



CONCERT® PROPERTIES

ESG Guidelines

Our Business and Founding Principles

Concert Properties can trace our commitment to Environmental Stewardship, Social Responsibility and Strong Governance to our founding in 1989 with a mandate to provide assured rental housing in Vancouver. After more than three decades, we are still focused on building strong, sustainable communities across Canada as we deliver attractive returns to our owners.

Concert Properties develops, acquires and manages Canadian real estate with over \$9 billion in assets, including \$3.3 billion in infrastructure. We are proudly owned by union and management pension plans and institutional investors representing over 200,000 Canadians. Over the years, Concert Properties has grown and diversified by asset class and geographically, and today we comprise Concert Real Estate Corporation and Concert Income Properties, with a portfolio that includes rentals and condominiums, seniors' active aging communities, and industrial and commercial properties across Canada. Through Concert Infrastructure, an independent corporate entity, essential public infrastructure projects are invested in, developed and managed.

In everything we do, across all aspects of our business, we operate by our three founding principles:

1. Deliver attractive, long-term returns for the Canadian union and management pension plans and institutional investors who own us.
2. Create jobs and use skilled construction union labour.
3. Give back to the communities where we work.

We are inspired by the promise of building a people-first future.

Guided by these founding principles, we are deeply invested in improving the lives of people who live and work in our properties and communities. A defining aspect of this investment is our commitment to sustainability. We weave sustainability awareness and practice into every level of our business, with a particular focus on three interconnected priorities:

- We design, construct and manage buildings to mitigate the impact on the natural environment, using resources wisely with a priority on reducing greenhouse gas (GHG) emissions and building resilience.
- We are invested in improving the lives of the people who live and work in our communities through thoughtful design; a collaborative, inclusive approach to operations; and dedicated support of residents and tenants to foster social connections. Our social responsibility also extends to our corporate giving programs and commitment to affordable housing.
- We believe in strong governance to support long-term profitability for our owners and provide quality employment opportunities.



ESG at Concert Properties

About This Guide

Sustainability is an important and complex topic that encompasses environmental issues, societal and social change, and behaviours rooted in transparency and responsible action. We developed the guidelines in this document to help Concert Properties' employees and other interested parties understand our approach to both sustainable development (SD) and environmental, social and governance (ESG) issues.

Sustainability has always been at the forefront of Concert Properties' business decisions and operations. Our SD approach informed the development of the ESG pillars, principles and priorities, which guide our actions and help our varied stakeholders understand our plans and performance.

The guidelines are meant to be incorporated across our portfolio and reflected in our day-to-day activities.

Sustainable Development and ESG

At its heart, sustainable development seeks to reconcile human activity with the world around it while striving to establish an essential harmony among financial growth, natural systems and social equity. A widely accepted definition of sustainable development, introduced in 1987, is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

ESG as a linked set of goals and metrics was introduced in the mid-2000s. In large measure, ESG was developed to establish guidelines to help stakeholders interested in sustainability evaluate corporate performance and inform long-term investment and sustainable development decisions.

As an organization that works on behalf of owners with long time horizons, we understand and agree with the importance of a long-term ESG perspective, planning now to work towards incremental sustainability performance improvements across our workplace, our portfolio and our broader communities. In addition to our approach to climate change, Concert Properties is committed to sustainable development in our daily operations and strategic initiatives.



Our ESG Approach and Pillars

Concert Properties integrates sustainability and ESG considerations into how we develop, manage and invest on behalf of our owners. To meet the challenges of climate, societal and social change, we describe our approach under three pillars: environmental stewardship, social responsibility and strong governance. These pillars include principles and strategies that help us to address these challenges in a constructive and measurable way.

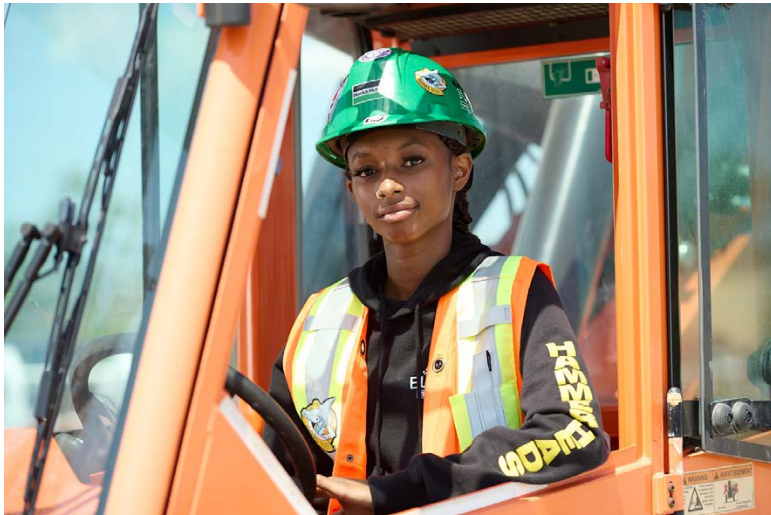
Our ESG Pillars

ENVIRONMENTAL STEWARDSHIP

As an employer, real estate manager, developer and investor, we have a hands-on approach to meeting challenges. Our commitment to environmental stewardship encompasses establishing a practical and sustainable approach to reducing GHG emissions, managing waste, supporting biodiversity, using water responsibly and managing our transportation impacts. Our focus on reducing GHG emissions across business operations is part of our efforts to address the challenge of climate change.

We recognize the importance of the target of net-zero carbon emissions by 2050 that has been set by Canada and the international community to combat the worst effects of climate change. We understand that the pathway to get there is not clear, but we are committed to take action as we aspire to that global target.





SOCIAL RESPONSIBILITY

Concert Properties is also committed to addressing social issues – guided by our social responsibility principles and informed by our perspective as a developer, investor, employer and community member. At the same time, we recognize that our impact and obligations extend well beyond our properties and into the wider community – local, provincial, national and global. Across our operations, we are working to address affordability, social isolation and health issues through thoughtful design, programming and resident and tenant engagement.

As an employer, we are dedicated to exploring and embracing diversity, equity and inclusion in our culture. These efforts include supporting truth and reconciliation with Indigenous Peoples of Canada.



STRONG GOVERNANCE

Strong governance, vigilant oversight and clear accountability are essential for fulfilling our obligations to those interested in Concert Properties and for successfully implementing our business and ESG strategies. For our organization, the three principles of strong governance are transparency about our performance, including ESG; responsible stewardship of investor, environmental and social capital; and strong, trust-based relationships with interested parties.

Effective governance is responsive, not reactive. We do not look at the world from a quarter-to-quarter perspective; instead, we take a long-term view when setting and achieving our investment goals and ESG commitments.

United Nations Principles for Responsible Investment

Concert Properties and Concert Infrastructure are both signatories to the United Nations Principles for Responsible Investment (UNPRI), a United Nations-sponsored network of international financial institutions working in partnership to support the organization’s six [Principles](#).

As a proponent of responsible investing, the UNPRI works to understand the investment implications of ESG factors and to support its signatories in incorporating these factors into their investment and ownership decisions.

Strong Governance

Concert Properties has always had strong corporate governance practices. Our owners trust that we will continue to deliver attractive, long-term returns for their members. Our residents and tenants entrust us with their homes and workplaces. The communities where our properties are located trust us to operate in a way that is sustainable and environmentally responsible. And our employees entrust us with their livelihood and career development. As corporate stewards, we take these responsibilities seriously and strive to create shared and lasting value for employees, partners, residents, tenants, community members and our owners.

The diversity across our portfolio – which includes rental apartments, condominiums, seniors' active aging communities, industrial and commercial properties, and public infrastructure projects – aligns with our long-term focus on ensuring we are resilient in the face of market changes and challenges. Supported by Concert Properties leadership, each employee agrees to follow a comprehensive set of corporate conduct policies and practices, ensuring that all our operations comply with or exceed federal, provincial and local regulations. Furthermore, ESG performance metrics have even been integrated into executive compensation of the leadership team.

Our investments meet the highest ethical standards demanded by investors. We conduct rigorous due diligence on our acquisitions and thoroughly review planned investments and developments with our owners. Concert Properties invests to provide attractive, long-term returns for our investors in a manner that maximizes long-term value while enhancing our brand and reputation.



Strong Governance Principles

Strong governance builds trust and is crucial to the success of any organization that needs to earn and keep the confidence of owners, investors, employees, partners and community members. It is also necessary for the long-term planning required to develop and implement environmental, social and investment strategies as well as meet macro challenges such as climate change.



TRANSPARENCY

We will develop the internal capacity to achieve reliable data collection on social and environmental metrics to enable meaningful corporate reporting, support enhanced customer experience and improve our portfolio value. Diligent monitoring and reporting on corporate ESG performance are now expected in any organization with an investor focus.



LONG-TERM THINKING

Our long-term approach creates resilient economic growth for our investors, the communities we invest in and the assets we manage. Similarly, a forward-thinking perspective helps us develop plans and approaches for addressing ESG challenges such as climate change and opportunities such as building a more diverse and inclusive organizational culture.



STRONG RELATIONSHIPS

A successful organization needs strong, mutually beneficial relationships with a variety of interested parties, internal and external. We build strong, trusting and collaborative relationships through our values and actions – integrity, collaboration and service excellence. Examples include our thoughtful project design, high standard of execution, comprehensive disclosure and responsive customer service, as well as supportive and flexible workplace policies.

We are proud to be a trusted capital manager, a valued partner, a welcome neighbour and an attractive employer.



ACCOUNTABILITY

Concert Properties keeps abreast of evolving developments and expectations in ESG performance and reporting. Along with Concert Infrastructure, we are signatories of the UN Principles for Responsible Investment (UNPRI). The reporting framework it provides helps us consider ESG performance from policy development to the post-investment phase of our projects. It also provides another lens for assessing risk and opportunities and adjusting our strategies accordingly. We continue to evaluate which third-party benchmarks and frameworks align best with our values and objectives.

Environmental Stewardship

The global challenge of climate change has made it powerfully clear that we are all connected and that actions and choices by individuals, organizations and governments can have an impact far beyond local borders.

Concert Properties acknowledges that buildings account for more than one-third of global GHG emissions, and in Vancouver and Toronto, buildings contribute over 50% of each city's current total emissions. Clearly, something must be done. We are committed to taking meaningful and financially responsible actions to reduce carbon emissions, which we see as one of our top environmental priorities.

However, we also recognize our obligation to address other pressing environmental issues. Consequently, we are committed to reducing our impact in various areas of our operations. For example, we continually look for opportunities to use less water and to find and use healthy, eco-friendly materials.

We also understand that simply minimizing negative impacts is not enough. We seek to foster environmental resilience in the face of climate change and other challenges. In our approach to development, we look for ways to support natural systems in rebounding after a disturbance and successfully returning them to a sustainable state.

Environmental Stewardship Priorities

Concert Properties recognizes that we must act as environmental stewards. We are responsible for protecting the natural environment and ensuring that we use resources wisely. Therefore, we are taking meaningful action to combat climate change and safeguard the natural and ecological systems that sustain our communities.



GREENHOUSE GAS EMISSIONS

We strive to find the balance to accommodate planned growth within our portfolio and meet the financial return expectations for our investors, while achieving greater energy efficiency and reducing GHG emissions from new and existing buildings.



WASTE

We endeavour to minimize waste in all aspects of our business and provide waste-reduction solutions for our residents, employees and tenants and also in our construction and development operations. Curtailing or eliminating the waste we produce by reducing, reusing and recycling helps make our business more efficient and contributes to minimizing resource extraction and reducing GHG emissions associated with producing goods.



MATERIALS

We recognize the importance of reducing the use of persistent toxic chemicals for both human and ecological health when procuring materials. We also take other environmental considerations into account when developing specifications for products and services through our sustainable procurement.



BIODIVERSITY

We take a restorative approach to habitat and actively seek opportunities to connect our communities with nature. We aim to minimize our environmental impact and, where possible, restore the ecological integrity and diversity of the urban ecosystems where we build, own and operate properties.



WATER

We treat water as a valuable resource and use it and monitor consumption in a manner consistent with good stewardship of the watersheds near our properties. Recognizing the impact of stormwater runoff, we strive to eliminate contaminants in receiving bodies of water while contributing to a healthy hydrological cycle.



TRANSPORTATION

We design and manage our buildings, communities and operations to act as catalysts, providing residents, tenants and workers with options for – and access to – low-carbon transportation and healthier commuting. We place high value on opportunities to pursue and execute transit-oriented development.

Social Responsibility

Concert Properties is a community builder that strives to improve the lives of our employees, partners and those who live and work in our buildings.

Building a community goes beyond the physical properties we develop, build and manage. We aim to create healthy, resilient, inclusive and diverse communities that enable residents to live meaningful lives. Similarly, as an employer, we understand that our policies and practices must embody diversity, equity and inclusion.

Concert Properties has targeted strategies and tailored programs across our portfolios designed to support our commitments to community, inclusion and diversity and ensure we meet the objectives laid out in our social responsibility principles.

We take a thoughtful approach to development, investment, hiring and supporting our staff and contractors, working with vendors, and connecting with and caring for our residents, tenants and neighbours.

Financial pressure and loneliness increase stress levels, directly impacting public health and wellness. At the same time, affordability is a challenge facing new home buyers and renters. We aim to create affordable, welcoming developments that help residents, tenants and visitors connect, establish communities and ultimately build better lives.

Only by achieving these goals can we truly call ourselves a community builder.



Social Responsibility Priorities

Our priorities are tied to making a positive impact on our staff and on the people in the communities where we work. These priorities are aligned with the objectives of our pension plans and institutional investors who rely on our returns.



INCLUSION

We create places that embrace diverse populations, facilitate housing accessibility and offer the many positive benefits of thriving community life. Concert Properties believes that equity and social inclusion are critical components of social well-being and that welcoming, inclusive environments work better for everybody – at home or work and at all stages of life. Therefore, Concert Properties has been actively implementing diversity, equity and inclusion (DEI) principles and programs across our business, communities, and supply chains.



HEALTHY LIVING

Physical and mental health are some of the most important foundations for human well-being, so we carefully select sites and design amenities and programming to support healthy choices. This means creating mixed-use spaces where people can live and work, as well as communities that encourage cycling and developing near rapid transit nodes. It also means designing dynamic streetscapes and public spaces that encourage people to gather, are accessible and enable pedestrians as well as cyclists and transit users.



PEOPLE-FIRST CULTURE

We support the development of an equal opportunity economy where Canadians can access education, training and meaningful work and contribute to society. We proudly strive to make a long-term impact on our community, on industry and in people’s lives through our support for skilled trades training, donating our time and resources to community-focused initiatives, and through the creation of people-centric communities across Canada.

We value integrity and seek to build long-term, respectful relationships with our employees, vendors and partners. We are always looking for opportunities to invest in our employees in a way that also creates additional value for the company. Simply stated, Concert Properties aspires to be a great place to work and a good partner to work with and to make a difference in communities.



Portfolio Climate Strategies

Income Producing Properties

At existing buildings within our portfolio, Concert Real Estate Corporation (CREC) and Concert Income Properties (CIP) are already taking steps to improve energy efficiency, minimize our carbon footprint and effectively manage water use, transportation impact and waste.

We recognize the importance of the target of net-zero carbon emissions by 2050 that has been set by Canada and the international community to combat the worst effects of climate change. We understand that the pathway to get there is not clear, but we are committed to take action as we aspire to that global target. A critical focus of our strategy is building value and resilience into our portfolio.

Concert Properties' Scope 1 emissions result from the combustion of fossil fuels, for example, natural gas or diesel that occurs at our properties to heat spaces or provide hot water.

Our Scope 2 emissions are driven by electricity consumption, both from the base building, through applications such as HVAC and common area lighting, and from resident and tenant spaces within our operational control.

Emissions from energy directly used by and billed to residents and tenants are considered Scope 3. For those emissions that are controlled by our residents and tenants, including the use or procurement of appliances that consume energy, we encourage and support our residents' and tenants' ESG efforts. We also include several sustainability measures in our lease documentation to better align tenant practices with our values.



New Development

As part of the federal government’s Canada Green Buildings Strategy, Concert Properties has set a policy target for all new buildings to be net-zero carbon-ready by 2032 and to conform to the latest applicable codes, standards and guidelines for climate resilience. While targets are fixed, the approaches for achieving them will not be. The markets where Concert Properties develops spans a variety of climates and landscapes, and therefore we must develop practical strategies tailored to each location and property type.

Concert Properties will use financially responsible and robust approaches to carbon reduction while conforming to all sustainability requirements set out by regulatory authorities, which include the BC Energy Step Code and Toronto Green Standard. To meet the federal targets and comply with various provincial and municipal standards, Concert Properties will continue to take new approaches. We will need to increase our investment in building envelopes and switch to highly efficient, electric-based HVAC systems. In addition, we are still exploring the best methods for decarbonizing domestic hot water systems, a challenge that affects our entire industry.

While we will comply with all regulatory requirements, we will pursue select discretionary sustainability objectives where they deliver a required benefit. Moreover, we will only proceed after our assessment confirms that the technical and financial feasibility of the goal meets our requirements and that it poses minimal implementation and operational risks.



Concert Infrastructure

Concert Infrastructure is a long-term investor, developer and manager established to partner with Canadian governments to deliver critical public infrastructure assets that support essential public services. With separate management and governance, Concert Infrastructure is an independent corporate entity which receives discrete business support from Concert Properties through an administrative services agreement.

Concert Infrastructure takes an integrated approach to the design, finance, construction and operation of essential infrastructure through public-private partnerships (P3). ESG and sustainability expectations concerning the design, construction and operational performance requirements are defined by our government partners during the proposal and planning stages. All P3 projects we participate in have a vital social purpose, are aligned with our principles and support essential public services such as justice, public safety, education and healthcare. At its core, Concert Infrastructure's business focuses on investing, developing and managing infrastructure that supports the long-term needs of communities across Canada and contributes to strengthening their economic and social fabric. Consequently, environmental, social and economic sustainability considerations and investment are at the forefront of the company's strategy and activities.



CONCERT® PROPERTIES

Building a people-first future

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