

# Building Resilience

1004 Middlegate Road, Mississauga  
ESG Report | 2021

CROWN  
PROPERTY MANAGEMENT  
MORE THAN SQUARE FOOTAGE

20  
YEARS

## About This Report

This report is guided by Crown's 2020 sustainability materiality assessment and several recognized global reporting frameworks, including Global Real Estate Sustainability Benchmark (GRESB), the Sustainability Accounting Standards Board (SASB) Real Estate Standard. Refer to Appendix B for Crown's SASB reporting.

Crown's ESG Committee prepared the data, and the report was written by Crown's internal ESG professionals. The report was reviewed internally by appropriate senior leaders and partners for accuracy.

This report provides an overview on Crown's ESG strategy across our Fund Portfolio and more precisely, 1004 Middlegate Road, unless otherwise stated.

As part of our commitment to providing accurate and consistent data, our environmental data has been verified by a third-party. Refer to Appendix C for the Statement of Assurance.

All financial figures are reported in Canadian Dollars (CAD). All figures and data refer to the 2021 calendar year, unless otherwise stated.

The performance data continues to reflect the impact of COVID-19 and the reduced occupancy rates due to lockdowns and government restrictions throughout 2021. We have not normalized our data for occupancy, consistent with industry practice at this time.

Provincial lockdowns and mask mandates persisted through part of 2021. It should be noted that some of the pictures used in this report were taken during the mask mandates while others have been taken either before or after the mandates.

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# As an investor and a fiduciary, we believe that retrofitting existing buildings to achieve sustainability goals, is essential to transition to a low carbon world. This will build resilience and future-proof our portfolio, all while growing the value of our investors' assets.

In 2019 Crown made a commitment to expand ESG transparency and disclosures. This entailed submitting to GRESB, the Global ESG Benchmark, on behalf of 1004 Middlegate Road. Holding the ESG performance of 1004 Middlegate Road and Crown's overall management practices up to the scrutiny of a globally recognized standard has allowed us to create a culture of accountability and continuous improvement.

As we celebrated our 20<sup>th</sup> anniversary in 2021 and released our first annual ESG report, we chose to be guided by the SASB Real Estate Standard, which focuses on ESG disclosures that are considered material to investors and incorporated climate-related factors based on the TCFD framework. Full alignment will take time, but we are steadfast in our commitment to lay the necessary groundwork.

Reflecting on the past year, we are proud of the progress we have made and the accomplishments of our team, including the following:

- Recognized as one of Canada's Top Small and Medium Sized Employers
- Achieved Sustainability certifications for 98% of our Fund Portfolio
- Formed Crown's first Advisory Board

- Completed Crown's first employee DEI Survey
- Integrated ESG considerations such as climate change and decarbonization into our investment process for new acquisitions

We have witnessed an acceleration of trends in the commercial real estate industry and are cognizant of the changing needs of office building occupants because of evolving employee expectations. This is something we are mindful of, not only as it relates to our own talented team, but also as it relates to our stakeholders. We must adapt our business to their ever-changing needs to continue to enhance the experience for our building occupants and maximize value for our investors.

During the United Nations Climate Change Conference (COP26) that took place at the end of 2021, the world focused its attention on climate change. This increasingly urgent topic has significant economic and societal implications to investors, corporations (including those occupying our buildings), and governments who are targeting emission reductions and making net zero commitments.

We recognize that the long-term value of our assets will be affected by how we navigate the global energy transition in the years ahead. As an investor and a fiduciary, we believe that our value-add mindset, an essential part of which is focused on retrofitting existing buildings to achieve sustainability goals, will be essential to meet the imperative of transitioning to a low-carbon world. We believe this will build resilience and future-proof our portfolio, all while growing the value of our investors' assets.

As we continue our ESG journey, we are focused on identifying priorities and opportunities to advance our agenda in a thoughtful and measurable manner. We are excited and believe this process will bring with it more opportunities to uncover fresh sources of value as we continue creating a smarter, more responsible model for commercial real estate investing and management.

Sincerely,

*Emily Hanna*

Emily Hanna, PhD  
Managing Partner, Investments



In 2021, Crown celebrated our 20<sup>th</sup> anniversary. Since we were founded, we have aspired to be the manager of choice in commercial real estate in Canada, recognized for superior investment returns, quality service, innovation, growth, rewarding careers, and environmental sustainability.

Crown is a private Canadian investment and management firm specializing in commercial real estate. We acquire, manage, redevelop, and reposition commercial real estate assets. Crown seeks to provide exceptional returns to our investors who entrust us with their capital, while also providing quality premises and excellent service to the businesses that operate within our office communities. Investments are made through limited partnership funds, or through other investment vehicles, including co-ownerships.

Additionally, Crown provides third-party asset and property management services for a select group of clients. With our value-add mindset, Crown specializes in identifying value where others do not. The majority of our Fund Portfolio consists of assets at varying stages of the repositioning and value-add process. We consider the application of ESG-focused initiatives an essential part of our value creation strategy, as we enhance the profile of our assets and returns for our investors.

20

YEAR TRACK RECORD

\$3.2B

GAV UNDER MANAGEMENT

63

BUILDINGS MANAGED IN  
GREATER TORONTO AND  
GREATER OTTAWA AREAS

8.8M

SQ.FT.  
UNDER MANAGEMENT

42,000+

BUILDING OCCUPANTS

64%

OF SENIOR MANAGEMENT  
ARE WOMEN\*

6.6M

SQ. FT.  
SUSTAINABILITY CERTIFIED

55%

INCREASE IN EMPLOYEE  
HEADCOUNT\*

# Crown is vertically integrated and can consider ESG at every step of the real estate investment lifecycle.

## ASSET MANAGEMENT

A Crown building is an actively managed one. Our multi-disciplinary team works together to develop a comprehensive business plan for each asset to deliver the best experience for our tenants and achieve higher returns for our investors. As a fiduciary, transparency, good governance, and alignment of interests have always taken precedence.

## ACQUISITIONS

Our due diligence process incorporates a review of potential ESG risks, including financial, physical, environmental, and climate risk assessments. We identify risk mitigation strategies early in the real estate investment lifecycle and develop certification and management plans to ensure our stabilized assets are institutional quality.



## PROPERTY MANAGEMENT

Crown's active management approach is efficient and responsible, offering a unique value proposition. We apply this management approach as we establish capital programs, engage with our building occupants, and connect with our surrounding communities.

## LEASING AND MARKETING

Our leasing team ensures potential tenants are aware of the value proposition when locating within a Crown building. This team informs brokers and their clients of the benefits of sustainability certifications and sustainable building operations, including improved employee productivity, health and wellness, and potential cost savings.

## DEVELOPMENT AND CONSTRUCTION

Crown's construction and operations teams are professional, experienced, and manage with precision. Our construction managers are dedicated to using low environmental impact building materials. The team is committed to reducing waste from construction activities to help conserve natural resources and reduce landfill loading.

# Crown's Approach: Innovative Building Solutions

Crown is continually innovating to improve the workplace experience for its building occupants. As our office buildings become more full, Crown will continue to identify those innovations that offer the best experience possible.

## 1. Hands-free Washroom Fixtures

To reduce contact in high traffic building areas we have introduced touchless toilets, sinks and doors in our common area building washrooms.

## 2. Antimicrobial Film on High Contact Surfaces

In addition to our regular cleaning protocols, we have placed antimicrobial films on high-contact surfaces, such as elevator buttons.

## 3. Smart Sensors

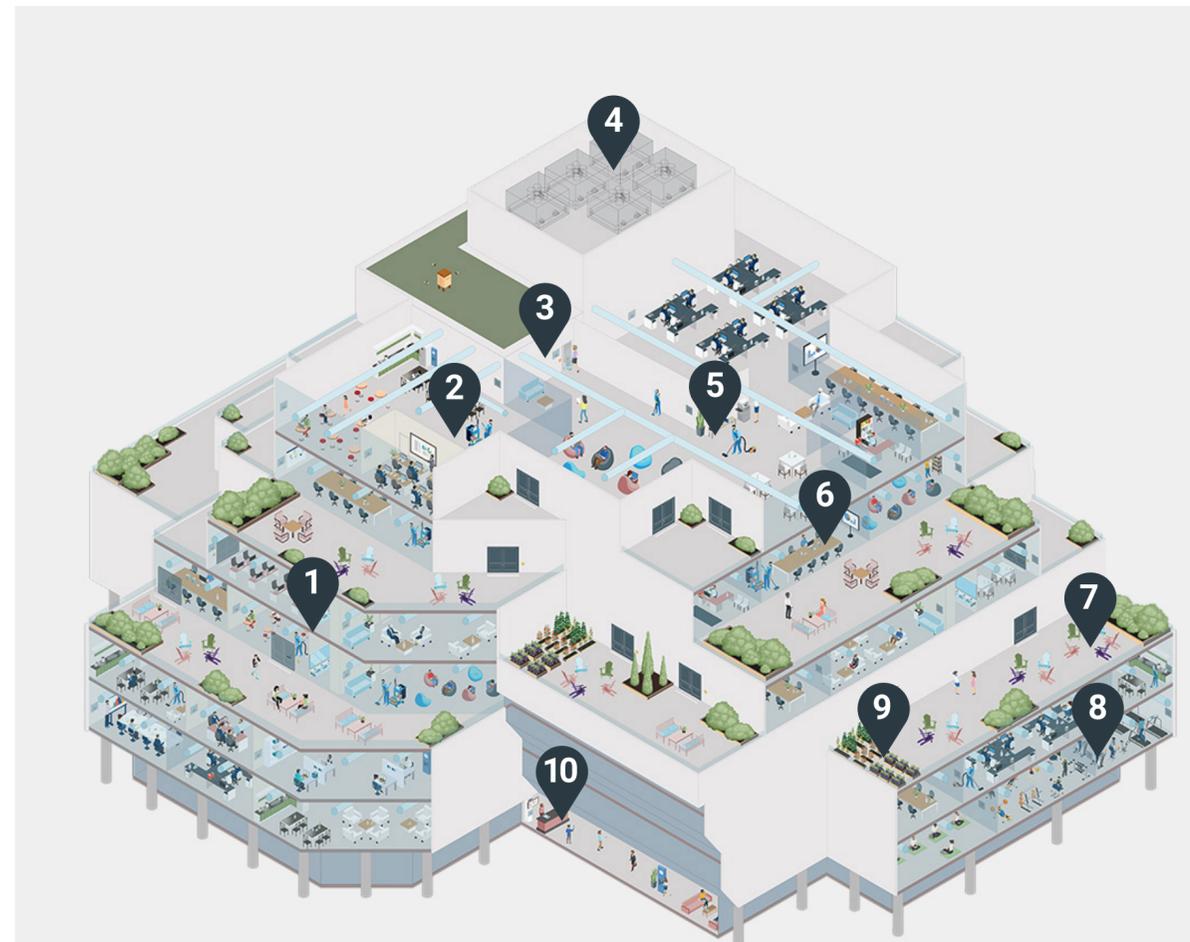
We've implemented occupancy sensors throughout our buildings to better understand high traffic areas and use this data to anticipate cleaning frequency.

## 4. Better Air Quality = Healthier Workplaces

We have increased our air circulation hours and we monitor the air quality supplied throughout the building in real time.

## 5. Increased Cleaning

We've increased the frequency of our regular building cleaning schedule and have included heavy disinfection of high-use areas.



## 6. Realtime Building Data

We collect and monitor real-time building data of occupancy, water, energy, and air to ensure our properties are running efficiently and safely for our tenants and visitors.

## 7. Outdoor Patios

Outdoor terraces provide tenants the ability to spend time outside, get fresh air and sunshine throughout the workday.

## 8. Workfit By Crown Fitness Centres

Clean, safe workout facilities that give tenants the opportunity to add wellness to their daily routines. Lockers, change rooms and shower facilities are also available.

## 9. Rooftop Gardens

We use our rooftop space creatively by building and maintaining rooftop gardens that provide fresh fruit, vegetables, and herbs.

## 10. Contactless Visitor Sign-In

Visitors and couriers can sign-in to our building safely and contactless through their mobile phones or computers.

# ESG Oversight

Crown's ESG Committee is responsible for advancing Crown's ESG strategy. Partner-level responsibility for ESG rests with Emily Hanna, Managing Partner, Investments. Monica Di Zio, Director, Marketing and Innovation, together with Erica Lam, Sustainability Specialist serve as Chairs of the Committee. They ensure continued collaboration across departments.

The Committee consists of a cross-section of Crown's leadership team representing different geographies, departments, and roles. They serve as champions to influence positive change and to ensure that each business unit is working to achieve complementary goals. The Committee drives thought leadership and best practices throughout the organization and are always moving their teams forward to ensure performance goals support Crown's ESG strategy.



**Monica Di Zio**  
Marketing and  
Innovation  
(Co-Chair)



**Emily Hanna**  
Managing Partner,  
Investments  
(Partner Oversight)



**Erica Lam**  
Sustainability  
Specialist  
(Co-Chair)



**Robert Campbell**  
Construction



**Vicky Dinelle**  
Leasing



**Melanie Miller**  
Tenant  
Engagement



**Janbee Monsod**  
Property  
Management



**Michael Panetta**  
Property  
Management,  
Ottawa



**Lauryn Pittana**  
Asset  
Management



**Rainu Singh**  
Human Resources



**Michael Stones**  
Ottawa Portfolio



**Matt Urbain**  
Acquisitions



**Melanie Yu**  
Finance and  
Reporting

In 2020, Crown undertook a sustainability materiality assessment to determine issues that were identified as the most important to our business operations and stakeholders. We also reviewed our peers, industry standards, sector-specific reporting frameworks, and trend documents. We relied on the results of this assessment to guide our ESG reporting and strategy. Each issue was further assessed based on business impact, feedback from our team, our partners, and our investors. These "material" items can be classified into the broader categories of "E", "S", and "G", as represented in the chart to the right.

Crown plans to regularly review these key areas and report on significant updates in our ESG disclosures. In the process, we will also evaluate and refine them, together with identifying the KPI's that tie in with each theme, in the context of our business environment and the ever-changing needs of our stakeholders.

## Environment

- Building Certifications
- 
- Climate Change
- 
- Environmental Management

## Social

- Community Building
- 
- Tenant Engagement
- 
- Health and Wellness
- 
- Giving Back
- 
- Talent
- 
- Culture and Employee Engagement
- 
- DEI
- 
- Learning and Development

## Governance

- Core Values
- 
- Business Oversight
- 
- Transparency and Disclosures
- 
- Climate related risk-management

98%

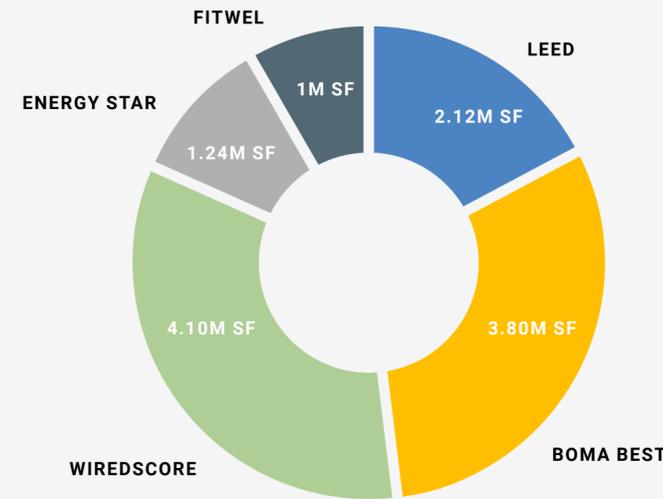
of our Fund Portfolio achieved sustainability certifications in 2021, compared with 86% in 2020.



Sustainability certifications have always been a key component of Crown's building operations. These certifications guide our operational team's performance and identify opportunities for improvement. They also send a signal to investors that an asset that has been repositioned and managed by Crown is resilient.

CERTIFICATIONS BY GROSS FLOOR AREA (GFA)

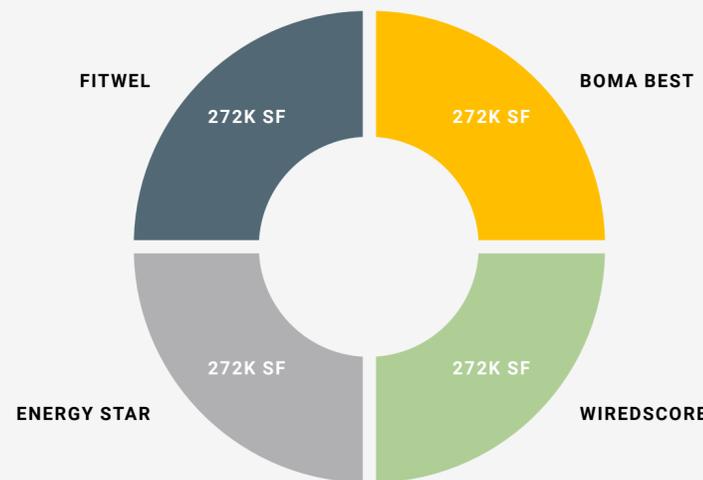
(AT DECEMBER 31, 2021)



CROWN FUND PORTFOLIO

LEED CERTIFIED 50%  
BOMA BEST 91%

WIREScore 98%  
FITWEL 24%  
ENERGY STAR 29%



1004 MIDDLEGATE ROAD

FITWEL VIRAL RESPONSE 100%  
BOMA BEST 100%

WIREScore 100%  
ENERGY STAR 100%



CROWN IS NAMED A FITWEL CHAMPION

Crown has been a Fitwel Champion since 2020 when we joined a select group of industry-leading organizations committed to optimizing buildings to enhance occupant health and wellbeing.

The Fitwel standard provides a blueprint for making positive changes that are scientifically proven to enhance well-being and occupier health.

As a Fitwel Champion, Crown has committed to taking an integrated approach to how the design and operations of a building can improve occupant health and productivity. It also means that Crown will continue to consider health and wellness in the design, redevelopment, and operations of buildings.



## 1004 Middlegate Road Earns Sustainability Recognition

1004 Middlegate Road, Mississauga earned the **BOMA 360 Performance Building** designation. The Program recognizes and certifies commercial properties that demonstrate best practices in building operations and management.

The BOMA 360 Performance Program takes a holistic approach to evaluate a building's performance based on six major areas: building operations and management; life safety/security/risk management; training and education of building personnel; energy management; environmental/sustainability performance; and tenant relations and community involvement.

1004 Middlegate is a 262,000 sq. ft. office campus that is home to over 1,600 professionals from globally recognized companies such as AstraZeneca Canada and EllisDon. This state-of-the-art office complex is sustainable, resilient, and well connected.



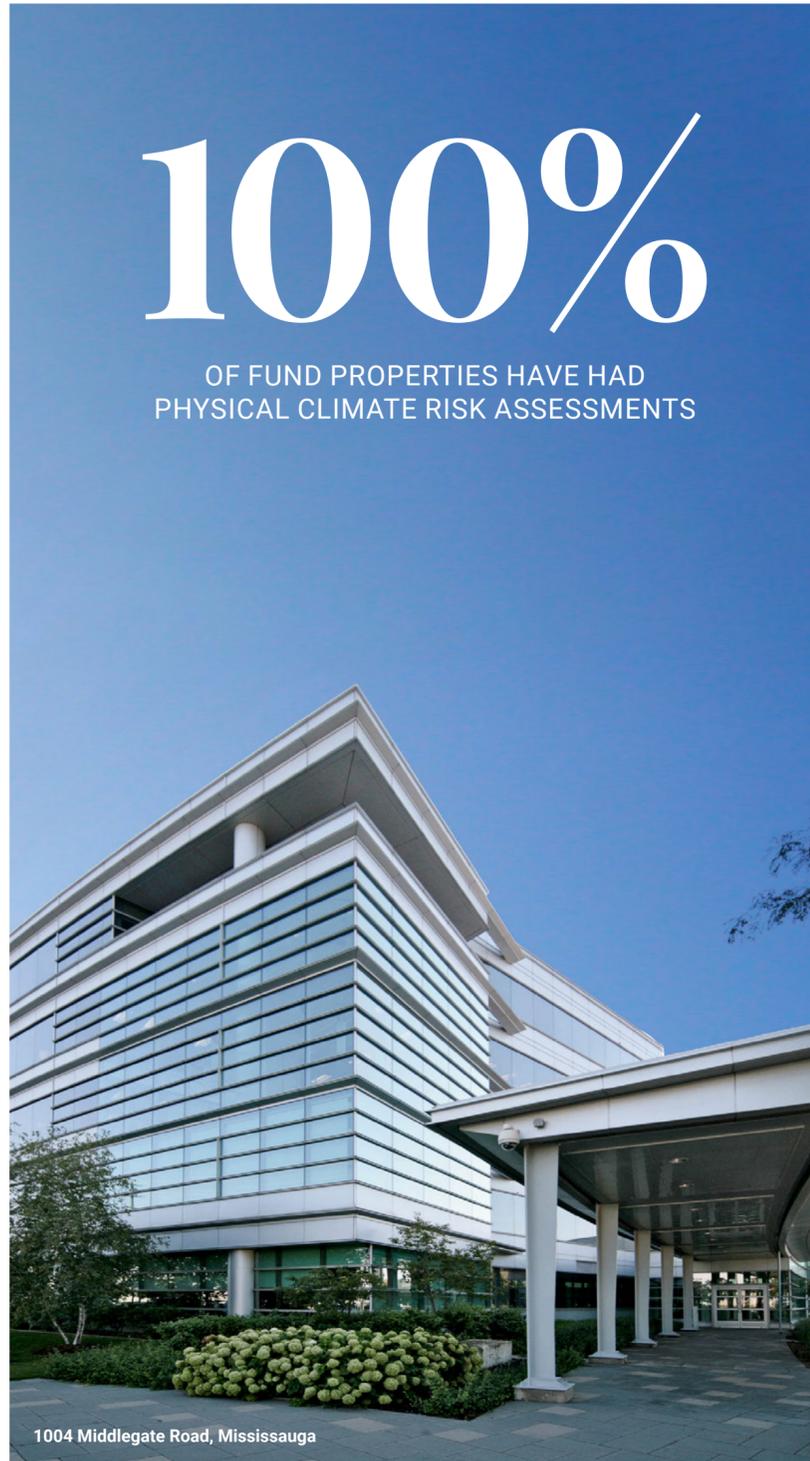
The office campus features a soaring, sun-filled atrium that connects a converted industrial building to the main office tower. Building occupants enjoy on-site amenities like collaboration areas and conference and event space.

Health and wellness are top of mind, with plenty of outdoor terraces and green space, as well as a WorkFit by Crown fitness centre. 1004 Middlegate's ESG journey commenced in 2020, with Crown's first submission to GRESB. Through this process, we have been able to identify clear opportunities for improvement.



Crown has conducted climate risk assessments across the Fund Portfolio and considers climate hazards within the due diligence process on all new fund acquisitions. We believe this approach will ensure our assets can be considered resilient long-term investments.

Real estate is a long-term investment and extreme weather events caused by climate change present potential physical risks to property. With our value-add lens, Crown assesses climate hazards to identify buildings that might face greater risks and implement risk mitigation and adaptation strategies, allowing us to set action plans and budget accordingly.



1004 Middlegate Road, Mississauga

**100%**  
OF FUND PROPERTIES HAVE HAD  
PHYSICAL CLIMATE RISK ASSESSMENTS

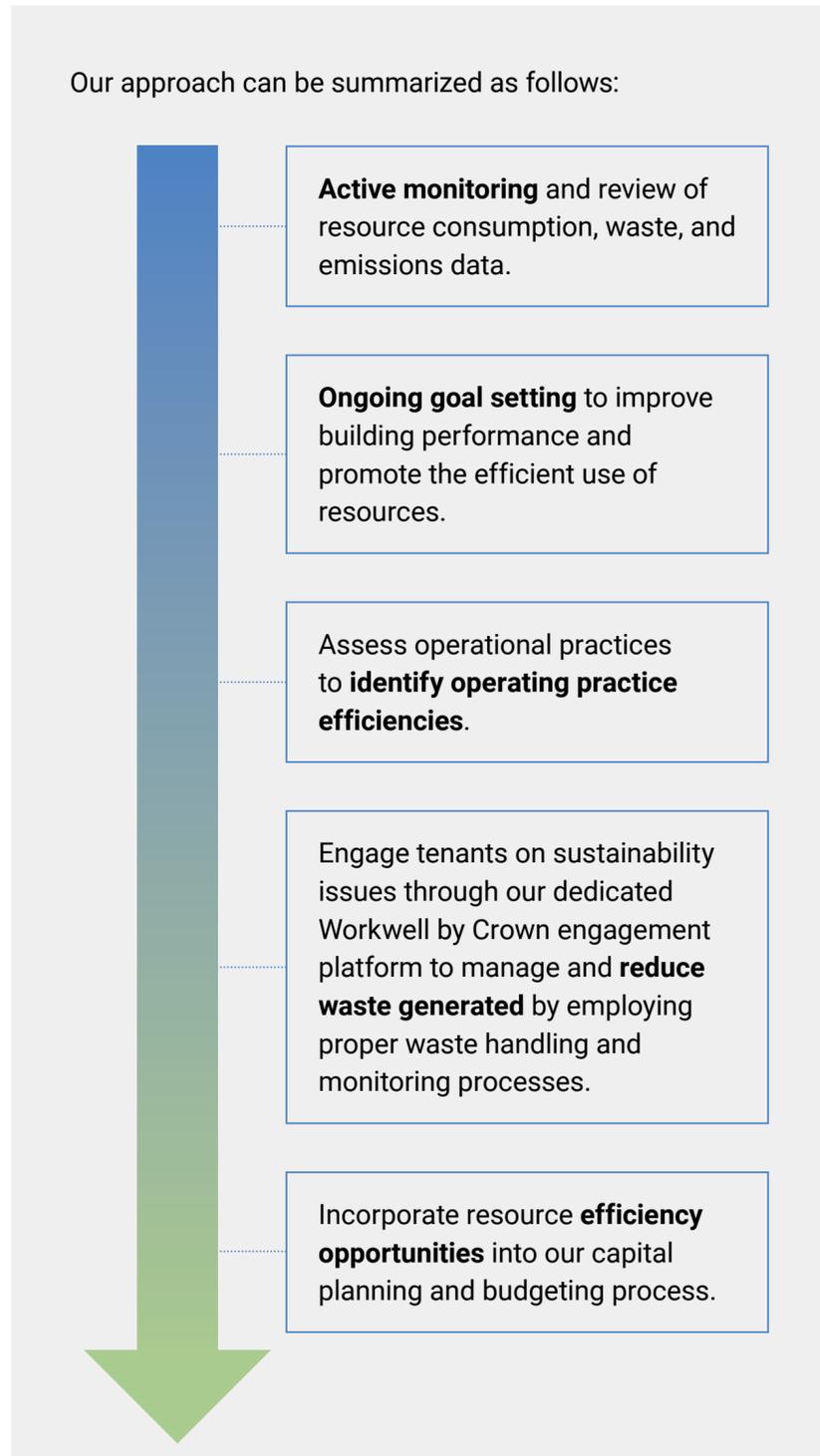
The built environment generates 40% of annual global CO<sub>2</sub> emissions. Of those total emissions, building operations are responsible for 28% annually.<sup>1</sup> By identifying operational efficiencies and actively managing and monitoring the resource consumption (energy, water, and other materials), together with the waste and emissions generated by our buildings, we have an impact on their environmental performance. We can achieve operating cost savings and contribute to the value of the assets we manage.



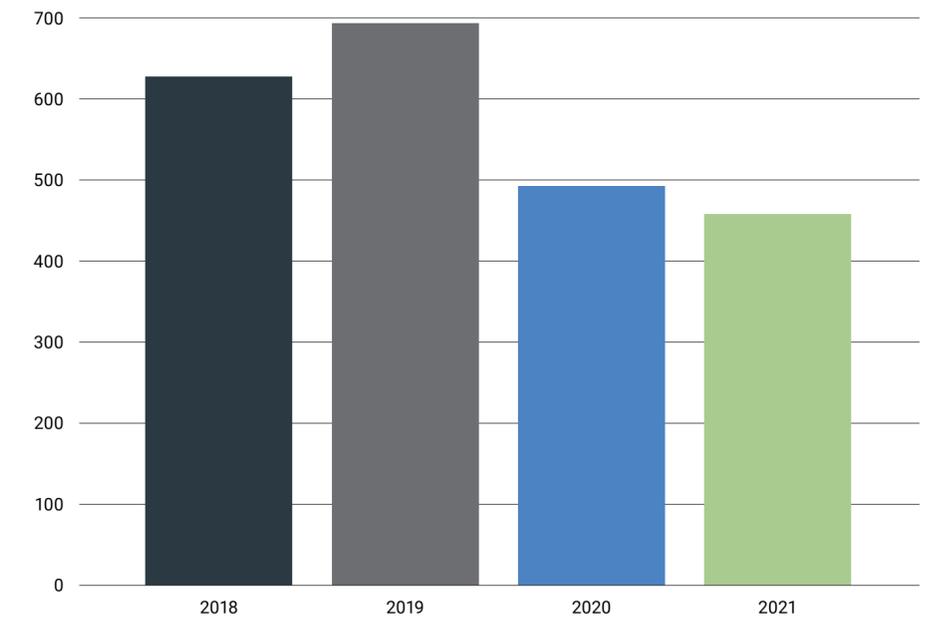
Climate hazards manifest locally. By considering climate hazards within our value enhancement strategy, we can identify outliers and implement risk mitigation strategies. This ensures our stabilized assets are resilient long-term investments.

<sup>1</sup> Source: <https://www.unep.org/news-and-stories/press-release/building-sector-emissions-hit-record-high-low-carbon-pandemic>

Crown uses an EMS that is ISO 14001 certified to monitor environmental performance data accurately, helping us establish goals as we continually strive for improvement in the environmental performance of our buildings.



TOTAL CARBON EMISSIONS (MTCO<sub>2</sub>e)<sup>1</sup>



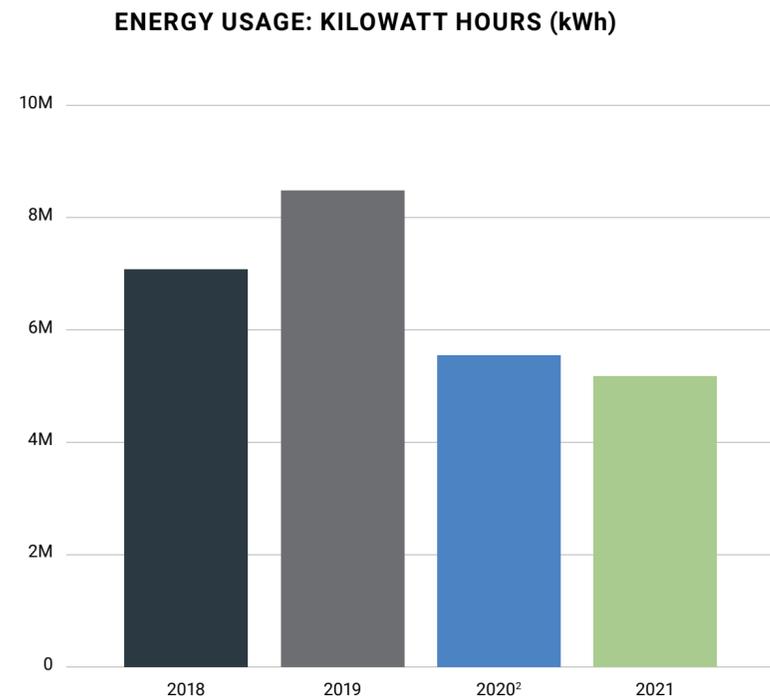
**Carbon Emissions** remained steady between 2020 and 2021 and a 27% reduction compared to 2018. This was due to reduced electricity and natural gas consumption resulting from reduced building occupancy and operational efficiencies.



<sup>1</sup> Metric tonnes of carbon dioxide equivalent ("MTCO<sub>2</sub>e")

## 2018 – 2021 PERFORMANCE

Since our baseline year of 2018, energy, water, waste generation, and carbon emissions have all been on a declining trend. Included below is a summary of these performance metrics for 1004 Middlegate Road, and insights as to how we achieved these reductions. Crown plans to continue to strive for further reductions across our Fund Portfolio<sup>1</sup>.

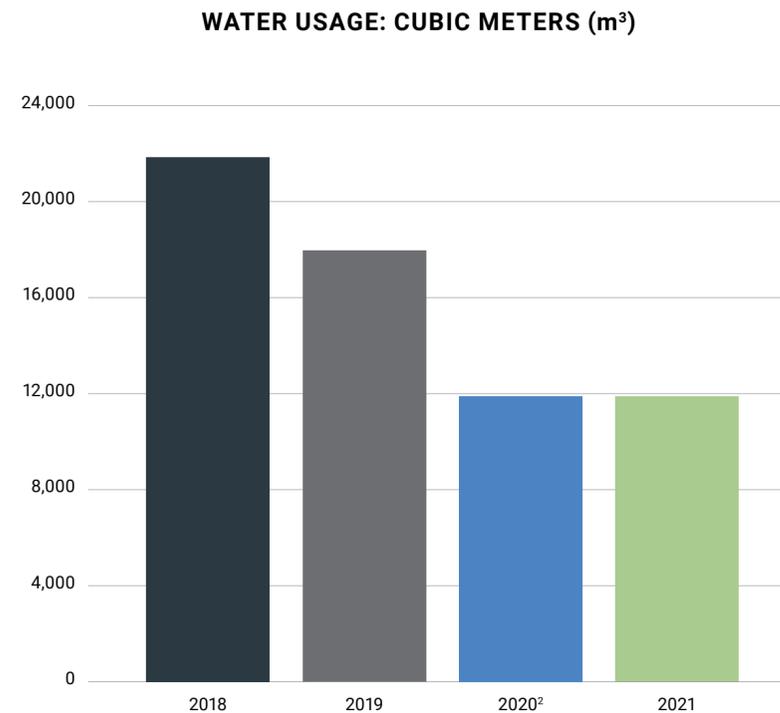


**Energy Usage:** Energy consumption remained steady between 2020 and 2021. Occupancy continued to be limited, however, building systems were operational, and despite additional building system changes to improve IAQ, energy usage remained lower.

GOAL TO ACHIEVE A

**15% ↓**

REDUCTION IN ENERGY  
USE INTENSITY BY 2023

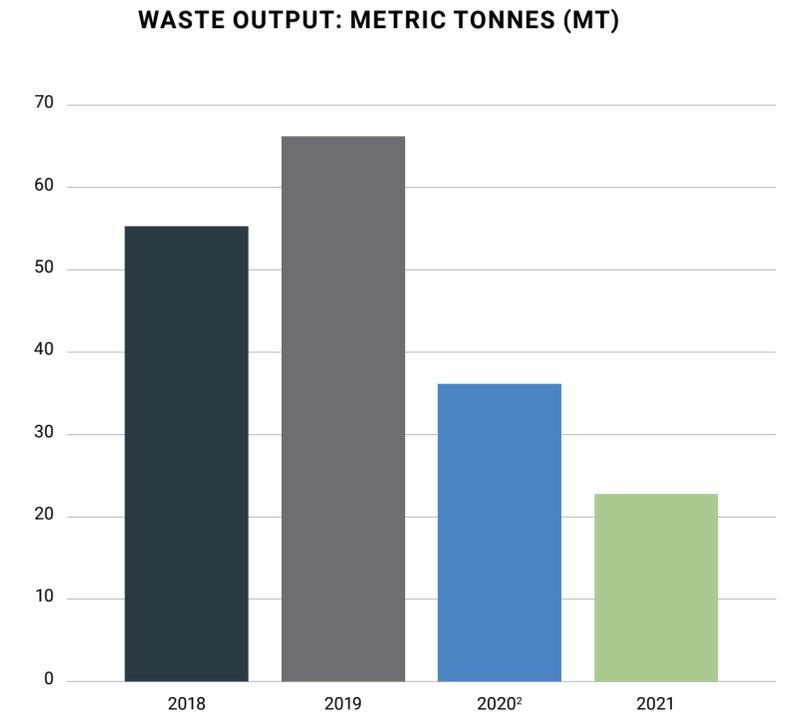


**Water Consumption:** Water consumption fell significantly in 2021, by 46% compared with the 2018 baseline year. This was due to the continued reduced occupancy of our buildings associated with COVID-19.

GOAL TO ACHIEVE A

**15% ↓**

REDUCTION IN WATER  
USE INTENSITY BY 2023



**Waste Diversion Rate:** The waste diversion rate was 49%. Waste audits, additional recycling streams, and tenant engagement initiatives will play a role in helping us continue to achieve our target of 80% by 2023.

GOAL TO ACHIEVE AN

**80%**

CAPTURE RATE FOR  
NON-HAZARDOUS WASTE BY 2023

<sup>1</sup> In all cases, we use 2018 as a baseline year.

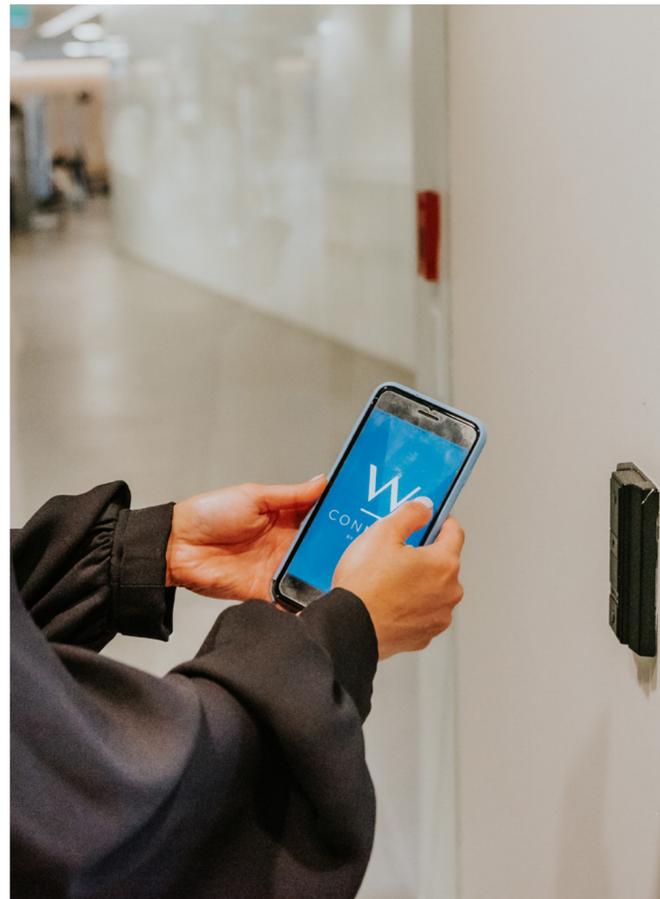
<sup>2</sup> Data revised due to year-end account reconciliation; data relates to 1004 Middlegate Road only.

# Ongoing feedback from our tenants is critical so we can continue to provide the services that matter most.

Most businesses, including 42% of Crown’s tenants who have been surveyed, have adopted a “hybrid” work model or intend to do so.

This model requires collaborative days in the office, together with the flexibility to occasionally work-from-anywhere. Engaging with the occupants of our buildings is more important than ever before, especially at a time when not everyone is in the office at the same time.

Real estate is considered an employee retention tool and tenants are interested in forward-thinking buildings that are healthy, have amenities, and represent their own corporate culture.

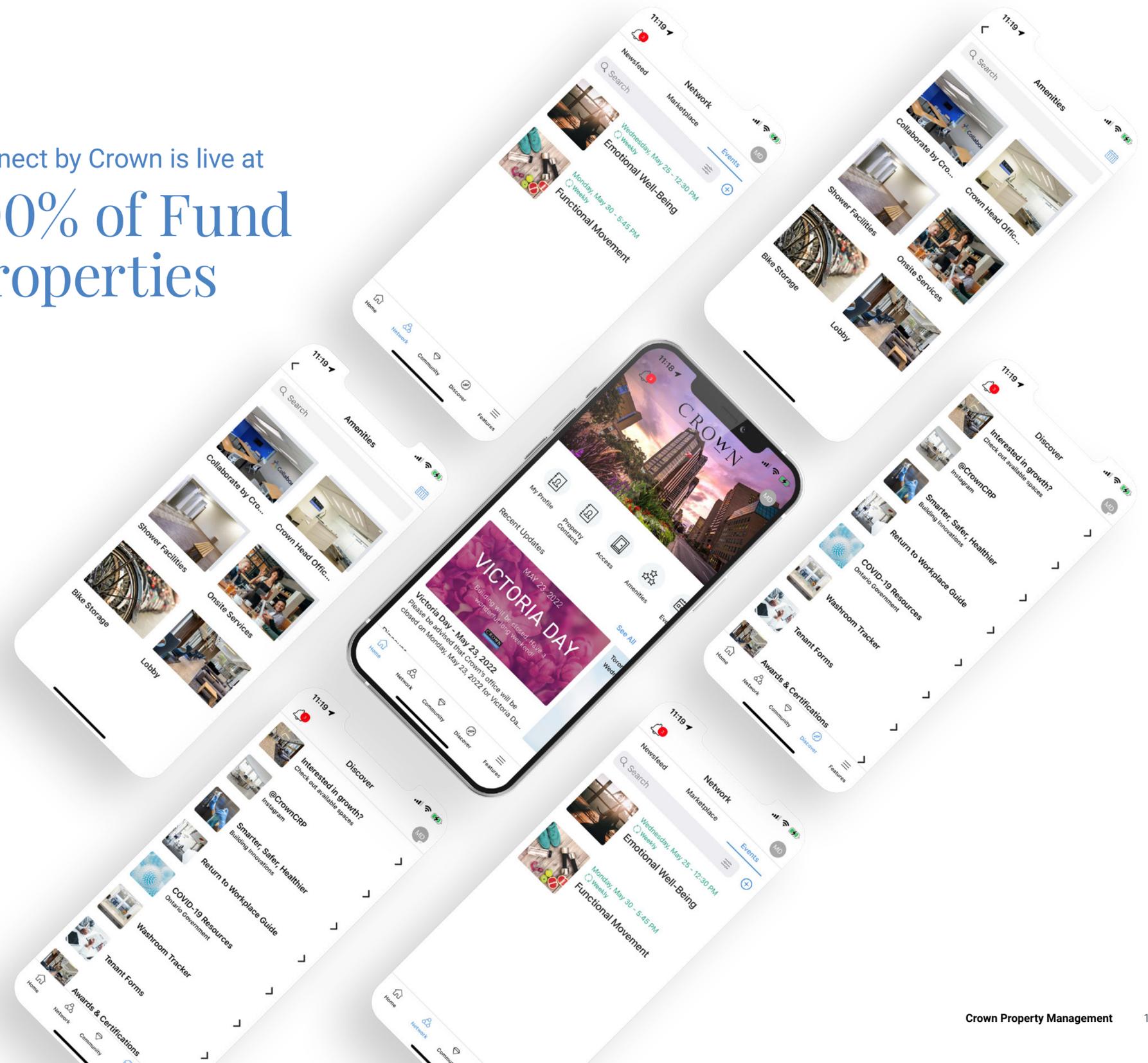


# W Connect by Crown

Keeping connected is more important than ever. Connect by Crown, released across Crown's portfolio in 2021, is an app that gives tenants the ability to engage with their office community from their mobile device. Some of the features include:

- **Bookings and Reservations:** Access to fitness, conference and event spaces, EV chargers and more.
- **Direct communication** between our tenants and Crown. Everyone's voice is heard.
- **Building Information:** All the details about our office buildings, in the palm of our tenants' hands for complete transparency.
- **Exclusive tenant perks:** Unique offerings from retailers within our portfolio and in our communities.
- **Hello Alfred**, a program that provides virtual and in-person learning and events. This partnership allows us to curate a wide range of events and programming that help foster a sense of community throughout the year.

## Connect by Crown is live at 100% of Fund Properties



80+  
EV CHARGING STATIONS  
ACROSS CROWN'S PORTFOLIO



#### WORKFIT BY CROWN

WorkFit by Crown fitness centres across the portfolio offer clean, safe workout facilities, lockers, change rooms and shower facilities to help support our building occupants in achieving their fitness and wellness goals.



#### WORKWELL BY CROWN

Launched in 2020, WorkWell by Crown is focused on wellness programming and supports to our office communities. This initiative includes virtual classes focused on mental and physical wellness, yoga, seminars, and promotions.



#### COLLABORATE BY CROWN

At Crown, we curate work environments that foster active engagement and creativity between people, ideas and technology, making your workplace #morethansquarefootage.

## Indoor Air Quality impacts the health, comfort, and wellbeing of building occupants.

Since the onset of the pandemic, we modified our operating practices and policies<sup>1</sup> to include better control humidification, improve ventilation and track airborne contaminants. Crown's team is constantly monitoring new technologies that can lead to improvements in IAQ, such as plasma or ultraviolet equipment installed in the main air handlers.

Crown, in conjunction with its HVAC experts, created thoughtfully tailored solutions for each building within our portfolio, typically going beyond ASHRAE standards to ensure the health, well-being, and comfort of building occupants.

## Better IAQ Equals Healthy Work Environments

Crown focuses on the following measures to improve IAQ:



### HUMIDIFICATION CONTROL

Automated and dynamic adjustments of humidity based on seasonal climates.



### INCREASED FRESH AIR

Boosted air-exchange to have more fresh air circulated continuously.



### UV LIGHT BARS

Healthcare-grade germicidal UV lighting installed to kill viruses and bacteria.



### EXTENDED SYSTEM HOURS

Increased duty cycle of all air systems to ensure consistent air quality.



### IONIZER PLASMA SYSTEMS

High-voltage negative ions to charge air molecules for enhanced air purification.



### IMPROVED AIR FILTERS

Installed new air filters with higher MERV ratings to maximize effectiveness.



<sup>1</sup> Practices such as humidification controls, increased fresh air, and improved air filters to higher MERV ratings.

## Fitwel Viral Response

The pandemic brought occupant health and wellness to the forefront more than ever before.

Founded by the Centre for Active Design, with input from health experts and industry leaders, Fitwel's Viral Response module sets the industry standard for optimizing buildings in response to the broad health impacts of infectious respiratory diseases.



Over 99% of Crown's Fund Assets achieved Fitwel Viral Response certification in 2021.



As an owner and manager of commercial real estate, it is our responsibility to ensure the health and safety of our employees, building occupants, vendors and local communities.

In addition to mandatory health and safety training for all Crown team members, 100% of Crown's operations team receives ongoing training on several specialized health and safety topics related to their work.

Likewise, our construction management team follows strict guidelines to ensure contractors and third-party vendors follow health and safety procedures and have the appropriate training before conducting work at a Crown property. To manage our health and safety risks, we partner with leading contractors and third-party vendors.

Crown's Joint Health and Safety Committee is comprised of co-chairs including management and non-management team members from across the company. This committee is committed to improving the health and safety conditions in the workplace and meets regularly to identify potential issues, concerns, and solutions. Crown will continue to prioritize the health and safety of our team and stakeholders.

Third-party risk assessments are undertaken at every property Crown manages, ensuring compliance with all health and safety guidelines based on building and safety code and government guidelines. Regular inspections of all life safety equipment across our portfolio ensure we are adhering to, and often surpassing guidelines to ensure a safe environment for our teams and tenants.

#### RESPONSIBLE MANAGEMENT DURING COVID-19

Crown's Pandemic Response Plan was enacted in early 2020 to assist in protecting the health and wellness of our office communities. This plan outlined the detailed measures to be followed under such dire circumstances and is continually reviewed and updated.

Crown took all necessary precautions to protect our employees and their families while ensuring the continuity of our operations to help contain the spread of the virus.

Crown is a proud member of top-tier industry organizations such as BOMA and REALPAC and has been actively engaged in industry best practices as they relate to management and operations during COVID-19.



# 20 YEARS OF COMMUNITY

2021 marked Crown's 20<sup>th</sup> anniversary. Although a lot has changed over the past two decades, one thing remains the same – our commitment to the wellbeing of our employees and the communities in which we live, work, and play.

Crown's ESG Committee aligns Crown's charitable giving for the year with our commitment to DEI in the workplace and local communities. In the fall of 2021, we set out with a goal to raise \$40,000 in support of some worthy charities that are dedicated to helping the underprivileged within our communities.

Our team worked together with local GTA and Ottawa brokerage communities and the suppliers and vendors we partner with to raise funds and make a difference for these 4 charities:

**\$43,860+ RAISED**



## #KeepTorontoWarm

The continuation of the pandemic resulted in a critical shortage of donations. When New Circles issued an urgent call for coats, boots, and warm winter accessories for all ages, Crown responded by hosting a clothing drive. Our team worked together with building occupants across our portfolio and donated over 7,000 pounds of clothing!

Crown supports charitable causes that are near and dear to our team. To acknowledge and support the time and effort our team takes to contribute to our local communities, Crown introduced a new "Paid Time Off for Charity Work Policy" in the first quarter of 2022. Through this initiative, we offer each employee up to 16 paid hours of volunteer time per year.

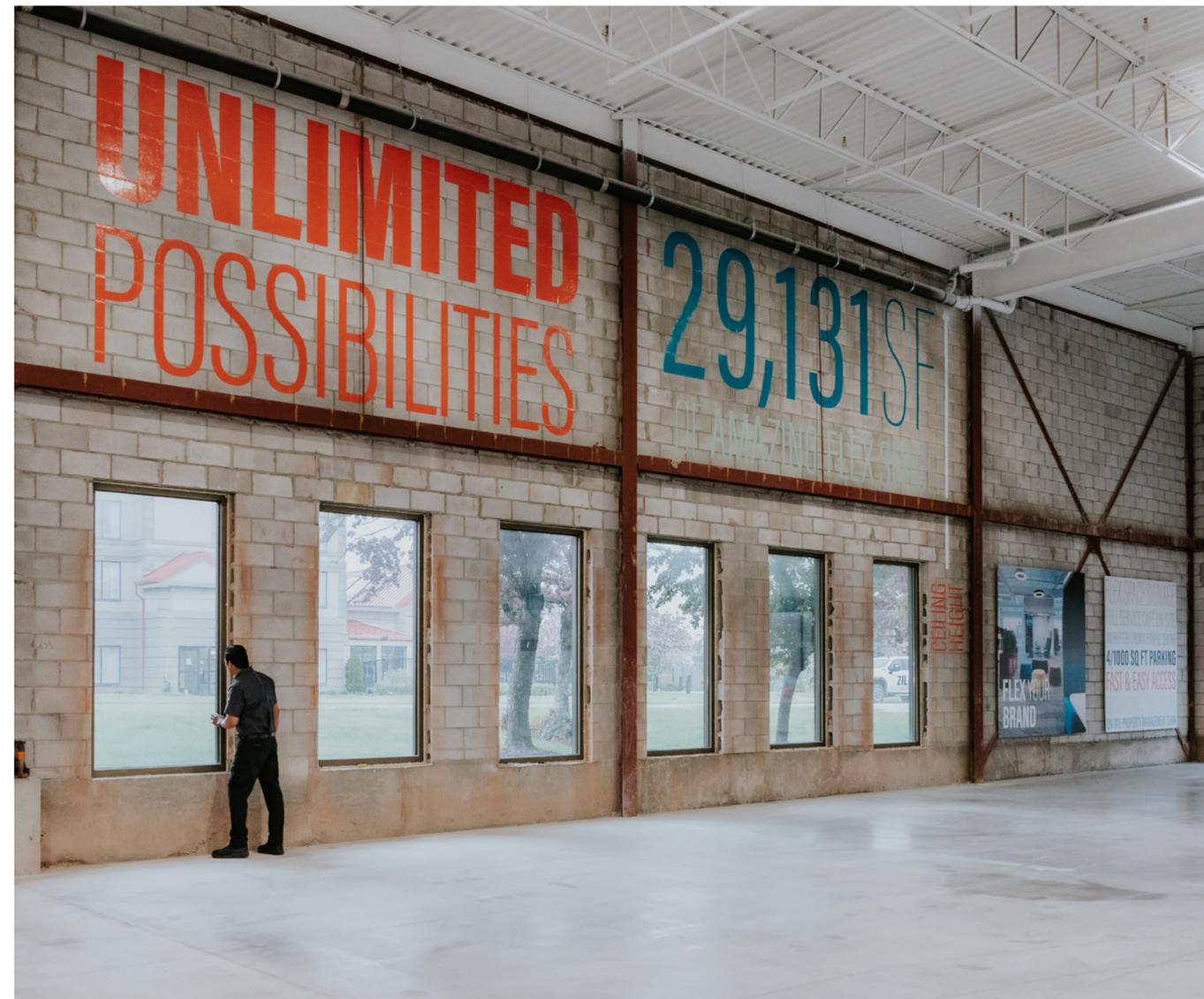
Crown is committed to creating a corporate culture that attracts, engages, advances, and retains the highest caliber of professionals, while celebrating our differences.

Wherever possible, Crown's goal is to promote from within and support the career development of our team through ongoing training, education, and career development. Our partnership, employment and profit-sharing models align incentives, support a flattened organizational structure, and expedite decision-making.

We recognize that our people are our greatest asset, strengthened by the diversity and differences they bring with them.

Continuing to foster a culture that attracts, engages, advances, and retains top talent is supported in part by the many programs we offer to our team. These are focused on diversity and supporting the needs of our growing team. Our culture is built on our core values that set the expectation for what it means to be creative, entrepreneurial, and to lead. Highlights include:

- Performance incentive programs, with ESG-specific targets across the entire organization
- Top-up of base salary for parental leave
- Quarterly and annual service and recognition awards
- Opportunity for alignment of senior management through profit sharing and voluntary participation in Crown's fund investments
- Matching RSP contributions to help our team save for the future
- Supporting ongoing professional development with tuition subsidies



TALENT HIGHLIGHTS:

**55%**

INCREASE IN EMPLOYEE  
HEADCOUNT

**\$140K**

SPENT ON LEARNING AND  
DEVELOPMENT

**64%**

OF OUR SENIOR  
MANAGEMENT TEAM  
ARE WOMEN

**100%**

OF EMPLOYEES HAVE AN  
EDUCATIONAL GOAL  
INCLUDED IN THEIR  
ANNUAL PERFORMANCE  
REVIEW

AS AT MARCH 31, 2022

## Crown Ranks Among Canada's Top 100 Small and Medium Employers

Crown has been named one of Canada's Top Small and Medium Sized Employers of 2022. Chosen for putting our employees' futures first, Crown is proud to create an enjoyable and fair work-life balance in a motivating and fulfilling work environment.

SMEs account for over 99% of Canadian businesses and we are thrilled to be recognized as a top employer amongst some of Canada's most innovative, enterprising and forward-thinking.

Now in its 8<sup>th</sup> year, Canada's Top Small and Medium Employers recognizes organizations offering the nation's best workplaces and forward-thinking human resources policies.

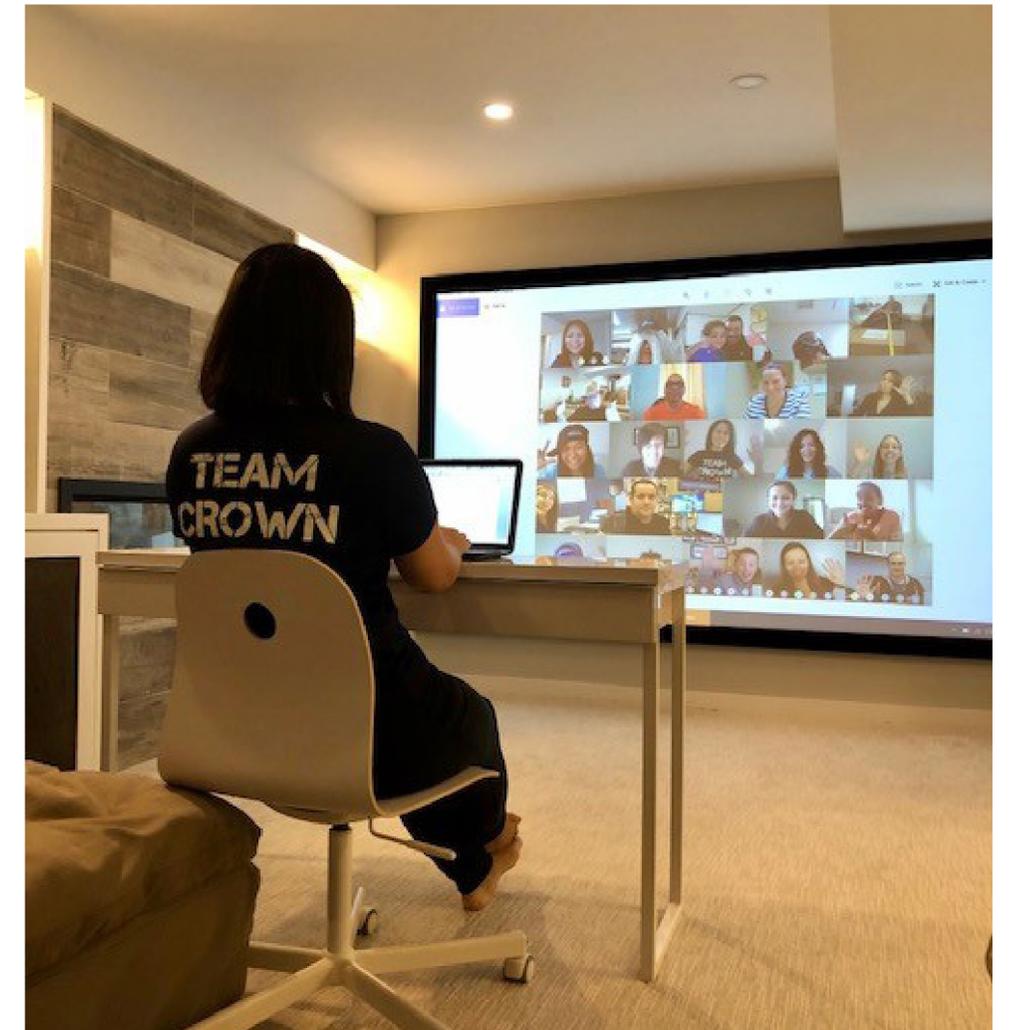
Employers are evaluated using the same criteria as the Top 100 competition: physical workplace; work atmosphere and social; health, financial and family benefits; vacation and time off; employee communications; performance management; training and skills development; and community involvement.



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Our team has grown significantly over the last five years, contributing to the need for increased communication with all team members to help them better understand Crown's corporate vision.

- **Regular Surveys** have been useful sources for ongoing feedback from the Crown team. The ongoing data we receive as we engage with our team, including through regular surveying, allows us to make Crown a better place! The employee surveys we conducted in 2021 to gather insights from our team, geared heavily towards DEI and feedback relating to our hybrid work.
- **Multi-platform engagement:** through the extended periods of hybrid and remote work, tools like Microsoft Teams and its many plugins and workflows along with new technologies like Sift, a dynamic organization chart and Connect by Crown, have allowed us to adapt and change the way we work.
- Increased Frequency of **townhall meetings** and **quarterly management meetings** to re-align on key priorities and move initiatives forward.
- Team members are tagged in and encouraged to comment on corporate **social media** posts; sharing their own work experiences and successes.



# Different IS OUR Difference

Crown's commitment to diversity, equity, and inclusion is embedded in our corporate culture. It's who we are and is ingrained in what we do each day. DEI is front and center in our Vision, our Values, and our Code of Business Conduct.

Crown places emphasis on quantitative metrics to measure progress and to keep our leadership accountable on their journey. In 2021 we engaged a third party to conduct our first cross-company DEI survey. We hope to build on the findings of this survey, as it sets a baseline for our data and helps us identify ways to better understand and foster an ever-more inclusive workplace. It also helps put in place the right programs, training, and benefits that support our team the most. The participation rate for our DEI survey was 77%.

Crown plans to support DEI through our hiring process by opening our talent pool to diverse job boards to ensure women and under-represented communities are actively considered.

77%

OF EMPLOYEES FEEL THEY CAN BE THEIR AUTHENTIC SELF AT WORK

60%

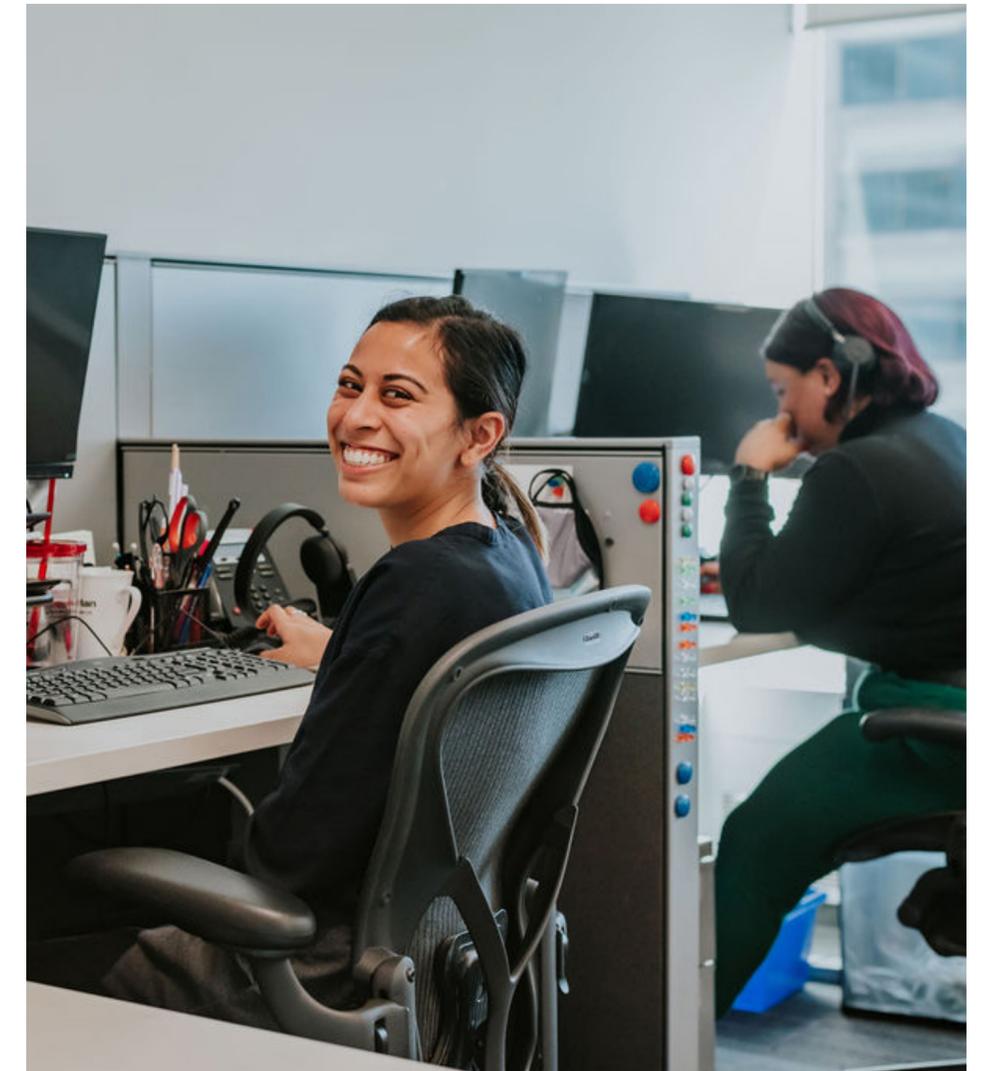
SPEAK ANOTHER LANGUAGE. THE MOST COMMON ARE FRENCH, SPANISH, ITALIAN, PORTUGUESE, CHINESE, AND HINDI

56%

OF STAFF ARE EMERGING LEADERS UNDER 44. (30% BETWEEN 35-44)

91%

OF EMPLOYEES FEEL DEI IS IMPORTANT



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We are proud that 64% of our senior management team are women.

INTERNATIONAL WOMEN'S DAY AT CROWN

Each year we celebrate the achievements of the extraordinary women who make up more than 50% of our organization. As we continue to raise awareness against bias and act for equality, Crown has made bold statements in choosing to challenge biases in 2021.



# “If you’re always learning, you’re always challenging yourself.”

Les Miller, Managing Partner and CEO

## COACHING AND MENTORING

Crown believes that coaching and mentorship are essential to the growth of our firm.

Crown has partnered with the Schulich Executive Education Centre at the Schulich School of Business for leadership training since 2018. We have also created an Emerging Leaders Program focused on the mentorship and coaching of our team members under the age of 35 who are essential to the growth of our business.

Crown encourages our team members to contribute to our industry and participate in industry organizations. This is a great way for them to advance their knowledge base, learn, lead, and collaborate with peers.

# \$140,000

INVESTED IN TRAINING AND PROFESSIONAL DEVELOPMENT

# 100%

TUITION SUBSIDY FOR EDUCATION AND TRAINING



Crown encourages and covers the cost of membership in industry associations like the ones shown below.



CFA Institute



IN THIS OFFICE  
**WE ARE A FAMILY**  
WHO WORK WITH  
**EACH OTHER EVERYDAY**  
WE LAUGH A LOT  
**RESPECT** ONE ANOTHER  
AND ARE **PASSIONATE**  
ABOUT WHAT WE DO  
WE HAVE **INTEGRITY**  
NEVER GIVING UP  
**ON OUR TEAM**  
AND OUR PROMISES TO  
**OUR INVESTORS**  
WE ARE **ENTREPRENEURIAL**  
**SERVICE ORIENTED**  
**SUSTAINABLE**  
AND **PROFESSIONAL**  
**ACCOUNTABLE FOR**  
**OUR ACTIONS**

## All of Crown's activities, including our approach to ESG, are shaped by our firm's core values.

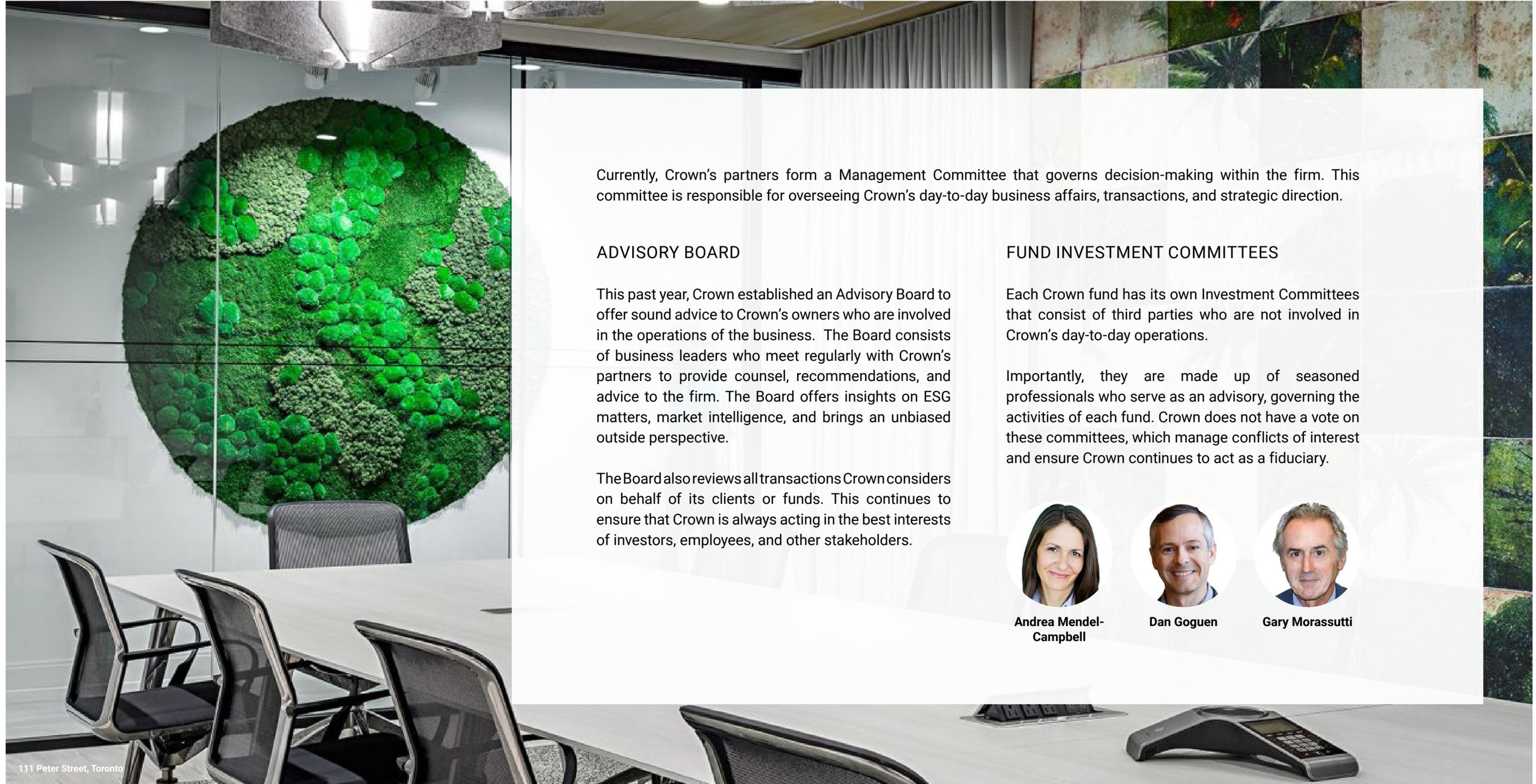
Underpinning these core values are rigorous policies that apply to all employees regarding compliance, conflict of interest, business ethics, whistleblowing, anti-corruption, anti-money laundering, and financial governance.

Although Crown is a private partnership, we take our role as a fiduciary very seriously, ensuring responsible management and the interests of our investors remain a top priority.

For us, responsible management integrates ESG factors throughout the investment lifecycle. When we can identify potential risks early on, we can have a material impact on value creation and ensuring the resiliency of our investments.

Our approach to good governance is characterized by:

- Business oversight involving independent advisory and investment committees.
- Third-party audits of the financial statements and ESG metrics.
- Ownership mentality and alignment of partners and employees.
- Regular and transparent investor reporting, including ESG performance.
- Active risk management and asset management.



111 Peter Street, Toronto

Currently, Crown’s partners form a Management Committee that governs decision-making within the firm. This committee is responsible for overseeing Crown’s day-to-day business affairs, transactions, and strategic direction.

#### ADVISORY BOARD

This past year, Crown established an Advisory Board to offer sound advice to Crown’s owners who are involved in the operations of the business. The Board consists of business leaders who meet regularly with Crown’s partners to provide counsel, recommendations, and advice to the firm. The Board offers insights on ESG matters, market intelligence, and brings an unbiased outside perspective.

The Board also reviews all transactions Crown considers on behalf of its clients or funds. This continues to ensure that Crown is always acting in the best interests of investors, employees, and other stakeholders.

#### FUND INVESTMENT COMMITTEES

Each Crown fund has its own Investment Committees that consist of third parties who are not involved in Crown’s day-to-day operations.

Importantly, they are made up of seasoned professionals who serve as an advisory, governing the activities of each fund. Crown does not have a vote on these committees, which manage conflicts of interest and ensure Crown continues to act as a fiduciary.



Andrea Mendel-Campbell



Dan Goguen



Gary Morassutti

## Crown recognizes the importance of transparency in our ESG performance data and disclosures.

We report our ESG metrics across several industry-leading platforms, including GRESB, Energy Star, LEED, BOMA and others. We are committed to continually improving our disclosures and reporting to follow best practices and accepted frameworks. For our first ESG report to 1004 Middlegate Road, we chose to align our reporting with SASB to address climate-related disclosures.

Holding the ESG performance of 1004 Middlegate Road and Crown's overall management practices up to the scrutiny of a globally recognized standard has allowed us to create a culture of accountability and continuous improvement. It has also helped us extend this approach by rigorously seeking out and implementing best practices across the rest of our platform.

### POLICIES AND PROCEDURES

To address how ESG risks are monitored and how Crown manages the risks associated with our business, Crown initiated a review of our policies and manuals in 2020 to ensure they align with good, prudent business practices. Our policies and manuals are intended to demonstrate Crown's position and overarching philosophies regarding governance, alignment of interests, internal controls systems, and conflicts of interests throughout the organization.

The manuals are supplemented by documented standard operating procedures, established supervisory controls, and other departmental manuals that outline the specific procedures each business unit follows.

In 2021, a SOC 2 audit was conducted on Crown's operating practices and management procedures for the management of the Crown Portfolio. This audit evaluated Crown based on our internal controls as they relate to security, confidentiality and privacy over client data, internal controls over operational oversight, financial reporting and system and software access on all such managed properties.

### 1004 MIDDLEGATE ROAD GRESB ASSESSMENT

GRESB, the Global Real Estate Sustainability Benchmark for Real Assets, is a mission-driven and industry-led organization providing standardized and validated ESG data to financial markets. It has become the leading ESG benchmark for real estate and infrastructure investments across the world, used by institutional and financial investors to inform decision-making.

Crown's 1004 Middlegate Road achieved a 3-star rating and overall score of 64 in 2021, Crown's first year reporting on our sustainability strategy and the performance of the asset.

With this result, Crown is seeking year over year improvement as we continue to advance our ESG platform.



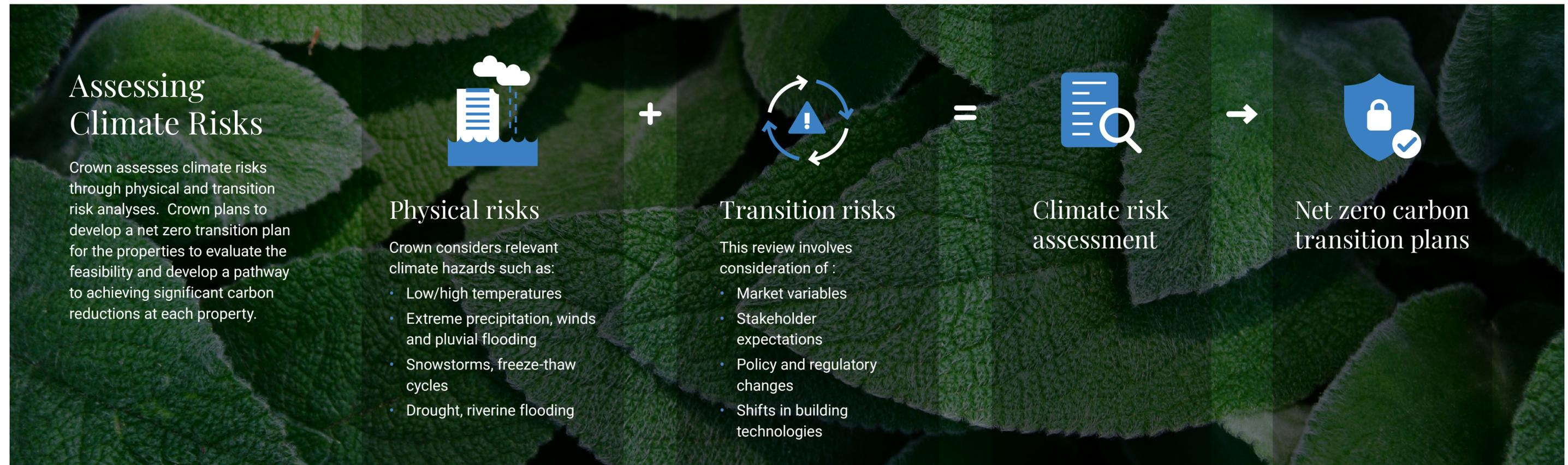
NORTH AMERICA | OFFICE  
CORPORATE | CORE

# Crown recognizes the risks and opportunities presented by climate change to our business.

Crown has conducted physical and transitional risk assessments for the Fund and now includes these assessments as part of due diligence on any new fund acquisition.

As we work through these disclosures, we hope to gain insights that will help us better incorporate climate-related risks and opportunities into our company's risk management, strategic planning, and decision-making processes.

To increase awareness and engagement related to climate-related risks and opportunities, Crown partnered with the Canada Climate Law Initiative to educate partners on ESG and Climate Governance.



# Appendix A: Glossary of Terms

We like using acronyms, abbreviations, and definitions! Below is a summary of some of the key terms we reference in our report to make life simpler!

<b>AODA</b>	Accessibility for Ontarians with Disabilities Act	<b>Crown's Core Fund</b>	A portfolio comprised of three assets and 1.2M square feet, in total gross floor area that is intended for long-term ownership	<b>Kg</b>	Kilogram
<b>ASHRAE</b>	The American Society of Heating, Refrigerating and Air-Conditioning Engineers	<b>DEI</b>	Diversity, Equity, and Inclusion	<b>KPI</b>	Key Performance Indicator
<b>AUM</b>	Assets Under Management	<b>EMS</b>	Environmental Management System	<b>LEED®</b>	Leadership in Energy and Environmental Design
<b>BOMA</b>	Building Owners and Management Association	<b>ESG</b>	Environmental, Social, and Governance	<b>LEED O+M</b>	LEED: Operations & Maintenance
<b>BOMA BEST®</b>	Building Owners and Managers Association Building Environmental Standards	<b>FITWEL</b>	Fitwel is the world's leading certification system committed to building health for all®.	<b>m³</b>	Metres cubed
<b>CCLI</b>	Canadian Climate Law Initiative	<b>FITWEL VRM</b>	The Fitwel Viral Response Module (VRM) set the global standard for safeguarding occupant health and wellness	<b>Mwh</b>	Megawatt Hours
<b>CREED Council</b>	Commercial Real Estate Equity and Diversity Council	<b>GAV</b>	Gross Asset Value	<b>SASB</b>	Sustainability Accounting Standards Board
<b>CREST</b>	The Commercial Real Estate Sustainability Trailblazer's (CREST) Award recognizes and celebrates Climate Action leaders making significant and evident strides in the industry.	<b>GJ</b>	Gigajoule	<b>SME</b>	Small and Medium Sized Employer
<b>Crown's Fund Portfolio</b>	Assets managed by Crown on behalf of its funds that are greater than 100,000 square feet in size; Crown's Portfolio refers to all managed assets that are greater than 100,000 square feet in size	<b>GRESB</b>	Global Real Estate Sustainability Benchmark	<b>SOC 2 Audit</b>	Service Organization Control-Type 2 Audit
		<b>GTA</b>	Greater Toronto Area	<b>sq. ft.</b>	Square feet
		<b>GTA Portfolio</b>	All assets managed by Crown located within the GTA. This includes assets that are owned by third parties.	<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
		<b>IAQ</b>	Indoor Air Quality	<b>TOBY®</b>	The Outstanding Building of the Year
				<b>WiredScore</b>	The global digital connectivity certification system that helps Crown assess, improve, benchmark and promote our buildings.

Our disclosure for 1004 Middlegate Road aligns with SASB, using the framework for the real estate industry. To improve our transparency and disclosures, this year we are capturing water management, which we consider to be a material metric to our business. We plan to review this assessment annually.

Our SASB disclosure for 1004 Middlegate Road falls under the Office: Other property subsector.

INDICATOR	2021
<b>ENERGY MANAGEMENT</b>	
Energy consumption data coverage as a percentage of total floor area, by property subsector (% by floor area)	Office: Other: 100% Data Coverage: 100%
1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable by property subsector	<p>Total energy: Office: Other: 5,187,063 kWh</p> <p>Percentage grid electricity: Office: Other: 60.60%</p> <p>Percentage renewable energy*: Office: Other: 0%</p> <p>*These figures represent the percentage grid electricity purchased through a renewable energy supplier (Bullfrog Power). This does not include the renewable energy produced by Ontario's electricity grid. About 96% of electricity in Ontario is produced from zero-carbon emitting sources: 60% from nuclear, 26% from hydroelectricity, 7% from wind, and 2% from solar. <u>The remainder is primarily from natural gas, with some biomass.</u></p>
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Office: Other: -6.50%
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	<p><b>Energy Rating:</b> Office: Other: 100%</p> <p><b>ENERGY STAR Certified:</b> Office: Other: 100%</p>

ENERGY MANAGEMENT	
Description of how building energy management considerations are integrated into property investment analysis and operational strategy.	<p>Crown integrates energy analyses in our due diligence process when considering investment decisions.</p> <p>We are value-focused and always looks to identify operational processes and procedure that will result in efficiencies to the benefit of our building occupants and investors. Crown's property teams review sustainability KPIs with our internal sustainability team to improve the operational efficiency of our portfolio and review performance against targets.</p> <p>Technical building reviews, energy and water assessments are conducted every three years and waste and air quality audits are completed annually.</p> <p>Crown's environmental management system (EMS) is aligned with the ISO 14001 Standard.</p> <p>Please see <b>Environment</b> and <b>Governance</b> sections for additional information.</p>

WATER MANAGEMENT	
Water withdrawal data coverage as a percentage of (1) total floor area, by property subsector (% by floor area) and (2) floor area in regions with high or extremely high baseline water stress, by property subsector	<p>Office: Other: 100.00%</p> <p>According to the WRI Water Risk Atlas tool, 1004 Middlegate Road is not in regions with High or Extremely High Baseline Water Stress</p>
Total water withdrawn by portfolio area with data coverage, in cubic meters, and Percentage in regions with high or extremely high baseline water stress, by property subsector	<p>Office: Other: 11,880.3 m<sup>3</sup></p> <p>According to the WRI Water Risk Atlas tool, 1004 Middlegate Road is not in regions with High or Extremely High Baseline Water Stress.</p>
Like-for-like percentage change in water withdrawn for the portfolio area with data coverage, by property subsector	<p>Office: Other: -0.21%</p>

WATER MANAGEMENT	
<p>Description of water management risks and discussion of strategies and practices to mitigate those risks</p>	<p>"The water consumption of 1004 Middlegate Road consists of typical commercial building uses such as drinking water, plumbing fixtures, landscape irrigation, and HVAC operation. All water use and discharge is by means of municipal water and sewer systems. Risks of water supply across the portfolio or minimal since our properties are not located in regions of high or extremely high water stress. However, costs of water access pose a management risk in the form of increasing expenses. Also, the increasing water use in our properties is outside the operational control of building management, as dictated by tenant behavior.</p> <p>We are value-focused and always look to identify operational processes and procedure that will result in efficiencies to the benefit of our building occupants and investors. Crown's property teams review sustainability KPIs with our internal sustainability team to increase water efficiency of our portfolio and review performance against targets.</p> <p>These potential risks are mitigated through strategies designed to reduce water consumption. Crown implements capital projects to continuously evaluate opportunities to improve water efficiency and manage risks through technologies and better building operations.</p> <p>Crown's environmental management system (EMS) is aligned with the ISO 14001 Standard. We have set our objective of reduction our water consumption by 15% by 2023, with 2018 baseline. Please see <b>Environment</b> and <b>Governance</b> sections for additional information.</p>

CLIMATE CHANGE ADAPTATION	
<p>Area of properties located in 100-year flood zones, by property subsector</p>	<p>1004 Middlegate Road is not located in a 100-year flood zone.</p>
<p>Description of climate change risk exposure analysis, degree of systemic portfolio exposure, and strategies for mitigating risks</p>	<p>At Crown, we understand the risks climate change and extreme weather can pose to our assets, and the significant impact they can have to businesses and communities.</p> <p>In 2021, Crown evaluated climate change risk and resiliency for 1004 Middlegate Road. This enabled us to identify climate risk mitigation strategies that influence operational activities, asset management, and future transactions. In 2022, we plan to develop our Climate Change and Resiliency policy which will adhere to best practices such as flood resilience guidelines by University of Waterloo's Intact Centre on Climate Adaptation.</p> <p>Please see <b>Environment</b> section for additional information.</p>

<b>MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS</b>	
1)Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	1) Office: Other: 100% 2) Office: Other: 262,029 sq. ft.
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals; by property subsector	1) Crown office tenants do not have separate grid electricity sub-meters, so this indicator is not applicable. 2) Crown office tenants do not have separate water sub-meters so this indicator is not applicable.
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	100% of Crown's standard lease contracts for 1004 Middlegate Road consist of ESG-specific requirements including 'cooperation and works,' 'management and consumption,' and 'reporting and standard requirements' as referenced in GRESB section TC4.

<b>ACTIVITY METRIC</b>	<b>2021</b>
Number of assets, by property subsector	Office: Other: 1
Leasable floor area, by property subsector	Office: Other: 262,029 sq. ft.
Percentage of indirectly managed assets, by property subsector	None.
Average occupancy rate, by property subsector	Office: Other: 99%

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# SUSTAINABILITY DATA ASSURANCE STATEMENT

CROWN PROPERTY MANAGEMENT INC  
1004 MIDDLEGATE ROAD

Prepared by:



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Author: Fabian Deryck Garcia  
Certified Greenhouse Gas - Inventory Quantifier (GHG-IQ)

Signed: *Fabian Deryck Garcia*



## Sustainability Data Assurance Statement

This data assurance statement has been developed by GreenCheck at the request of Crown Property Management Inc. GreenCheck has conducted an independent assessment of the sustainability performance data that is outlined in this letter. The data assessed by GreenCheck covered the period from January 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2021.

### 1.1 - LIST OF PROPERTIES ASSURED

This statement is limited to 1004 Middlegate Road.

### 1.2 - LIST OF DATASETS ASSURED

This statement is limited to the following sustainability performance datasets that were examined and assessed:

- Property-level Electricity, Natural Gas, and Water consumption
- Property-level Waste generation reports

### 1.3 - OBJECTIVE AND LEVEL OF ASSURANCE

The objective of this data assessment was to provide a limited level of assurance that the Sustainability Performance Reported Data is free of material misstatements. A limited level of assurance indicates that GreenCheck's assessment did not discover evidence of errors in the Sustainability Performance Reported Data. When evaluating potential errors in the data, GreenCheck used a materiality threshold of 5% of material misstatements



### 1.4 - ASSURANCE STANDARD AND ASSESSMENT ACTIVITIES

GreenCheck conducted the verification of the Reported Data in accordance with ISO 14064-3:2019 – Specification with guidance for the validation and verification of greenhouse gas assertions for the GHG data. This International Standard requires that we comply with ethical requirements and plan and perform the data verification to obtain reasonable assurance that onsite GHG emissions, removals, and storage in the GHG statement are free from material misstatement.

The verification activities were documented in a sampling plan created and updated by taking into account Crown Property Management's online data management system, supporting documentation, and findings uncovered during the verification process. Their key activities included:

- Review of energy, waste, and water activity data of each asset, for each month, that is stored in Crown Property Management's online sustainability data management system. GreenCheck reviewed the quality assurance activities in place and the treatment of incomplete activity data.
- Review of utility billing statements to check for anomalies and confirm the adequacy of Crown Property Management's internal data cleansing procedures.
- Recalculation of carbon emissions by scope from activity data to verify emissions factors and Global Warming Potentials (GWP) calculations were applied correctly based on the most recent figures from Canada's 2022 National Inventory Report (NIR).

### 1.5 - ASSURANCE OPINION

On the basis of the sustainability performance data assessment performed, GreenCheck is satisfied that the information contained in Crown's Property Management Inc.'s Sustainability Report is accurate, balanced and reliable, representing an important summary of the relevant activities carried out by the properties that make up entity CRP II Fund in 2021, and an essential tool in communicating with stakeholders. Furthermore, Crown Property Management's decision to have an external verification of the quantity of greenhouse gases emitted in 2021 according to ISO 14064-3 criteria, shows their commitment to favouring complete and transparent communication of its carbon footprint.

