstacles faced by 2SLGBTQ+ communities and how to create a more inclusive workplace and society.
- Hosted a mandatory virtual 90-minute session for all people leaders on unconscious bias and inclusive leadership led by Professor Dean Delpeache, Global Diversity & Inclusion Consultant. Professor Delpeache also delivered a 60-minute virtual workshop for all employees on the importance of allyship to strengthen organizational equity and foster a more inclusive office environment.

### 2022 IMPACT

- Identified specific actions that can be taken to increase building accessibility and inform portfolio-wide accessibility guidelines.
- Terms accepted by all contracted vendors, laid the foundation for future engagements and expectations of vendors.
- 87% of post-session survey respondents reported that the workshop increased their awareness and sensitivity to the experiences and perspectives of 2SLGBTQ+ communities.
- 72% of post-session survey respondents reported that they felt the unconscious bias training increased their self-awareness as a leader.
- 96% of post-session survey respondents reported that the panel increased their awareness and sensitivity to the perspectives of women in the workplace.

### 2023 ACTIONS

- In March 2023, we hosted a live webcast panel discussion in honour of International Women’s Day. The panel included women leaders from the Allied community. Panelists discussed their leadership journeys, provided different perspectives on how to overcome obstacles and shared advice for aspiring female leaders.

### 2023 IMPACT

- 89% of employees feel people are treated equally regardless of race / ethnicity and gender.
Next Steps

→ Integrate greater education on Allied’s EDI approach and philosophy into employee onboarding.

→ Continue to provide ongoing education for the Allied team to deepen collective awareness, knowledge and empathy of EDI issues.

→ Complete our inaugural EDI Roadmap.

→ Develop our second roadmap to support the ongoing evolution of Allied’s EDI program.

→ Continue to obtain user feedback regarding EDI initiatives through user surveys to align our programming with the communities where we operate.

→ Apply the learnings from Rick Hansen’s accessibility audit and recommendations to formalize inclusive building design guidelines for new and existing assets.

*Data collected from optional self-reported demographic survey. 76% of Allied employees responded to the demographic questions.

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2022 EDI SURVEY RESULTS

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Health, Wellbeing & Safety

MOBILITY & ACTIVE TRANSPORTATION

We provide knowledge-based organizations with workplaces in well-connected urban environments. 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 the three areas.*

Operating in these areas has allowed us to offer our employees, users and visitors accessible destinations that are well-served by public transit and pedestrian and cyclist-friendly infrastructure. All ground-up developments are required to have bike storage and we make a concerted effort, where possible, to enhance the pre-existing cycling infrastructure near our operational assets by implementing additional bike storage and/or parking facilities.

We offer users and employees access to free bike tune-ups on an annual basis and provide employees with public transit and bike share discounts when possible.

Allied’s health and safety program includes emergency response plans for each asset, regional Health and Safety Committees and regular inspections at each building, administered by the Safety and Security Teams. Following a detailed safety and security audit in 2021, we placed additional focus on the security of our buildings. Part of this effort included developing a standardized national program for reporting building-specific incidents and investing in our third-party security personnel to increase skills, engagement and retention.

2022 INITIATIVES

• Delivered extensive internal health and safety training for members of the operations team.
• Conducted safety audits of each building and initiated security enhancement programs at each asset.
• Developed quarterly dashboard to track the number of incidents per 100,000 sq. ft. to understand security trends across cities and neighbourhoods.
• Worked closely with third-party partners to enhance the knowledge, skills and capabilities of our security teams. Initial user feedback has been positive, and we’ve seen a measured increase in overall security at the buildings.

Next Steps

• Utilize the portfolio data that is being collected for predictive modeling to prevent building and security incidents.
• Partner with Business Improvement Areas (BIAs), municipalities and other landlords to help support unhoused members of our communities.
• Continue to incorporate asset-specific climate-related risk ratings into Allied’s integrated risk management program.
Our Foundation
Environmental
Social
Governance

User Experience

Allied strives for continuous improvement that is informed by the direct feedback of our users. In 2022, we completed our third annual User Experience Assessment Survey with Kingsley. Results demonstrated progress over the prior year with improved ratings in the majority of areas surveyed and an increase in overall user satisfaction.

We are committed to evaluating and enhancing our User Experience Program (UEP) to foster stronger connections with our users and enhance their experience within the office environment and surrounding community.

2022 USER EXPERIENCE ASSESSMENT HIGHLIGHTS

- 93% of rating areas improved from 2021
- 0.4% increase in overall satisfaction from 2021
- Properties won the 2022 Kingsley Excellence Award
- Continued to exceed the Kingsley Index Net Promoter Score

2022 INITIATIVES

- EDI WORKSHOPS
  Hosted four EDI workshops for users to honour Black History and Pride Months to celebrate and educate about Canada’s Black and 2SLGBTQ+ communities.

- URBAN BEEHIVE AND FARMING WORKSHOPS
  In partnership with Alveole and MicroHabitat, we hosted over 15 urban beehive and farming workshops nationally, engaging over 750 users.

- FOOD DRIVE
  Coordinated a food drive at Queen Richmond Centre West and donated 1,200 lbs of non-perishable food items to St. Felix Centre.

- LUNCHTIME CONCERT
  Co-sponsored a lunchtime concert with Concerts Midi Montréal in Square Victoria to promote relaxation and wellbeing for users in 747 Square Victoria and the surrounding area.

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  Hosted four EDI workshops for users to honour Black History and Pride Months to celebrate and educate about Canada’s Black and 2SLGBTQ+ communities.

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- WASTE REDUCTION WEEK
  To celebrate Waste Reduction Week, we invited users to participate in a quiz for a chance to win a zero waste gift basket, which included several reusable kitchen items. We also shared educational communications on waste reduction via email and digital posters.

- BIKE TUNE-UPS
  Offered three complimentary bike tune-ups in Toronto and Montréal, servicing over 70 bikes.

- TOY DRIVE
  Hosted a toy drive in support of the Yonge Street Mission, a local development agency that provides support and services to community members experiencing poverty in Toronto.

Next Steps

- Continue to develop unique partnerships that enhance user experience programming
- Identify areas in which Allied can best support users with their employees’ return to the office.
Community Building

Real estate is a profoundly human business that needs to keep pace with demographic and technological change, as well as the ongoing evolution in human attitudes and experiences. It needs to be run with future generations in mind to foster human wellness, creativity, connectivity and diversity. The guiding principles of our community building initiatives are preserving architectural history, creating distinctive spaces, operating with sensitivity and investing in arts and culture.

01
To acknowledge the significant history of the Nordelec building to the city of Montréal, we collaborated with Bell Archives to install a permanent exhibition about the Northern Electric Company Limited and the building’s evolution since the early 20th century.

02
Built in 1920 in the heart of Montréal’s textile neighbourhood, 400 Atlantic originally operated as a cigar factory and later a clothing factory. To enhance the building’s materials and technology, while also preserving its character and history, we made multiple improvements to the infrastructure, envelope and suites. In 2022, our re-development was awarded the Opération Patrimoine Grand Prize in the Restoration category, which recognizes designers and developers whose projects have transformed places of heritage into valued contemporary spaces.

03
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 2022, Allied commissioned Shepard Fairey’s mural, *Pax et Justice*, on 3575 Saint-Laurent as part of the 2022 MURAL Fest. The mural depicts an activist who implores viewers to confront the critical social justice issues that require our attention, bringing them to the forefront of public awareness. Read more about the mural in Issue 25 of BLOCK, Allied’s semi-annual magazine that celebrates the intersection of beautiful spaces and creative ideas.
04

Next Steps

→ Continue to measure the economic, community and cultural impact of Allied’s arts and culture contributions.
→ Leverage employee volunteer days to contribute to local communities.
→ Organize the third real estate workshop series for participants to come together one last time and share the actions they have taken action to advance Truth and Reconciliation.

INDIGENOUS HISTORY EDUCATION

In 2022 and early 2023, we offered the KBE to all Allied employees to increase our collective understanding and awareness of the impacts of colonization on Indigenous Peoples. All employees were invited to participate in half-day sessions across the country, approximately 40% took part in the training.

88% of survey respondents indicated that KBE increased their awareness and understanding of the history of Indigenous peoples and colonization.

REAL ESTATE WORKSHOP SERIES

Over the course of 2022 and 2023, we partnered with Shared Path, Urban Land Institute Toronto and Westbank to deliver a workshop series for leaders in the industry to advance their understanding of colonization and its impact on Indigenous Peoples, and to start exploring opportunities to collaborate in real estate development.

In June 2022, we hosted the first workshop with 50 senior real estate leaders. The day’s activities included an opening smudging ceremony and KAIROS Blanket Exercise (KBE). KBE is an experiential teaching tool whereby participants take part in a retelling of history, including pre-contact, treaty-making, colonization and resistance. Participants step onto blankets representing the land and into the role of First Nations, Inuit and later Métis Peoples. Facilitators read the script and assume the role of Narrator and European explorers and settlers. Participants take part by reading scrolls and carrying cards which ultimately determine their outcomes. By engaging on an emotional and intellectual level, the KBE educates while also increases empathy.

In March 2023, we hosted the second workshop that focused on specific projects that demonstrated successful engagement and collaboration with Indigenous communities. Representatives from Westbank and the Squamish Nation presented on the Senákw project in Vancouver. Tim Coldwell of Chandos Construction shared his strategies for engaging with Indigenous communities, including setting targets for social procurement and social hiring. The presentations were followed by sharing circles for participants to reflect and identify actions they can take back to their organizations.

04

Allied believes that we have the responsibility to support a more equitable and just Canada. In 2022, Allied started on its path to advance Truth and Reconciliation. We undertook several actions to demonstrate our commitment to work with Indigenous partners and allies to understand the ways in which we can learn the true histories of Indigenous Peoples in Canada. We can’t erase the past, but we can move forward and build communities that reflect the visions and values of the original stewards of Turtle Island.

IN 2022 AND EARLY 2023, WE OFFERED THE KBE TO ALL ALLIED EMPLOYEES TO INCREASE OUR COLLECTIVE UNDERSTANDING AND AWARENESS OF THE IMPACTS OF COLONIZATION ON INDIGENOUS PEOPLES. ALL EMPLOYEES WERE INVITED TO PARTICIPATE IN HALF-DAY SESSIONS ACROSS THE COUNTRY, APPROXIMATELY 40% TOOK PART IN THE TRAINING.

88% OF SURVEY RESPONDENTS INDICATED THAT KBE INCREASED THEIR AWARENESS AND UNDERSTANDING OF THE HISTORY OF INDIGENOUS PEOPLES AND COLONIZATION.

NATIONAL DAY OF TRUTH AND RECONCILIATION

The Allied team came together to honour the National Day of Truth and Reconciliation, which was established to commemorate the harmful legacy of residential schools and honour the survivors, their families and the children who never returned home. This day also coincides with Orange Shirt Day to recognize the experience of the children in residential schools and emphasize that Every Child Matters.

• Orange shirts were provided to all members of the Allied team. Fifty percent of net proceeds from the purchase were donated to the Orange Shirt Society.
• Team members took part in a presentation about the legacy of residential schools and observed a moment of silence.
• We displayed decals designed by Ponoka student and the Orange Shirt Day design winner, Geraldine Catalbas, throughout our Toronto office.

CODE OF CONDUCT

In 2022, we added a clause to our Code of Conduct that recognizes the rights of Indigenous Peoples in Canada by aligning with the United Nation’s Declaration on the Rights of Indigenous Peoples and demonstrating our commitment to Truth and Reconciliation.

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Governance

We aim to ensure our environmental and social governance infrastructure supports equitable, transparent and responsible business conduct.
Disclosing ESG performance has become a more conscious and explicit part of business life, especially for public entities like Allied. We are continuously evaluating the prevailing frameworks and assessments in order to enhance disclosure of our ESG performance. We maintain a clear governance and metric-based approach to hold ourselves accountable to our stakeholders. Corporate ESG Metrics were introduced in 2021, and as of 2022, they are directly linked to all employees’ annual incentive compensation.

**GOAL**

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

**ESG Disclosure & Transparency**

**Next Steps**

- Continue to report in alignment with GRI, SASB, UN SDGs and TCFD recommendations.
- Align quarterly reporting and annual ESG Report with updated IFRS requirements.

**Climate-Related Risk Management**

To advance our climate-related risk management processes, capital planning and asset-level preparedness, in 2022, we began implementing the recommendations established by the Task Force on Climate-related Financial Disclosures (TCFD). Allied also hosted a series of workshops with cross-functional team members and 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 scenarios across the short (before 2030) and long-term (beyond 2030). This exercise helped us evaluate our preparedness for climate-related impacts, prioritize actions based on our perceived level of preparedness and focus on those that will directly contribute to business resilience.

Since 2017, the Board has recognized climate change as an environmental risk to Allied’s business for two reasons: i) the increased likelihood of natural disasters and severe weather and ii) the shift to a low carbon economy’s impact on real estate investment and management through associated policy, market and technological changes. The Board and its committees actively engage with Management regarding the identification and management of the principal and emerging risks facing Allied. 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 an NZC Plan that will identify a pathway to achieve NZC by 2050 or sooner (see page 8). As part of developing our NZC Plan, we established an internal shadow price of carbon as a notional market price per tonne of operational carbon emitted. The shadow price of carbon enables us to quantify the impact of carbon emissions to our business and to make decisions that account for expected transition risk. Later this year, we plan to roll out Allied’s Physical Climate Resilience Strategy. The goal 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. See page 10 for more information.

**Next Steps**

- Continue to address the risks and opportunities identified in scenario analysis into day-to-day activities and future forecasting processes.
- Calculate physical risk scores for all assets in the portfolio over the next several years.
- Continue to align reporting with TCFD recommendations and other relevant climate reporting standards.
- Integrate internal shadow price of carbon into applicable decision-making.

**ESG Disclosure Frameworks & Third-Party Assessments**

As at December 31, 2022

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**ALLIED’S 2022 CORPORATE SCORECARD ESG METRICS**

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<tr>
<td>User satisfaction score of 4.36</td>
<td>4.43 SCORE IMPROVEMENT COMPARED TO 2021</td>
</tr>
</tbody>
</table>

**Address 100% of 2022 commitments in Allied’s EDI Roadmap**

<table>
<thead>
<tr>
<th>COMPLETED 100% OF 2022 COMMITMENTS PLUS THREE ADDITIONAL IMPACTFUL PROJECTS</th>
</tr>
</thead>
</table>

**NEXT STEPS**

- Continue to address the risks and opportunities identified in scenario analysis into day-to-day activities and future forecasting processes.
- Calculate physical risk scores for all assets in the portfolio over the next several years.
- Continue to align reporting with TCFD recommendations and other relevant climate reporting standards.
- Integrate internal shadow price of carbon into applicable decision-making.
BIODIVERSITY

While biodiversity was not identified as one of our material ESG topics in 2021, we understand its critical importance on the environment and all of humanity. Allied has made a concerted effort to advance biodiversity to benefit our users and the neighbourhoods where we operate. We have several initiatives underway that contribute to local biodiversity.

Honeybee Habitats

Since 2017, we have been transforming unused rooftop space into honeybee habitats. In 2022, we had 41 hives across Canada that produced 4,000 jars of honey and housed approximately two million bees. As part of our partnership with Alveole, we provide our users with complimentary seminars and education sessions to learn more about urban beehives. In 2022, we donated two of our sessions to two primary schools in the GTA as part of our community outreach. Over 250 staff and students from junior kindergarten to grade three participated in class presentations where they learned the A-Bee-C’s of honeybees and their role in biodiversity.

Urban Farms

We have six rooftop urban farms on our buildings in Toronto and Montréal, cultivating a total of 3,000 edible plants, which also offer shelter for pollinators and other beneficial insects. This past year, the gardens generated 1,800 pounds of fresh vegetables, edible flowers and herbs that were donated to several local food banks. As part of the program, we donated 350 meals to the Breakfast Club of Canada, supporting children’s access to healthy food.

Conservation

Allied understands the importance of leveraging partnerships to foster biodiversity. As part of our TELUS Sky development in downtown Calgary, Allied and our development partners, Westbank and TELUS, contributed to the conservation of approximately 27,000 sq. ft. of protected land in Alberta in cooperation with the Southern Alberta Land Trust Society.

SUSTAINABLE PROCUREMENT

Allied has begun the process of reviewing and re-imagining our procurement process with the objective of adopting best practices and integrating a more balanced approach to vendor selection. While still in our initial phases, we’ve been pleased to discover that many of our vendor partners have shared ESG values. We will be developing a vendor selection matrix which will include operational, financial and ESG-related metrics as a way to assess vendors and ensure that Allied is obtaining the best value while advancing our ESG priorities.

CYBERSECURITY

Allied deploys a comprehensive and layered cybersecurity defence to protect our most valuable systems and digital assets. This approach includes following ISO 27001 guidance for our framework as well as annually completing multiple third-party audits and testing. Our performance on the most recent penetration tests were considered "Above Average," as was our external security rating score of 84%. Our strategy includes the continual improvement of our defence, including a cloud-first ecosystem along with redundant back ups and best in-class security applications.

HUMAN RIGHTS

Respect for human rights is one of Allied’s fundamental values. We strive to respect and promote human rights in our relationships with employees, suppliers, users and communities in which we operate. Allied supports and promotes the principles of the United Nations Universal Declaration of Human Rights and follows applicable laws regarding human rights. This responsibility is demonstrated throughout our operations and formal policies that can be found on our website.

Our Foundation Environmental Social Governance

Other ESG Focus Areas

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## Appendix

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>Reporting Methodology &amp; Environmental Performance Data</td>
</tr>
<tr>
<td>27</td>
<td>2021 Materiality Assessment</td>
</tr>
<tr>
<td>28</td>
<td>SASB Table</td>
</tr>
<tr>
<td>31</td>
<td>GRI Table</td>
</tr>
<tr>
<td>47</td>
<td>Task Force on Climate-related Financial Disclosures (TCFD)</td>
</tr>
<tr>
<td>49</td>
<td>United Nations Sustainable Development Goals (UN SDGs)</td>
</tr>
<tr>
<td>50</td>
<td>Statement of Assurance</td>
</tr>
</tbody>
</table>
**PORTFOLIO DEFINED**

- **Standing portfolio:** This includes data for operational buildings owned by Allied in the reporting year, including joint-venture properties where we own more than 50%. In 2022, this represents 287 buildings with a total Gross Floor Area (GFA) of 17,794,553 sq. ft. Properties excluded from our standing portfolio definition include the following buildings where Allied is the occupier but not the owner: 250 Front Street W. and buildings operated but not owned by Allied: 999 Yonge Ave. New buildings acquired by Allied in 2022 are included in our 2022 standing portfolio definition, provided based on the data of acquisition date and location.
- **Like-for-like change:** Like-for-like values reflect total consumption for operational buildings owned by Allied in both 2021 and 2022. Any buildings bought or sold within the reporting period are excluded from like-for-like values. Like-for-like values only consider properties with the following GRESB Assessment criteria:
  - Data availability range covers at least 355 days for both 2021 and 2022
  - Data coverage is positive
  - For properties using district energy, operation for 2021 and 2022 are within 1% of each other
  - Fully operational for both 2021 and 2022

- **Target portfolio:** Allied manages target assets for energy GHG emissions, water, and waste reduction in 2022. The target end-year is 2024 (with results to be reported in 2025) and 2019 for the baseline year. For energy and carbon, the target portfolio boundary was set in 2021 and is kept consistent year over year, with the exception of RCA 1001 Lenoir that is undergoing major renovation and has been excluded from the target portfolio. The energy and carbon target portfolio covers 11 properties totaling 13.66 million sq. ft or 69% of our standing portfolio GFA. Water and waste data coverages are lower due to access of data in 2019 (see Water and Waste sections below). Included in our target portfolios are all operational buildings owned by Allied as at December 31, 2021, with some exclusions outlined (see Target Portfolio exclusions).

**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% across our standing portfolio in 2021 and 2022
- Energy Use Intensity is calculated by dividing the consumption from all operational buildings owned by Allied as at December 31, 2022 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% across our standing portfolio in 2021 and 2022
- GHG data is calculated by multiplying the emission factor of 0.52 kgCO2e per kWh of electricity consumed by the total energy consumption of our indirectly managed floorspace
- GHG 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, the level of data coverage and the energy and carbon target portfolio covers 11 properties totaling 13.66 million sq. ft or 69% of our standing portfolio GFA. Water and waste data coverages are lower due to access of data in 2019 (see Water and Waste sections below). Included in our target portfolios are all operational buildings owned by Allied as at December 31, 2021, with some exclusions outlined (see Target Portfolio exclusions).

**Water**

- Water consumption is tracked using ENERGY STAR® Portfolio Manager
- Water data coverage was 75% across our standing portfolio in 2020, 81.3% in 2021 and 89% in 2022
- Water data is calculated by dividing the consumption from all operational buildings owned by Allied as at December 31, 2022 by the total square footage (GFA) of the same list of buildings

**Waste**

- Waste data coverage was 80% across our standing portfolio in 2020, 82% in 2021 and 85% in 2022
- Waste data is calculated based on the electricity and district energy consumption of our directly managed floorspace
- Allied uses three portfolio definitions
- Reporting Methodology & Performance Data

**TARGET PORTFOLIO EXCLUSIONS**

Properties excluded from our fully targeted target portfolio boundary include:

- Buildings where there are (i) typical use spaces or consumption patterns, (ii) users who control performance or (iii) users who pay utilities directly, have been excluded from this exercise totaling 1,493 MWh and comprising the following:  
  - Urban Data Centres (0.6M ft²): 151 Front Street, 905 King Street
  - Residential towers (0.3M ft²): 501 Adelaide W., 499 Adelaide W., 589-191 Richmond W., 133 George, 135 George, 137 George, 141 George, 143 George, 245 George, 159-161 Bathurst, 146, 149-157 Bathurst
  - Retail stores, food service/restaurants/bars, colleges/universities, nightclubs (0.4M ft²): 485 King, 230 Richmond, Five Roses Building, 733-739 Yonge Union Centre - 20 York, 36-40 Wellington, 50 Wellington, 668 King, 117-119 John, 479 King - Retail JV 54 The Esplanade, 552-560 King, 613 11th Ave, 617 11th Ave, Albert Block - 805 1st Street, Albert Hotel - 808 1st Street, Glengow - 802 112th Ave.
  - Office properties: 250 Front Street W, 905 King Street
  - Multi-residential (0.8M ft²): 250 Front Street W, 905 King Street
  - Urban Data Centres (0.6M ft²): 151 Front Street, 905 King Street

- Cumulative Greenhouse Gas Emissions

- Average Water Use Intensity (WUI)

- Water Diversions Rate

**STANDING PORTFOLIO PERFORMANCE**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2024 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Consumption (MWh)</td>
<td>473,265 MWh</td>
<td>477,661 MWh</td>
<td>496,689 MWh</td>
<td>511,997 MWh</td>
<td>+5.5%</td>
</tr>
<tr>
<td>Energy Consumption (WUI)</td>
<td>21.5 kWh/ft²</td>
<td>21.5 kWh/ft²</td>
<td>21.5 kWh/ft²</td>
<td>21.5 kWh/ft²</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Water Use Intensity</td>
<td>4.25 MWh/ft²</td>
<td>4.25 MWh/ft²</td>
<td>4.25 MWh/ft²</td>
<td>4.25 MWh/ft²</td>
<td></td>
</tr>
<tr>
<td>Greenhouse Gas Emissions</td>
<td>16.6 tCO₂e/ft²</td>
<td>16.6 tCO₂e/ft²</td>
<td>16.6 tCO₂e/ft²</td>
<td>16.6 tCO₂e/ft²</td>
<td></td>
</tr>
<tr>
<td>Average Greenhouse Gas Emissions</td>
<td>2.49 kgCO₂/MWh</td>
<td>2.18 kgCO₂/MWh</td>
<td>2.21 kgCO₂/MWh</td>
<td>2.33 kgCO₂/MWh</td>
<td></td>
</tr>
<tr>
<td>Cumulative Greenhouse Gas Emissions</td>
<td>34.799 tCO₂e/MWh</td>
<td>34.799 tCO₂e/MWh</td>
<td>34.799 tCO₂e/MWh</td>
<td>34.799 tCO₂e/MWh</td>
<td></td>
</tr>
<tr>
<td>Water Use Intensity (WUI)</td>
<td>6.25 L/ft²</td>
<td>6.70 L/ft²</td>
<td>6.70 L/ft²</td>
<td>6.70 L/ft²</td>
<td></td>
</tr>
<tr>
<td>Water Diversions Rate</td>
<td>12.30 MWh/ft²</td>
<td>12.30 MWh/ft²</td>
<td>12.30 MWh/ft²</td>
<td>12.30 MWh/ft²</td>
<td></td>
</tr>
</tbody>
</table>
2021 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 business, 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 our CEO, CFO, COO, EVP Development, EVP Special Operations, EVP General Counsel 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 below, outline the 10 highest scoring topics, which were approved by Allied’s ESG Committee as the foundation of our ESG Strategy.
## ENERGY MANAGEMENT

### ACCOUNTING METRICS

<table>
<thead>
<tr>
<th>SASS CODE</th>
<th>ENERGY MANAGEMENT</th>
<th>UNIT OF MEASUREMENT</th>
<th>TOTAL</th>
<th>OFFICE</th>
<th>MIXED USE (OFFICE/ RETAIL)</th>
<th>BASH (BAR/ RESTAURANTS)</th>
<th>HIGH STREET</th>
<th>MIXED USE (OTHER)</th>
<th>EDUCATION</th>
<th>TECHNOLOGY</th>
<th>LODGING, LEISURE, RECREATION</th>
<th>RESIDENTIAL</th>
<th>PARKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-RE130A.1</td>
<td>Energy consumption data coverage as a percentage of total floor area, by property sub-sector</td>
<td>% by floor area (ft²)</td>
<td>94.78%</td>
<td>96.65%</td>
<td>76.00%</td>
<td>78.04%</td>
<td>16.16%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>IF-RE130A.2</td>
<td>Total energy consumed in 2022 by portfolio area with data coverage</td>
<td>Gigajoule (GJ)</td>
<td>1,884,614.40 GJ</td>
<td>1,198,281.60 GJ</td>
<td>85,636.80 GJ</td>
<td>712,80 GJ</td>
<td>41760 GJ</td>
<td>139,532.40 GJ</td>
<td>5,493.60 GJ</td>
<td>440,413.20 GJ</td>
<td>2,570.40 GJ</td>
<td>5,144,40 GJ</td>
<td>-</td>
</tr>
<tr>
<td>IF-RE130A.3</td>
<td>Percentage of total energy that is grid electricity, by property sub-sector</td>
<td>%</td>
<td>62.48%</td>
<td>64.09%</td>
<td>39.55%</td>
<td>41.41%</td>
<td>28.45%</td>
<td>78.71%</td>
<td>72.54%</td>
<td>57.90%</td>
<td>50.70%</td>
<td>45.63%</td>
<td>-</td>
</tr>
<tr>
<td>IF-RE130A.4</td>
<td>Percentage of eligible portfolio that is certified to ENERGY STAR, by property sub-sector</td>
<td>% by floor area (ft²)</td>
<td>72.15%</td>
<td>25.23%</td>
<td>37.10%</td>
<td>28.45%</td>
<td>78.71%</td>
<td>72.54%</td>
<td>57.90%</td>
<td>50.70%</td>
<td>45.63%</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>IF-RE130A.5</td>
<td>Like-for-like change in energy consumption of portfolio area with data coverage, by property sub-sector</td>
<td>%</td>
<td>5.66%</td>
<td>6.93%</td>
<td>9.26%</td>
<td>25.23%</td>
<td>74.06%</td>
<td>8.12%</td>
<td>10.42%</td>
<td>0.93%</td>
<td>0.78%</td>
<td>4.87%</td>
<td>-</td>
</tr>
</tbody>
</table>

Allied's overarching aim for energy management is to reduce the energy consumption and carbon emissions at our properties by optimising systems design and conservation practices. Our energy management program focuses on four pillars: data collection, tools and systems, audits and retrofits, education and engagement. Over the past several years, a priority of our energy management program has been to increase our data coverage for performance benchmarking and energy auditing to identify conservation opportunities and implement projects with a strong economic payback. Moving forward, we will also advance our operational platform and how to support our operations team with training, tools and processes for ongoing performance optimization, fault detection and diagnostics (FDD) and continuous commissioning. To accelerate our environmental action, Allied is developing an NZC Plan that will identify pathways to achieve NZC by 2050 or sooner, in alignment with the Science Based Targets initiative (SBTI). 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 NZC. Currently, we are reviewing our capital program for end-of-life equipment replacement and deploying low-carbon technologies in lieu of gas-based equipment, where applicable. We evaluate the low-carbon replacement option using life-cycle cost analysis and our newly developed internal shadow price of carbon.

### DESCRIPTION OF HOW BUILDING ENERGY MANAGEMENT CONSIDERATIONS ARE INTEGRATED INTO PROPERTY INVESTMENT ANALYSIS AND OPERATIONAL STRATEGY

#### New Development & Re-development

To ensure our development process aligns with our ESG strategy, in 2022 our team re-examined 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 impact of our portfolio carbon emissions and rough estimates of NZC transition cost to help inform the property investment analysis.

Operational Strategy: Allied’s Asset & Environmental Sustainability Team (AES) are our internal subject matter experts who oversee the environmental (energy, GHG emissions, water and waste) performance of our standing portfolio. The team is responsible for creating and executing strategic plans that elevate the environmental performance of our standing portfolio. Our Energy Management Framework 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), 0.99 kg/ft² in Water Use Intensity (WUI) and 2.33 kg/ft² in GHG Intensity (GHGI) by 2024. We have been reporting our performance and progress annually in our ESG report and have been exceeding our target performance in energy, water and carbon. We are expecting updated environmental performance targets as we complete our NZC plan, in alignment with SBTI.
**SASB Table**

### ENERGY MANAGEMENT

<table>
<thead>
<tr>
<th>SASB CODE</th>
<th>ACCOUNTING METRICS</th>
<th>UNIT OF MEASUREMENT</th>
<th>TOTAL</th>
<th>OFFICE</th>
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</tr>
</thead>
<tbody>
<tr>
<td>IF-RE-130A.5</td>
<td>Description of how building energy management considerations are integrated into property investment analysis and operational strategy.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

Data collection, measurement and benchmarking are fundamental to enhance the environmental performance of our buildings. We use ENERGY STAR Portfolio Manager and Measurable as our automated utility data collection systems across the entire portfolio. We monitor each property’s ENERGY STAR Score, which measures the energy performance of buildings per square feet on a 1-100 scale. We strive to maintain excellence in utility data benchmarking by aligning ourselves with industry best practices and by submitting annually to GRESB. We ensure quality and accuracy through our internal data quality assurance processes and by submitting to third-party data assurance prior to publishing our environmental performance information.

We collaborate with third-party consulting firms to complete technical energy assessments of our portfolio, in line with ASHRAE Level II requirements and our technical specifications developed in 2021. Our AES team manages energy, water and waste audits nationally in collaboration with the operations team to ensure consistent and quality outputs that outline building-specific energy and water conservation measures. In 2022, we also started executing retro-commissioning projects for our newer assets in lieu of ASHRAE Level II audits, to place a greater focus on building control optimization instead of capital upgrades and to establish a process for continuous commissioning and improvement.

From 2009 to 2022, we completed a total of 129 technical energy and water assessments at our buildings, representing over 66% of our portfolio. These technical assessments form the basis for identifying low cost and high depth retrofit projects, funded through Allied’s five-year National Energy and Water Budget. The $35 million budget is dedicated to advancing energy and water conservation projects across our portfolio, such as LED lighting retrofits, controls, automation and HVAC upgrades. From 2009-2022, we completed LED lighting retrofits covering over 7.9 million sq. ft., with additional retrofits planned in 2023. 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.

In 2021, we established an internal multi-disciplinary committee to evaluate building leadership certifications and determine a consistent approach across our portfolio. The Committee finalized a National Building Certification Strategy in 2023. For more details, see page 13 of this report.

### WATER MANAGEMENT

<table>
<thead>
<tr>
<th>SASB CODE</th>
<th>ACCOUNTING METRICS</th>
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<th>TOTAL</th>
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<th>MIXED USE (OFFICE/ RETAIL)</th>
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<th>RETAIL (HIGH STREET)</th>
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<th>RESIDENTIAL</th>
<th>PARKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-RE-140a.1</td>
<td>Water withdrawal data coverage as a percentage of (1) total floor area by property sub-sector</td>
<td>% by floor area (ft²)</td>
<td>89.29%</td>
<td>90.51%</td>
<td>93.54%</td>
<td>64.87%</td>
<td>36.97%</td>
<td>90.51%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>39.30%</td>
<td>-</td>
</tr>
<tr>
<td>IF-RE-140a.1</td>
<td>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</td>
<td>-</td>
<td>98.70%</td>
<td>98.50%</td>
<td>100.00%</td>
<td>84.30%</td>
<td>92.20%</td>
<td>100.00%</td>
<td>No properties in high or extremely high baseline water stress areas</td>
<td>No properties in high or extremely high baseline water stress areas</td>
<td>100.00%</td>
<td>No properties in high or extremely high baseline water stress areas</td>
<td>No properties in high or extremely high baseline water stress areas</td>
</tr>
<tr>
<td>IF-RE-140a.2</td>
<td>Water withdrawn by portfolio area with data coverage, by property sub-sector</td>
<td>Thousand cubic meters (m³)</td>
<td>804,550 m³</td>
<td>647,146 m³</td>
<td>89,360 m³</td>
<td>26,228 m³</td>
<td>743,00 m³</td>
<td>29,184 m³</td>
<td>1,553 m³</td>
<td>7,210 m³</td>
<td>493 m³</td>
<td>2,631 m³</td>
<td>-</td>
</tr>
<tr>
<td>IF-RE-140a.3</td>
<td>Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sub-sector</td>
<td>%</td>
<td>17.46%</td>
<td>19.47%</td>
<td>11.15%</td>
<td>57.38%</td>
<td>-</td>
<td>-8.85%</td>
<td>-48.34%</td>
<td>8.03%</td>
<td>-</td>
<td>-18.19%</td>
<td>-</td>
</tr>
</tbody>
</table>

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.

Based on World Resources Institute Water Risk Atlas tool, our buildings in Calgary are considered to have high (>80%) water stress level, and no building is considered to have extremely high (>90%) water stress level. 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 monthly 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 practices and by submitting annually to GRESB. We ensure quality and accuracy by submitting to third-party data assurance prior to publishing our reports.

In 2022, we completed a total of 129 technical energy and water assessments at our buildings, representing over 66% of our portfolio. These technical assessments form the basis for identifying low-cost and high-depth retrofit projects, funded through Allied’s five-year National Energy and Water Budget. The $35 million budget is dedicated to advancing energy and water conservation projects across our portfolio, such as LED lighting retrofits, controls, automation and HVAC upgrades. From 2009-2022, we completed LED lighting retrofits covering over 7.9 million sq. ft., with additional retrofits planned in 2023. 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.

In 2021, we established an internal multi-disciplinary committee to evaluate building leadership certifications and determine a consistent approach across our portfolio. The Committee finalized a National Building Certification Strategy in 2023. For more details, see page 13 of this report.
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. This initiative is still underway.

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 2020, 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. Regular correspondence included information on our COVID-19 health and wellbeing protocols.

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 our signage for waste diversion at our buildings, e-waste drive, engagement and activities during Waste Reduction Week and Earth Month, waste audit communication letters and routine engagement with our users on waste management best practices.

For newly developed buildings and buildings undergoing redevelopment, Allied installs CARMA energy submetering systems to more accurately monitor user energy consumption levels and allocative cost. As at December 31, 2022, we have 24 buildings with energy submetering system covering 6,630,400 sq. ft. of gross building area, which is almost 36.6% of our portfolio.

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 that enhance the capacity of our buildings due to the anticipated effects of climate change.

In 2022, we rolled out our waste management strategy, which includes a series of user engagement initiatives to promote user behaviour to reduce landfill waste and increase waste diversion levels. This includes updating our signage for waste diversion at our buildings, e-waste drive, engagement and activities during Waste Reduction Week and Earth Month, waste audit communication letters and routine engagement with our users on waste management best practices.

To achieve our climate-related risk evaluation and assessment practices, 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. See page 47 for more information.
GRI: Content Index

<table>
<thead>
<tr>
<th>DISCLOSURES</th>
<th>DESCRIPTION</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii. Statement of Use</td>
<td>Allied Properties REIT has reported in accordance with the GRI Standards for the period January 1, 2022 - December 31, 2022</td>
<td></td>
</tr>
<tr>
<td>iii. Title of GRI 1 used</td>
<td>GRI 1: Foundation 2021</td>
<td></td>
</tr>
<tr>
<td>iv. GRI Sector Standard(s) that apply to the organization’s sector(s)</td>
<td>Not applicable, the real estate sector guidance has not been released at the time of publication</td>
<td></td>
</tr>
</tbody>
</table>

GRI 2: General Disclosures 2021

<table>
<thead>
<tr>
<th>DISCLOSURES</th>
<th>DESCRIPTION</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 - 1</td>
<td>a. Legal name of the organization</td>
<td>Allied Properties Real Estate Investment Trust</td>
</tr>
<tr>
<td></td>
<td>b. Ownership and legal form</td>
<td>Allied Properties REIT, widely held and publicly traded on the Toronto Stock Exchange (XTSE: AP.UN)</td>
</tr>
<tr>
<td></td>
<td>c. Location of headquarters</td>
<td>134 Peter Street, Suite 1700 Toronto, Ontario M5V 2H2</td>
</tr>
<tr>
<td></td>
<td>d. Location of operations</td>
<td>Canada</td>
</tr>
<tr>
<td></td>
<td>a. list all its entities included in its sustainability reporting</td>
<td>Allied Real Estate Investment Trust</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>The scope of our annual ESG Report is consistent with financial reporting unless otherwise noted. See Reporting Methodology on page 26 for further details.</td>
</tr>
<tr>
<td></td>
<td>c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including:</td>
<td>As disclosed in Note 2(C) of Allied’s 2022 Financial Statements (<a href="https://alliedreit.com/wp-content/uploads/2023/02/Allied_Q4AR_December-31-2022.pdf">https://alliedreit.com/wp-content/uploads/2023/02/Allied_Q4AR_December-31-2022.pdf</a>)</td>
</tr>
<tr>
<td></td>
<td>i. whether the approach involves adjustments to information for minority interests</td>
<td>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. Inter-company transactions between subsidiaries are eliminated on consolidation.</td>
</tr>
<tr>
<td></td>
<td>ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>iii. whether and how the approach differs across the disclosures in this Standard and across material topics</td>
<td></td>
</tr>
<tr>
<td>2 - 2</td>
<td>a. specify the reporting period for, and the frequency of, its sustainability reporting</td>
<td>Annual reporting, January 1, 2022 - December 31, 2022.</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>The financial reporting period is the calendar year (January 1 to December 31 of each year). This aligns with our ESG reporting period.</td>
</tr>
<tr>
<td></td>
<td>c. report the publication date of the report or reported information</td>
<td>Monday, June 26, 2023</td>
</tr>
<tr>
<td></td>
<td>d. specify the contact point for questions about the report or reported information</td>
<td>Jo Flatt, VP Corporate Planning &amp; Sustainability, <a href="mailto:jflatt@alliedreit.com">jflatt@alliedreit.com</a></td>
</tr>
<tr>
<td>2 - 3</td>
<td>a. report restatements of information made from previous reporting periods and explain:</td>
<td>Annual reporting, January 1, 2022 - December 31, 2022.</td>
</tr>
<tr>
<td></td>
<td>i. the reasons for the restatements;</td>
<td>The financial reporting period is the calendar year (January 1 to December 31 of each year). This aligns with our ESG reporting period.</td>
</tr>
<tr>
<td></td>
<td>ii. the effect of the restatements.</td>
<td>Monday, June 26, 2023</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>The scope of our annual ESG Report is consistent with financial reporting unless otherwise noted. See Reporting Methodology on page 26 for further details.</td>
</tr>
<tr>
<td></td>
<td>c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including:</td>
<td>As disclosed in Note 2(C) of Allied’s 2022 Financial Statements (<a href="https://alliedreit.com/wp-content/uploads/2023/02/Allied_Q4AR_December-31-2022.pdf">https://alliedreit.com/wp-content/uploads/2023/02/Allied_Q4AR_December-31-2022.pdf</a>)</td>
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<tr>
<td></td>
<td>i. whether the approach involves adjustments to information for minority interests</td>
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</tr>
<tr>
<td></td>
<td>ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>iii. whether and how the approach differs across the disclosures in this Standard and across material topics</td>
<td></td>
</tr>
<tr>
<td>2 - 4</td>
<td>a. report restatements of information made from previous reporting periods and explain:</td>
<td>The indirect emissions from the district energy system at 151 Front Street is now calculated using the emissions factors provided by the local district energy utility, in lieu of the default average emission factor for North America. The default average emission factor for North America district cooling system is considerably higher than the actual emission factor of the Deep Lake Cooling Water system in Toronto. We first stated this change last year in our ESG Report and we will continue to make this change in the future to more accurately calculate the indirect emissions associated with our district cooling energy consumption in Toronto.</td>
</tr>
<tr>
<td></td>
<td>i. the reasons for the restatements;</td>
<td>For energy and greenhouse gas (GHG), the target portfolio boundary was set in 2021 and is kept consistent year-over-year, with the exception of RCA 1001 Lenoir that is undergoing major renovation and has been excluded from our target portfolio. 2021 median total compensation restated to include all sources of compensation as opposed to base salary only.</td>
</tr>
<tr>
<td></td>
<td>ii. the effect of the restatements.</td>
<td></td>
</tr>
</tbody>
</table>
**DISCLOSURES DESCRIPTION**

**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 ESG reporting. This is coordinated and overseen by our Vice President, Corporate Planning & Sustainability and Director, Asset and Environmental Sustainability. 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 2022 energy, GHG, water and waste data included in this report has been externally verified by ISOS Group using ISO 140-64-3:2019 (see page 50). ISOS Group 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

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 Montreal. 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.

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 Montreal). For development and major re-development 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:

- Business services and professional
- Educational and institutional
- Financial services
- Government
- Life sciences
- Media and entertainment
- Telecommunications and information technology

c. report other relevant business relationships

Our joint-venture partners in 2022 included RioCan Real Estate Investment Trust, Sutter Hill OPTrust, 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.

• Acquisitions & Dispositions: Allied acquired 10 properties in 2022, including a 50% interest in three properties, all totaling $971.5 million. During the year ended December 31, 2022, Allied disposed of three investment properties for total net proceeds of $74.4 million and the fifth and final phase of The Well air rights for net cash proceeds of $14.8 million (at Allied’s share). Please refer to Note 4 in the annual 2022 Financial Statements.

• As at December 31, 2022, the Urban Data Centre segment has been classified as discontinued operations and is comprised of three investment properties held for sale totaling $307.2 million. The three investment properties are 251 Front Street W, 905 King Street W and 293 Front Street W and the lease liability is at 250 Front Street W. Please refer to Note 6 in the annual 2022 Financial Statements.

• Our core operational and development activities did not change in 2022.
2 - 7

a. 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>
<thead>
<tr>
<th></th>
<th>FEMALE</th>
<th>MALE</th>
<th>GRAND TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Full-Time</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Montreal</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Contract Part-Time</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Montreal</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Full Time</td>
<td>147</td>
<td>227</td>
<td>374</td>
</tr>
<tr>
<td>Calgary</td>
<td>15</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Montreal</td>
<td>32</td>
<td>99</td>
<td>131</td>
</tr>
<tr>
<td>Ottawa</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Toronto</td>
<td>90</td>
<td>224</td>
<td>314</td>
</tr>
<tr>
<td>Vancouver</td>
<td>9</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Intern</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Temporary Support</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Montreal</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Toronto</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>158</td>
<td>230</td>
<td>386</td>
</tr>
</tbody>
</table>

Data above represents employment numbers as at December 31, 2022. All full-time employees include employees working at least 40 hours per week. There are two contract part-time employees that work approximately 20 hours per week.

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
   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 2022 (i.e., plumbers if there is a flood at a building).

d. Report contextual information necessary to understand the data reported under 2-7a and 2-7b

This data was compiled using a headcount report from 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 when interns join us on a four-month contract, typically from May to August (10 interns in Summer 2022).

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

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 2022 (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
The Board of Trustees is Allied's highest governance body, composed of 10 Trustees as at December 31, 2022. Trustees for 2022 were Matthew Andrade, Kay Brekken, Hazel Claxton, Gerald Connor, Lois Cormack, Gordon Cunningham, Michael Emory, Antonia Rossi, Stephen Sender and Jennifer Tory.

i. Non-executive: 90% / Executive: 10% (Michael Emory)
ii. Independent: 90% / Non-independent: 10% (Michael Emory)
iii. Matthew Andrade: 1 year; Kay Brekken: 2 years; Hazel Claxton: 1 year; Gerald Connor: 20 years; Lois Cormack: 4 years; Gordon Cunningham: 20 years; Michael Emory: 20 years; Antonia Rossi: <1 year; Stephen Sender: 2 years; Jennifer Tory: 2 years.
iv. Matthew Andrade: None
v. Kay Brekken: None
vi. Hazel Claxton: Director of TELUS Corporation
vii. Gerald Connor: Chairman of Cumberland Private Wealth Management Inc.; Director of SQI Diagnostics Inc.
viii. Lois Cormack: CEO of Spring Living Retirement Communities
ix. Gordon Cunningham: None
x. Michael Emory: CEO of Allied Properties REIT; Director of EQB Inc.
xi. Antonia Rossi: President, Real Estate of Infrastructure Ontario; Director of Dexterra Group Inc.
xii. Stephen Sender: Director and Chair of Audit Committee of Sienna Senior Living Inc.
xiii. Jennifer Tory: Director of BCE Inc.

v. Female: 50% / Male: 50%
vi. Gender
vii. Competencies relevant to the impacts of the organization
viii. Stakeholder representation

The Board of Trustees has two standing committees, the Audit Committee and the Governance, Compensation and Nomination Committee. The Audit Committee members for 2022 were Matthew Andrade, Kay Brekken, Gerald Connor, Lois Cormack and Stephen Sender.

i. Non-executive: 100% / Executive: 0%
ii. Independent: 100% / Non-independent: 0%
iii. Refer to ii above
iv. Refer to iv above
v. Female: 50% / Male: 60%
vii. None
viii. Trustees are not selected to represent specific stakeholder groups. See disclosure 2-10 for more information on Trustee selection.

The Board of Trustees is Allied’s highest governance body, composed of 10 Trustees as at December 31, 2022. Trustees for 2022 were Matthew Andrade, Kay Brekken, Hazel Claxton, Gerald Connor, Lois Cormack, Gordon Cunningham, Michael Emory, Antonia Rossi, Stephen Sender and Jennifer Tory.

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iii. Matthew Andrade: 1 year; Kay Brekken: 2 years; Hazel Claxton: 1 year; Gerald Connor: 20 years; Lois Cormack: 4 years; Gordon Cunningham: 20 years; Michael Emory: 20 years; Antonia Rossi: <1 year; Stephen Sender: 2 years; Jennifer Tory: 2 years.
iv. Matthew Andrade: None
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ii. Independent: 100% / Non-independent: 0%
iii. Refer to ii above
iv. Refer to iv above
v. Female: 50% / Male: 60%
vi. None
vii. Trustees are not selected to represent specific stakeholder groups. See disclosure 2-10 for more information on Trustee selection.
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

2 - 10

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

2 - 11

a. report whether the chair of the highest governance body is also a senior executive in the organization
   i. Non-executive: 100% / Executive: 0%
   ii. Independent: 100% / Non-independent: 0%
   iii. Refer to page 34

2 - 12

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
   c. describe the role of the highest governance body in reviewing the effectiveness of the organization’s processes as described in 2 - 12
   i. Non-executive: 100% / Executive: 0%
   ii. Independent: 100% / Non-independent: 0%
   iii. Refer to page 34

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 (https://alliedreit.com/wp-content/uploads/2023/03/2023AlliedMICEng.pdf). The Trustees’ Mandate provides that the Trustees are responsible to review and approve, if appropriate, 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.

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.

The Governance, Compensation and Nomination Committee members for 2022 were Kay Brekken, Hazel Claxton, Lois Cormack, Gordon Cunningham, Antonia Rossi and Jenefer Tory.

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 qualification.

The Board is responsible for overseeing Allied’s business strategy. The Trustees’ Mandate was expanded in December 2022 to clarify the Board’s responsibility for oversight of Allied’s enterprise risk management program and practices. For more information, see Allied’s Notice of Annual and Special Meeting of Unitholders and Management Information Circular (Link: https://alliedreit.com/wp-content/uploads/2023/03/2023AlliedMICEng.pdf).
### GRI Table

#### DISCLOSURES

<table>
<thead>
<tr>
<th>RESPONSE</th>
</tr>
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#### RESPONSE

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<th>DESCRIPTION</th>
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#### GOVERNANCE

| 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; |
| --- | 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 |

See page 5 for a description of the Board’s process for delegating responsibility for managing Allied’s impacts on the economy, environment and people.

| 2 - 14 | a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization’s material topics, explain the reason for this |
| --- | 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 |

The Board receives regular updates from Management 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 5.

| 2 - 15 | a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated |
| --- | 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 |

The Trustees have adopted a Code of Business Conduct (the “Code”) applicable to employees, officers and Trustees of Allied which addresses conflicts of interest, among other things. The Code was amended on December 1, 2022, to provide more fulsome guidance regarding conflicts of interest. 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 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: https://alliedreit.com/wp-content/uploads/2022/12/Code-of-Business-Conduct-December-1-2022.pdf

| 2 - 16 | a. describe whether and how critical concerns are communicated to the highest governance body |
| --- | 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; |
| --- | b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period |

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 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.

| 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 NZC Plan. 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. The Board receives updates regarding 365 Railway, our first net zero and mass timber development, thereby gaining an understanding of both net zero and mass timber and their associated impacts. Our Founder and Executive Chair and President and CEO, both members of the Board, sit on our Executive ESG Committee and engage in ongoing education related to our internal price of carbon and NZC Plan.
| --- | Not applicable |
2.18 a. describe the processes for evaluating the performance 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. 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

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. 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

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 people. The Board reviews the assessment scores from ISS, Board Games, GRESB, our User Engagement Survey and Employee Engagement Survey at least annually. Our 2022 performance and scores for ISS, Board Games and GRESB can be found on page 23. Highlights from our User Engagement Survey can be found on page 19 and highlights from our Employee Engagement Survey can be found on page 25. The Governance, Compensation and Nomination Committee conducts an annual assessment of the overall governance, performance and issue prioritization of the Board and an individual assessment of the Trustees through a Board Effectiveness Survey and an individual assessment conducted by the Chair of the Board. The Governance, Compensation and Nomination Committee reports its findings to the full Board of Trustees.

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.

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 people. The Board reviews the assessment scores from ISS, Board Games, GRESB, our User Engagement Survey and Employee Engagement Survey at least annually. Our 2022 performance and scores for ISS, Board Games and GRESB can be found on page 23. Highlights from our User Engagement Survey can be found on page 19 and highlights from our Employee Engagement Survey can be found on page 25. The Governance, Compensation and Nomination Committee conducts an annual assessment of the overall governance, performance and issue prioritization of the Board and an individual assessment of the Trustees through a Board Effectiveness Survey and an individual assessment conducted by the Chair of the Board. The Governance, Compensation and Nomination Committee reports its findings to the full Board of Trustees.

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Executives

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 executive’s 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 Nominating 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 Nominating 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 2022.

iii. The employment contract with the CEO provides for notional 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.

Trustees

i. For 2022, Trustees received an annual retainer of $60,000 and $85,000 in equity-based compensation. In addition, the Chair of the Board received $70,000, the Chair of the Audit Committee received $25,000 and the Chair of the Governance, Compensation and Nominating Committee received $15,000, 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

Executive

In 2022, 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 satisfaction, and Allied’s equity, diversity and inclusion (EDI) priorities set out in Allied’s EDI Roadmap. In addition, the annual incentive bonuses of certain senior executives was based, in part, on performance against individual ESG goals. For more information see page 23.

Trustees

For Trustees, compensation is not linked to objectives or performance.
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

b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable

2 - 20

2 - 21

c. report contextual information necessary to understand the data and how the data has been compiled

2 - 22

2 - 23

a. 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

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

2022 Annual Report

Allied’s business activities are guided by our Code. The Board of Trustees, which is the most senior level of our organization, has adopted the Code. The Code provides that Allied supports and promotes the principles of the United Nations Universal Declaration of Human Rights and acknowledges the United Nations Declaration on the Rights of Indigenous Peoples. The Code can be found on our website at: https://alliedreit.com/wp-content/uploads/2022/12/Code-of-Business-Conduct-December-1-2022.pdf

The Governance, Compensation and Nomination Committee is responsible for making recommendations for approval by the Board of Trustees with respect to compensation plan design and the remuneration of the senior executives of Allied.

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.

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 2022, the Governance, Compensation and Nomination Committee retained an independent compensation consultant to conduct a comprehensive review of its executive compensation program related to leadership transitions. The compensation consultant is independent of Allied, the Board of Trustees and senior executives.

Allied issues 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 2022 annual meeting of Unitholders, 85.54% of the proxies received voted “For” the Say-on-Pay resolution.

The Governance, Compensation and Nomination Committee is responsible for making recommendations for approval by the Board of Trustees with respect to compensation plan design and the remuneration of the senior executives of Allied. Allied’s compensation program is designed to attract, motivate and retain the highest quality executives. Allied’s compensation philosophy supports the achievement of long-term, sustainable performance and aligns the interests of Allied’s executives with Unitholder interests.

Executive and trustee compensation is determined by the Governance, Compensation and Nomination Committee, which is responsible for the design and administration of Allied’s executive and trustee compensation programs. The Committee is responsible for making recommendations with respect to compensation for the CEO and other executive officers of Allied and its subsidiaries, including the compensation of the Board of Trustees.

Allied’s Compensation and Remuneration Guidelines (the “Guidelines”) were approved by the Board of Trustees in September 2019. The Guidelines are reviewed on an annual basis. The Committee in its biennial reviews and in interim years, if it determines it to be necessary and in the best interest of Allied, may also retain a consultant on an ad hoc issue-specific basis to provide advice to the Committee in connection with the Compensation and Remuneration Guidelines.

Remuneration consultants are involved in determining remuneration, 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

The Board of Trustees, which is the most senior level of our organization, has adopted the Code. The Code provides that Allied supports and promotes the principles of the United Nations Universal Declaration of Human Rights and acknowledges the United Nations Declaration on the Rights of Indigenous Peoples. In addition, specific commitments to human rights in the Code include non-discrimination, harassment, sexual harassment and violence, diversity, human trafficking and child labour, accessibility, the right to privacy and the right to water.


2022 Annual Report

Allied’s business activities are guided by our Code.

Allied’s business activities are guided by our Code. The Board of Trustees, which is the most senior level of our organization, has adopted the Code. The Code provides that Allied supports and promotes the principles of the United Nations Universal Declaration of Human Rights and acknowledges the United Nations Declaration on the Rights of Indigenous Peoples. In addition, specific commitments to human rights in the Code include non-discrimination, harassment, sexual harassment and violence, diversity, human trafficking and child labour, accessibility, the right to privacy and the right to water.


The Board of Trustees, which is the most senior level of our organization, has adopted the Code. All of Allied’s business activities are guided by our Code.

All employees must review and certify compliance with our Code annually.
The Code is embedded within our hiring process and employees certify compliance with it annually. All policies developed are anchored in our Code.

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.

Allied has an open-door culture and encourages employees to raise any concerns through their manager or any alternative member of Management. Allied’s leadership team is committed to attending regular site visits to build relationships and encourage any site-specific concerns to be raised during these visits.

No fines or non-monetary sanctions incurred for instances of non-compliance with laws and regulations noted in the current nor previous reporting periods.

Allied is an active partner in industry associations including BOMA, ULI, NAIOP and CREW.
### Stakeholder Engagement

**Strategy, Policies and Practices**

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.

**Investor Engagement**
- Regular investor presentations and one-on-one interviews
- Annual General Meeting
- Quarterly earnings calls including Q&A with executives
- Press releases announcing significant business developments
- TCFD, GRI, SASB and UN SDG-aligned disclosures for cross-industry comparison

**User Engagement**
- User Engagement Program led by our National Operations team since 2015
- Annual third-party user satisfaction assessment
- Regular meetings with users to maintain ongoing communication and feedback
- Hosting community events for users such as summer BBQs, holiday breakfasts
- Educational events including waste management, or our rooftop beehive and urban farming workshops
- EDI webinars on Black History in Canada and Pride month

**Employee Engagement**
- Annual third-party employee engagement survey
- Training and educational opportunities, including the development and roll-out of Allied Academy
- Annual performance reviews
- On-boarding orientation
- Intranet site for internal communications
- Internal committees such as the Equity, Diversity and Inclusion Committee and the Make Room for the Arts Committee
- Regular town hall meetings and email communications from the CEO

**Community Engagement**
- Make Room for the Arts program and Allied Music Centre
- Preserving architectural history through design and exhibitions e.g. Nordelec
- Sponsorship and in-kind support for regional community events
- Interaction with communities throughout the development process e.g., town hall meetings
- Strategic partnerships with charities, NGOs and community partners for specific projects
- Community events in support of local non-profit agencies, including toy and food drives

### Disclosures

2 - 29

<table>
<thead>
<tr>
<th>DISCLOSURES</th>
<th>DESCRIPTION</th>
<th>RESPONSE</th>
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| 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 | 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. | **Investor Engagement**
- Regular investor presentations and one-on-one interviews
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2 - 30

| a. report the percentage of total employees covered by collective bargaining agreements | 0% of employees are 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 |
### 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

The ESG priorities listed on page 6 are deemed material as identified by our evidence-based materiality assessment and extensive stakeholder engagement process, which is described on page 27 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, one-on-one interviews with seven members of the Allied leadership team and in-depth interviews with 12 external stakeholders.

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 & GHG Emissions, Water and Waste Management sections on pages 9 and 11 respectively. Human impacts are taken into account within the Equity, Diversity & Inclusion and Health, Wellbeing & Safety sections of this report on pages 16 and 18 respectively.

In 2022, we undertook a review of our 2021 Materiality Assessment to ensure that our ESG priorities remain in alignment with our stakeholders and prevailing market forces. As part of the review, we held employee engagement sessions with our internal stakeholders and evaluated investor communications and questionnaires to evaluate any possible shifts in priorities. In 2021, we refreshed our desktop review of relevant legislation, ESG frameworks and peers. The results of this review demonstrate that our ESG priorities have remained the same.

### 3.2 a. list its material topics

1. Energy management
2. GHG emissions reduction
3. Climate change adaptation
4. Sustainable design standards
5. Water management
6. Waste management
7. Equity, diversity & inclusion
8. Health, wellbeing & safety
9. Climate-related risk management
10. ESG disclosure & transparency

b. report changes to the list of material topics compared to the previous reporting period.

None
GRI Table

DISCLOSURES | DESCRIPTION | RESPONSE
---|---|---
STRATEGY, POLICIES AND PRACTICES

a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights;
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 300-400: Topic Disclosures

DISCLOSURES | DESCRIPTION | RESPONSE
---|---|---
ENVIRONMENTAL

302: Energy 2016

a. Total fuel from non-renewable sources (in joules or multiples):
• 2021: 122,739 MWh or 441,860 GJ (Converted using Measurabl’s conversion factor of 0.27777778)
• 2022: 116,945 MWh or 421,001 GJ (Converted using Measurabl’s conversion factor of 0.27777778)
• Fuel type used: Natural gas
b. Total fuel consumption within the organization from renewable sources:
• 2022: 0 MWh
c. Total electricity and district (which include heating, cooling, steam consumption) in watt hours or multiples:
• 2021 Electric: 297,735 MWh
• 2022 Electric: 327,504 MWh
• 2021 District: 64,236 MWh
• 2022 District: 79,497 MWh
d. Total electricity sold:
• 2022: 70.93 MWh
e. Total energy consumption for organization:
• 2021: 484,730 MWh
• 2022: 523,504 MWh
f. Numbers represent absolute consumption (total for all sites in reporting year) directly taken from Measurabl’s 2022 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 emission factors are available from local utilities and used in lieu of default emission factors from Measurabl.
• In 2021, Allied’s energy data coverage was 94%.
• In 2022, Allied’s energy data coverage was 95.8%.
• Numbers converted where required using Measurabl’s conversion factors.

302: Energy Intensity

a. Energy intensity ratio for the organization using absolute energy:
• 2021: 28.8 kWh/ft² (represents 96.56% of portfolio coverage)
• 2022: 28.4 kWh/ft² (represents 96.27% of portfolio coverage)
b. Organization-specific metric chosen to calculate the above ratio: Total portfolio floor area: 19,146,490 ft²
c. Types of energy included in the intensity ratio: electricity, natural gas, district hot water, district chilled water and district steam.
d. The ratio only uses energy consumption within the organization.
### 303: Water & Effluents 2018

#### 303-5: Water consumption

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<th>Description</th>
<th>Response</th>
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| **a. Total water consumption:** | • 2021: 636,482 m³  
• 2022: 804,550 m³ |
| **b. Total water consumption from all areas with water stress:** | • 2021: 66,487 m³  
• 2022: 78,113 m³ |
| **c. Not applicable, water storage has not been identified as having a significant water-related impact.** | |
| **d. All water is from municipal water supply. No estimations or assumptions are used.** | |

### 305: Emissions 2016

#### 305-1: Direct (Scope 1) GHG emissions

<table>
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<tr>
<th>Description</th>
<th>Response</th>
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| **a. Gross Scope 1 GHG Emissions:** | • 2021: 20,157 tCO₂e  
• 2022: 19,815 tCO₂e |
| **b. Gases included in calculation: Carbon Dioxide (CO₂), Nitrous Oxide (N₂O) and methane (CH₄). Scope 1 emissions include emissions attributable to burning of natural gas.** | |
| **c. Not applicable - our energy supply does not include combustion of organic material.** | |
| **d. Allied's base year is 2019. Total Scope 1 emissions in 2019 was 20,526 tCO₂e.** | |
| **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 life-cycle emissions from energy generation.** | |
| **f. Consolidation approach as defined in Allied’s reporting boundary.** | |
| **g. See (e.), Allied utilizes Measurabl. No estimations or assumptions used.** | |

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

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<th>Description</th>
<th>Response</th>
</tr>
</thead>
</table>
| **a. Gross Scope 2 GHG emissions:** | • 2021: 18,597 tCO₂e*  
• 2022: 24,014 tCO₂e* |
| **b. Gases included in calculation: Carbon Dioxide (CO₂), Nitrous Oxide (N₂O) and Methane (CH₄). Scope 2 emissions include emissions attributable to consumption of electricity and district energy.** | |
| **c. Not applicable as Allied does not consume gross market-based energy.** | |
| **d. Allied’s base year is 2019. Total scope 2 emissions in 2019 was 21,672 MTCO₂e.** | |
| **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 life-cycle emissions from energy generation.** | |
| **f. Consolidation approach as defined in Allied’s reporting boundary.** | |
| **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.** | |

#### 305-4: GHG emissions intensity

<table>
<thead>
<tr>
<th>Description</th>
<th>Response</th>
</tr>
</thead>
</table>
| **a. GHG emissions intensity:** | • 2021: 2.56 kgCO₂e  
• 2022: 2.29 kgCO₂e |
| **b. Organization-specific metric used to calculate the ratio: 19,146,490 ft² (Total portfolio floor area).** | |
| **c. Type of GHG emissions included in the ratio: Scope 1 and Scope 2.** | |
| **d. The ratio is calculated using CO₂, CH₄, N₂O.** | |
### 306-1: Waste generation and significant waste-related impacts

Refer to page 11. Detailed description of type of waste generated through operations:

- 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 2022, waste data coverage was 85% across the portfolio.

#### 306-2: Management of significant waste-related impacts

- 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. In accordance with our User Construction Manual, the below outlines our policy on construction waste management practices:

  **Construction and demolition work should be planned and managed in accordance with the Building’s Construction Waste Policy and should incorporate the following practices:**
  - 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.
  - Re-use materials where appropriate on renovations or changes to existing work.
  - Recycle material by separation of recyclable material and diverting it to an appropriate recycling facility.
  - 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, Avilas, 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 2022, we continued to refine our waste management program to introduce multi-stream mixed recycling to existing buildings and buildings acquired in 2021 and 2022, while continuing to engage our tenants with training and education sessions.
  - Tenant’s contractors shall provide confirmation of proper disposal of construction waste in keeping with local regulations and guidelines.
  - 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.
  - 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.
  - 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.
  - 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, Avilas, 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 2022, we continued to refine our waste management program to introduce multi-stream mixed recycling to existing buildings and buildings acquired in 2021 and 2022, while continuing to engage our tenants with training and education sessions.

- **Total waste generated:**
  - 2021: 21,916 MT
  - 2022: 22,463 MT

- **Breakdown by Disposal Route:**
  - Landfill:
    - 2021: 2,090 MT
    - 2022: 2,406 MT
  - Composted:
    - 2021: 389 MT
    - 2022: 553 MT
  - Recycled:
    - 2021: 1,428 MT
    - 2022: 1,904 MT
  - Non-Hazardous:
    - 2021: 1,428 MT
    - 2022: 1,904 MT
  - Hazardous:
    - 2021: 2,090 MT
    - 2022: 2,406 MT

### GRI Table

<table>
<thead>
<tr>
<th>Description</th>
<th>Response</th>
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</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
</tr>
<tr>
<td><strong>306 Waste 2020</strong></td>
<td><strong>306-1: Waste generation and significant waste-related impacts</strong></td>
</tr>
<tr>
<td></td>
<td>Refer to page 11. Detailed description of type of waste generated through operations: 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 2022, waste data coverage was 85% across the portfolio.</td>
</tr>
<tr>
<td></td>
<td><strong>306-2: Management of significant waste-related impacts</strong></td>
</tr>
<tr>
<td></td>
<td>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. In accordance with our User Construction Manual, the below outlines our policy on construction waste management practices: Construction and demolition work should be planned and managed in accordance with the Building’s Construction Waste Policy and should incorporate the following practices: 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. Re-use materials where appropriate on renovations or changes to existing work. Recycle material by separation of recyclable material and diverting it to an appropriate recycling facility. 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). 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, Avilas, 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 2022, we continued to refine our waste management program to introduce multi-stream mixed recycling to existing buildings and buildings acquired in 2021 and 2022, while continuing to engage our tenants with training and education sessions. Tenant’s contractors shall provide confirmation of proper disposal of construction waste in keeping with local regulations and guidelines. 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). 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. 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. 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. 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, Avilas, 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 2022, we continued to refine our waste management program to introduce multi-stream mixed recycling to existing buildings and buildings acquired in 2021 and 2022, while continuing to engage our tenants with training and education sessions.</td>
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<tr>
<td></td>
<td><strong>Total waste generated:</strong></td>
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<tr>
<td></td>
<td>a. Total waste generated: Hazardous:</td>
</tr>
<tr>
<td></td>
<td>• 2021: 21,916 MT</td>
</tr>
<tr>
<td></td>
<td>• 2022: 22,463 MT</td>
</tr>
<tr>
<td></td>
<td>Non-Hazardous:</td>
</tr>
<tr>
<td></td>
<td>• 2021: 3,356 MT</td>
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<tr>
<td></td>
<td>• 2022: 4,963 MT</td>
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<td><strong>Breakdown by Disposal Route:</strong></td>
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<tr>
<td></td>
<td>Landfill:</td>
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<tr>
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</tr>
<tr>
<td></td>
<td>• 2022: 1,904 MT</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>DISCLOSURES</td>
<td>DESCRIPTION</td>
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<tr>
<td><strong>SOCIAL</strong></td>
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</tr>
<tr>
<td>403-1: Occupational health and safety management system</td>
<td>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.</td>
</tr>
<tr>
<td>403-2: Hazard identification, risk assessment, and incident investigation</td>
<td>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 for 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’s supervisors and management to identify root causes of these 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 2023, this program will be expanded to further capture all environmental and climate-related risks as they pertain to our operations. 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 Teams 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.</td>
</tr>
<tr>
<td>403-3: Occupational health services</td>
<td>Allied maintains first aid stations that meet or exceed provincial requirements in all buildings under our management, and all buildings have 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 sanitizer stations. Personnel have been provided with training on handling 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. Allied maintained an at-home rapid testing program from January to September 2022 to protect workers, vendors and contractors performing work in Allied buildings, deploying 14,622 rapid tests prior to the program wind down. We continued implementing traditional COVID-19 precautions which allowed the Allied team to fully return to the office in April 2022. A chemical hazard program was developed and implemented in 2021 that included a full inventory of hazardous chemicals in use within our buildings and the procurement and deployment of chemical storage cabinets to relocate hygiene risks to controlled areas of our properties.</td>
</tr>
<tr>
<td>403-4: Worker participation, consultation, and communication on occupational health and safety</td>
<td>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.</td>
</tr>
<tr>
<td>403-5: Worker training on occupational health and safety</td>
<td>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.</td>
</tr>
</tbody>
</table>
403: Occupational Health & Safety 2018

A. 403-6: Promotion of worker health

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 full-time and permanent employees an extended benefits program. The program covers various health expenses and provides subsidized medical, vision, dental, long-term disability and life insurance.

B. 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, 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

A. 405-1: Diversity of governance bodies and employees

B. 405-2: Diversity of organizational employees

C. 405-3: Diversity of supply chain

D. 405-4: Diversity of customers

GRI 406: Non-Discrimination

A. 406-1: Incidents of discrimination and corrective actions taken

No incidents of discrimination.
### Task Force on Climate-related Financial Disclosures (TCFD)

<table>
<thead>
<tr>
<th>GOVERNANCE</th>
<th>STRATEGY</th>
<th>RISK MANAGEMENT</th>
<th>METRICS AND TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Describe the board's oversight of climate-related risks and opportunities.</td>
<td>Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.</td>
<td>Describe the organization’s processes for identifying and assessing climate-related risks.</td>
<td>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</td>
</tr>
</tbody>
</table>

The Board is responsible for overseeing Allied's risk assessment process by identifying the principal risks to the business and ensuring that appropriate systems are in place to manage these 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. See page 5.

Due to rising global temperatures, Allied recognizes that the likelihood of climate-related impacts to our business is increasing across the short, medium and long term. 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 (before 2030) and long-term (beyond 2030) time horizons. See page 48 for the detailed findings from the scenario analysis.

Climate change has been identified as an environmental risk to Allied since 2017 and we intend to continuously enhance both our transition and physical climate-related risk assessment and management processes. See pages 10 and 23.

Allied has established key intensity-based metrics for the environmental topics most material to our business, including energy, GHG emissions, water and waste. Disclosing metrics related to environmental performance, such as Greenhouse Gas Intensity (GHGI), Energy Use Intensity (EUI), Water Use Intensity (WUI) and energy and water consumption allows Allied and our stakeholders to understand how our assets are performing and how we are managing climate-related risk. See pages 9 and 11.

To ensure high quality reporting and comparability for our stakeholders, we prepare our ESG Report, including metrics and targets, in alignment with the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). See pages 28 and 31.

### STRATEGY

**Describe management’s role in assessing and managing climate-related risks and opportunities.**

Allied’s executive 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 semi-annually to review all matters related to ESG, including climate risk. See page 5.

**Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.**

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. See page 23.

**Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management process.**

Allied manages transition risk through acquisition due diligence, regulatory reviews, GHG emissions reduction targets and monitoring, as well as proactive management supported by our environmental performance team. We also established an internal shadow price of carbon as a notional market price per tonne of operational carbon emitted. The shadow price of carbon enables us to quantify the impact of carbon emissions to our business and to make decisions that account for expected transition risk. For more information on how these processes are integrated into our risk management process see pages 8 and 23.

Allied recently developed a Physical Climate Resilience Strategy for our standing portfolio that prioritizes building-level mitigation strategies and has started to evaluate the physical risks at each building. See page 10.

**Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management process.**

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 NZC Plan that will identify a pathway to achieve NZC by 2050 or sooner. See page 8.

**Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**

Allied understands the importance of meaningfully integrating climate-related metrics and targets into our business strategy and remuneration policy. As such, our performance against GRESB, an internationally recognized benchmarking tool for the ESG performance of real estate companies, is directly linked to annual executive compensation.

In 2021, Allied established intensity-based 2024 reduction targets for our environmental performance, including 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 NZC Plan. See pages 9 and 11.

**Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management process.**

The two climate-related scenarios we used to conduct our scenario analysis included the Paris Agreement-aligned scenario (lower than 2°C), which 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, we identified potential transition risks associated with policies and investments as well as opportunities in early-stage innovative technologies.

The second scenario, or 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 unsuviurable regions. In this scenario, the potential risks and opportunities identified were primarily associated with the physical impacts of climate change. See page 48 for the detailed findings from the scenario analysis.

**Describe the organization’s processes for managing climate-related risks.**

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 NZC Plan that will identify a pathway to achieve NZC by 2050 or sooner. See page 8.

**Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.**

The environmental performance of Allied’s standing portfolio, including Scope 1 and 2 greenhouse gas emissions, can be found on page 26. As we continue to develop our NZC Plan, we aim to begin reporting our Scope 3 emissions, in alignment with 100% requirements.
**Scenario Analysis**

**Scenario 1: lower than 2˚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.

- Insurers requiring resilience measures
- Enhanced emissions reporting and transition planning obligations
- Challenges leasing high-carbon buildings or buildings without decarbonization plans
- Increased capital and development costs to meet decarbonization requirements for new and existing assets
- Carbon pricing rapidly increasing operational costs
- Unpredictable policy change and variation across provinces
- Rapid demand for electric vehicle charging infrastructure in new and existing buildings

**Risks**

- Increased insurance premiums
- Increased overhead and storage for maintaining inventory of equipment to mitigate supply chain disruptions
- Significant increase in operational costs and prolonged equipment downtime
- Increased cost and timeline disruptions for development
- Limited access to reliable water supply during potential droughts in Western Canada
- Potential for uninsurable user spaces and stranded assets
- Unreliable supply chain due to extreme weather events

**Opportunities**

- Capitalize on grants and funding for net zero investments and green financing mechanisms
- Prioritize low-carbon technology and other potential new investments and co-investments
- Introduce net zero as a service to users through carbon removal credits or other emissions reduction services
- Invest in local supply chain and low-carbon partnerships
- Significant variation of grid emission factors across provinces leading to varying operational costs
- Increased hazardous material from increased use of batteries
- Rapid growth in electricity demand leading to building brownouts
- Social unrest from increased cost of living, accelerating inequality
- Economic impacts to enterprises as a result of changing customer preferences

**Scenario 2: Approximately 4˚C**

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.

- Increased planning and operational complexity due to varying requirements between provinces and municipalities
- Cost reduction from upfront investment realized
- Demand increase from limited supply of net zero office space
- Explore and implement innovative and new technology revenue sources
- Integrate green space into large development projects
- Strengthen partnerships with low-carbon focused and aligned suppliers
- Attract investors aligned with Allied’s decarbonization goals

**Risks**

- Significant impact on supply chain and business due to extreme weather events
- Inequality in urban core due to mass migration of climate refugees
- Increased equipment failure and damages impacting user satisfaction
- Incurring cost of relocating critical building infrastructure to mitigate flood risk
- Increased security cost due to crime
- Increased health risks due to poor air quality
- Lack of coastal development opportunities due to sea-level rise and flooding

**Opportunities**

- Increase user awareness of building resilience program
- Incorporate beyond-code resilience and emergency preparedness measures to mitigate physical risks
- Expand resilience-focused services to users
- Integrate climate risk into acquisition and due diligence process
- Modify supply chain to focus on local suppliers
- Improve employee knowledge and capabilities related to emergency preparedness and resilience

**Short-term (before 2030)**

- **Risks**
  - Significant variation of grid emission factors across provinces leading to varying operational costs
  - Increased hazardous material from increased use of batteries
  - Rapid growth in electricity demand leading to building brownouts
  - Social unrest from increased cost of living, accelerating inequality
  - Economic impacts to enterprises as a result of changing customer preferences

- **Opportunities**
  - Significant impact on supply chain and business due to extreme weather events
  - Inequality in urban core due to mass migration of climate refugees
  - Increased equipment failure and damages impacting user satisfaction
  - Incurring cost of relocating critical building infrastructure to mitigate flood risk
  - Increased security cost due to crime
  - Increased health risks due to poor air quality
  - Lack of coastal development opportunities due to sea-level rise and flooding

**Long-term (beyond 2030)**

- **Risks**
  - Significant impact on supply chain and business due to extreme weather events
  - Inequality in urban core due to mass migration of climate refugees
  - Increased equipment failure and damages impacting user satisfaction
  - Incurring cost of relocating critical building infrastructure to mitigate flood risk
  - Increased security cost due to crime
  - Increased health risks due to poor air quality
  - Lack of coastal development opportunities due to sea-level rise and flooding

- **Opportunities**
  - Increase user awareness of building resilience program
  - Incorporate beyond-code resilience and emergency preparedness measures to mitigate physical risks
  - Expand resilience-focused services to users
  - Integrate climate risk into acquisition and due diligence process
  - Modify supply chain to focus on local suppliers
  - Improve employee knowledge and capabilities related to emergency preparedness and resilience

**Allied 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.

<table>
<thead>
<tr>
<th>UN SDG</th>
<th>UN SDG TARGET</th>
<th>UN SDG INDICATOR</th>
<th>ALLIED’S ALIGNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8</td>
<td>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</td>
<td>3.8.1 Coverage of essential health services</td>
<td>Employee Engagement (page 15) and Health, Wellbeing &amp; Safety (page 18)</td>
</tr>
<tr>
<td>3.9</td>
<td>Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks</td>
<td>Employee Engagement (page 15) and Health, Wellbeing &amp; Safety (page 18)</td>
<td></td>
</tr>
<tr>
<td>5.1</td>
<td>End all forms of discrimination against all women and girls everywhere</td>
<td>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</td>
<td>Equity, Diversity &amp; Inclusion (page 26)</td>
</tr>
<tr>
<td>5.5</td>
<td>Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</td>
<td>5.5.2 Proportion of women in managerial positions</td>
<td>Equity, Diversity &amp; Inclusion (page 26)</td>
</tr>
<tr>
<td>6.4</td>
<td>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</td>
<td>6.4.1 Change in water-use efficiency over time</td>
<td>Water Management (page 11)</td>
</tr>
<tr>
<td>7.3</td>
<td>By 2030, double the global rate of improvement in energy efficiency</td>
<td>7.3.1 Energy intensity measured in terms of primary energy and GDP</td>
<td>Net Zero Carbon Plan (page 8) and Energy Management &amp; GHG Emissions Reduction (page 9)</td>
</tr>
<tr>
<td>9.4</td>
<td>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</td>
<td>9.4.1 CO₂ emission per unit of value added</td>
<td>Net Zero Carbon Plan (page 8) and Energy Management &amp; GHG Emissions Reduction (page 9)</td>
</tr>
<tr>
<td>11.2</td>
<td>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</td>
<td>11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities</td>
<td>Mobility &amp; Active Transportation (page 18)</td>
</tr>
<tr>
<td>11.4</td>
<td>Strengthen efforts to protect and safeguard the world’s cultural and natural heritage</td>
<td>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)</td>
<td>Community Building (page 20) and Sustainable Design Standards (page 20)</td>
</tr>
<tr>
<td>12.5</td>
<td>By 2030, substantially reduce waste generation through prevention, reduction, recycling and re-use</td>
<td>12.5.1 National recycling rate, tons of material recycled</td>
<td>Waste Management (page 11)</td>
</tr>
<tr>
<td>13.1</td>
<td>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</td>
<td>13.1.3 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction</td>
<td>Climate Change Adaptation (page 10) and Climate-related Risk Management (page 23)</td>
</tr>
<tr>
<td>13.2</td>
<td>Integrate climate change measures into national policies, strategies and planning</td>
<td>13.2.2 Total greenhouse gas emissions per year</td>
<td>Energy Management &amp; GHG Emissions Reduction (page 9)</td>
</tr>
</tbody>
</table>
LIMITATIONS AND EXCLUSIONS

Greenhouse gas quantification is unavoidably subject to inherent uncertainty because of both scientific and estimation uncertainty and for other non-financial performance information the precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

Several smaller Scope 1 GHG emission sources (i.e., refrigerant releases, mobile combustion sources, emergency generators) have been excluded from this review. Reviews pertaining to the completeness and capture of all utility meters at properties, particularly those attributed to tenant spaces, is limited to what is disclosed in data management systems. No visit to the Client’s headquarters or facilities was conducted throughout this engagement. However, a sample set of properties were reviewed in more granularity and tested for data accuracy. It was determined that these limitations and exclusions do not materially impact the performance criteria or assurance engagement.

METHODOLOGY

The assurance procedures undertaken were to determine the strength of the systems in place. ISOS Group:

- Engaged a sample of individuals responsible for performance measurement,
- Evaluated current management systems for performance data collection, compilation, calculation, reporting, and validation,
- Determined consistency of assessing materiality, management approach, and application of quality control procedures,
- Reviewed sustainability disclosures, supporting data, and justification for rectifying discrepancies,
- Validated alignment to standard reporting protocols to ensure accurate claims to the quantitative methodology and approach and assurance claims,
- To verify quantitative claims, both at the aggregate level and on a sample basis, and test accuracy, consistency, completeness, and reliability, ISOS Group:
  1. Conducted a portfolio assessment analyzing performance results to uncover any errors, misstatements, gaps, or performance anomalies,
  2. Brought all findings to the Client’s attention to address and confirmed resolution,
  3. Selected the following properties for testing and analysis, including cross-reference to primary source data to uncover variances and address any exclusions and other limitations:
     a. 151 Front Street W (Toronto, Canada)
     b. 60 Adelaide Street E (Toronto, Canada)
     c. CDM - 111 Robert-Bourassa (Montreal, Canada)
FINDINGS

Based on the process and procedures conducted, there is no evidence that the energy, water, carbon, and waste metrics reported by the client are materially misstated and confirm they provide a fair representation of the Client’s environmental impacts to stakeholders for the stated period and reporting boundary.

APPLICATION OF THE AA1000AP

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles:

- **Inclusivity**: Allied identifies its key stakeholders in its annual ESG report. Key stakeholders include its employees, tenants, investors, partners, communities, suppliers and contractors. Allied should continue to disclose engagement types and outcomes in future reporting.

- **Materiality**: In its ESG Report, Allied outlines the 10 highest scoring topics, which were approved by Allied’s ESG Committee, as the foundation of their ESG Strategy. Topics were sourced from the GRI standards, SASB, and TCFD, which represent best practices and industry standards. Allied conducted their materiality assessment in 2021.

- **Responsiveness**: Allied established an executive ESG Committee representing leaders from different areas of responsibility who offer expertise and disseminate information across the organization. The ESG Committee assists Management and the Board in defining, designing, implementing, expanding, and evaluating Allied’s ESG Strategy. Progress of this committee is communicated via a dedicated space on their website and within its ESG report.

- **Impact**: Allied established environmental performance metrics and targets and reports its progress annually in its ESG Report. Allied has commitment to establish a Net Zero Carbon Plan and a GHG reduction target that will be validated by the Science-Based Targets initiative.

RESTRICTION OF USE

This assurance report is made solely to the Client in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to the Client those matters we have been engaged to state in this moderate assurance report and for no other purpose. Our moderate assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Client for any purpose or in any context. Any party other than the Client who obtains access to our moderate assurance report or a copy thereof and chooses to rely on our moderate assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Client for our work, for this independent moderate assurance report, or for the conclusions we have reached.

STATEMENT OF COMPETENCY AND INDEPENDENCE

ISOS Group is an independent professional services firm that specializes in sustainability reporting under the Global Resources Initiative (GRI), CDP, and GRESB and is a provider of external assurance services. ISOS Group is a Global Reporting Initiative Certified Training Partner for the United States and a CDP Silver Education and Training Partner in the United States. Our team of experts have the technical expertise and competency to conduct assurance to the AA1000 assurance standard, which meets the criteria for assurance of environmental data.

No member of the assurance team has a business relationship with the Client, its Directors, or Managers beyond that required of this assignment. We conducted this assurance independently and, to our knowledge, there has been no conflict of interest. ISOS Group has a strong code of ethics and maintains high ethical standards among its staff in their day-to-day business activities. The assurance team has extensive experience in conducting assurance engagements over environmental, social, ethical, and health and safety information systems and processes.

Further information, including a statement of competencies, can be found at www.isosgroup.com.

SIGNED ON BEHALF OF ISOS GROUP:
San Diego, California – USA, June 23, 2023.

BRIAN NOVECK
CSAP PRACTITIONER

DARLIN PEREZ
SUSTAINABILITY ANALYST

ALLIED 2022 ESG REPORT

51
“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