

ESG Framework and Responsible Investment Policy

2025–2027

CONCERT® PROPERTIES



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Introduction

Concert Properties has a long-standing history of responsible business practices rooted in Environmental, Social and Governance (ESG) principles. These values have shaped our operations for decades, from trades training and purpose-built rental housing to advancing diversity, equity and inclusion.

In 2008, we published our first formal sustainability document—an important milestone in embedding ESG principles into our culture and operations. Over the years, our approach has evolved from internal best practices to a comprehensive, organization-wide commitment that is supported by a dedicated ESG team, aligned with leading global standards and reflected in how we integrate ESG into investment decisions.

The Concert Properties ESG Framework and Responsible Investment Policy reflects not only where we are today, but also where we are headed. Our three-year roadmap for 2025–2027 puts this vision into practice by setting priorities which are aligned with our social purpose while strengthening long-term value and resilience across our portfolio.

This framework is both a reflection of our values and a practical guide for delivering meaningful outcomes for our investors, communities and future generations amid evolving expectations, risks and opportunities.



Our Business

Since 1989, Concert Properties has proudly developed, acquired and managed Canadian real estate in pursuit of building a people-first future.

The initial mandate was to create assured rental housing. Over the years, we have diversified by asset class and geography, and today we comprise Concert Real Estate Corporation and Concert Income Properties. We are owned by 49 union and management pension plans and institutional investors representing over 200,000 Canadians. With integrity guiding every decision, we are deeply invested in improving the lives of the people who live and work in our communities.

Concert Real Estate Corporation

Formed in 1989, Concert Real Estate Corporation (CREC) develops, owns and manages rental apartments; develops condominium homes; and develops, acquires and manages industrial and office properties. Owned by union and management pension plans, it has grown to over \$6.6 billion in assets under control, including \$3.3 billion from Concert Income Properties.

Concert Income Properties

Formed in 2016, Concert Income Properties (CIP) maximizes long-term value by acquiring, developing and managing industrial, office and multi-family residential real estate in Canada. Supported by Canadian pension funds and institutional investors, this open-ended, limited partnership Canadian fund has an asset value of nearly \$3.3 billion and 13.1 million square feet of leasable area.

OUR FOUNDING PRINCIPLES

Across every part of our business, our actions are grounded in the three founding principles we were built on.

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.

Social Purpose

Our social purpose unifies our founding principles and company values to clearly articulate our impact-driven strategic direction. It also guides our ESG Framework and Responsible Investment Policy. Together, they positively impact the complex, systemic issues we face, both today and in the future.

Concert Properties creates resilient, inclusive, sustainable communities.



GUIDING VALUES & ACTIONS

Quality

Think ahead. We uphold impeccable standards and thoughtfully consider every action. There is great pride in everything we do, and our decision-making prioritizes long-term benefits.

Integrity

Do what’s right. We hold ourselves accountable, address issues respectfully and deliver on what we promise—because our word is our bond.

Service Excellence

Go above and beyond. We consistently exceed expectations and deliver world-class results that exemplify our reputation for excellence.

Collaboration

Get there together. We believe in fostering respect, trust and cooperation within our team and through strategic partnerships.

Empowerment

Inspire success. We empower employees by creating a culture where everyone has the opportunity to contribute, grow and drive progress. Here, voices are heard and ideas are valued.

Responsibility

Mitigate risk. Our long-term approach to investing, planning, developing and financing is structured to create stable returns.

Impact

Lead with purpose. We build resilient, inclusive and sustainable communities through innovative solutions and partnerships to address the complex societal and environmental challenges facing us.



ESG Strategy

In 2024, Concert Properties took a series of important steps to further integrate ESG principles into our business strategy. By year-end, we had formulated an ESG Strategy, articulated our social purpose and developed an ESG Framework that outlines our goals and action plans.

Adopting a formal ESG Strategy allows us to focus on impact. Concert Properties’ experience and position in the market enables us to quickly identify challenges and opportunities, creating a competitive advantage. We will capitalize on that advantage by leveraging our market insights to drive innovation. This includes harnessing data and AI to reduce carbon emissions, partnering in new ways to make communities more socially connected, and authentically engaging with Indigenous groups to explore new partnership models.

Framework

In the ESG Framework, our social purpose is demonstrated through four areas: Environment, Social, Governance and Indigenous, with focuses identified for each. Indigenous is a separate, specific area because our commitment to reconciliation permeates our entire strategy.

Concert Properties’ ESG Framework

SOCIAL PURPOSE
Concert Properties creates resilient, inclusive, sustainable communities

AREA	FOCUS
Environment Progressing our portfolio along a science-based, net-zero pathway and improving our resilience to climate impacts	<ul style="list-style-type: none">• Carbon reduction• Climate risk and resilience• Nature and ecological systems
Social Centring inclusion in everything we do—from building a diversity of housing, to fostering community well-being and advancing equity in the trades	<ul style="list-style-type: none">• Employment, housing and trades equity• Community connectedness and well-being• Employee engagement and inclusion
Governance Ensuring we have the right policies, processes and reporting for effective oversight and integration of ESG in all decisions	<ul style="list-style-type: none">• Effective policies and processes• Data integrity and risk management• Transparency and accountability
Indigenous Taking meaningful action towards reconciliation and forming mutually beneficial partnerships with Indigenous groups	<ul style="list-style-type: none">• Reconciliation Action Plan• Indigenous engagement

Three-Year Roadmap

- 2025**
 - Create a net-zero target and transition plan, while continuing to decarbonize
 - Establish a Diversity, Equity and Inclusion (DEI) Framework and target
 - Operationalize our Climate Resilience Action Plan
 - Complete our Indigenous Mapping Project and Reconciliation Action Plan
 - Restart the Community Connectors program and increase accessibility audits
- 2026**
 - Drive progress against net-zero, climate risk, reconciliation and DEI plans
 - Develop a sustainable procurement program
 - Scale Community Connectors and accessibility audits to more assets
 - Increase our alignment to third-party ESG reporting standards
- 2027**
 - Drive progress against net-zero, climate risk, reconciliation and DEI plans
 - Operationalize sustainable procurement program
 - Scale Community Connectors and accessibility audits to more assets
 - Complete screening to identify nature-related impacts, risks and opportunities

Integration

At Concert Properties, progress in our ESG Strategy and three-year roadmap for 2025–2027 is embedded in day-to-day actions and decision-making. Effective governance and oversight are achieved through the executive ESG Committee and cross-departmental collaboration is fostered through the ESG Working Group. There is also an organization-wide ESG performance objective that is adopted and tailored to different roles in the company. By making ESG integral to our operations, we can ensure it is reflected in our performance and the ways in which we create impact.

UNPRI ALIGNMENT

Concert Properties is a signatory to the United Nations Principles for Responsible Investment (UNPRI). We are committed to their six principles (the Principles) and integrate them into our operations in the following ways:

1. We incorporate ESG issues into investment analysis and decision-making processes.

- ESG considerations are embedded in our acquisition, development and asset management processes.
- Risk assessments and project approvals explicitly evaluate ESG implications.

2. We are active owners and incorporate ESG issues into our ownership policies and practices.

- ESG priorities influence how we build, operate, maintain and retrofit properties across our portfolio.
- Sustainability provisions are included in new development plans, lease agreements and operational policies.

3. We seek appropriate disclosure on ESG issues from entities in which we invest.

- We request ESG data from joint venture partners, tenants and suppliers where applicable.
- We collaborate with these groups on the focus areas of our ESG Strategy.

4. We promote acceptance and implementation of the Principles within the industry.

- We engage with peers, partners and industry bodies to raise the standard of responsible investment in Canada.
- We support alignment with UNPRI across our projects and third-party management relationships.

5. We work together to enhance our effectiveness in implementing the Principles.

- We collaborate with government agencies, NGOs and industry partners to shape policy and establish best practices.
- Knowledge-sharing and cross-sector dialogue support our learning and innovation.

6. We report on our activities and progress toward implementing the Principles.

- We publish ESG reports aligned with recognized frameworks.
- ESG performance is tracked and integrated into our organization’s objectives and executive performance reviews.



PORTFOLIO APPROACH ALIGNMENT

Income-Producing Properties

Across assets in our portfolio, we are taking proactive steps to advance the priorities outlined in our ESG Strategy and three-year roadmap. Some of the key mechanisms for influencing progress in these areas within our existing buildings include:

Implementing software

for managing and planning reductions in energy, emissions, water and waste.

Including ESG performance

in the criteria for selection, appointment and monitoring of third-party property managers.

Evaluating ESG implications

in the asset acquisition and disposition processes.

Implementing our Climate

Resilience Action Plan, informed by climate change scenario data from Munich Re.

Collaborating with tenants

by phasing in green lease agreements that emphasize a partnership in sustainability goals.

Helping tenants thrive and

reducing social isolation by enabling targeted programming which promotes community connectedness and well-being.

Acknowledging the Indigenous

land and histories on which our properties operate, to find ways to honour the culture and legacy of Indigenous Peoples. This could include Indigenous art, tenant engagement and Indigenous procurement.

New Development

Across the properties we develop, Concert Properties takes a financially responsible and forward-thinking approach to progressing our ESG Strategy and three-year roadmap. Some of the ways we are doing this include:

Setting sustainability objectives

for the project as early as possible to align our ambition with technical and financial feasibility.

Selecting an appropriate third-party standard for the project,

such as BC Energy Step Code, BC Zero Carbon Step Code, Toronto Green Standard or Canada Green Building Council standards.

Analyzing and addressing climate risk in the design phase

of the development. For example, how we plan for future sea-level rise and increased future cooling needs of residents due to rising temperatures.

Understanding the needs of the community

so future residents and the surrounding neighbourhood can benefit from community infrastructure and amenities. For instance, community centres, child care, retail and active transportation options.

Delivering a diversity of housing

to the market, including condominium, market rental and below-market rental through partnering with the Canada Mortgage and Housing Corporation and/or non-profit housing providers.

Incorporating Indigenous

perspectives and finding ways to honour Indigenous histories through early engagement.



See the Concert Properties [Reconciliation Action Plan](#) to learn more.



Responsible Investment Policy

Concert Properties’ approach to responsible investing reflects the priorities outlined in our ESG Strategy and aligns with our three-year roadmap for 2025–2027.

Policy Objective

From changing governments to shifting investor expectations, the success of our long-term investments is closely tied to the economic, environmental, social and governance landscapes in which we operate. Responsible investing requires integrating ESG factors into the investment process and, as required, adopting practices to mitigate risks and create value.

Policy Scope

Our Responsible Investment Policy outlines our approach to managing ESG risks and opportunities in relation to shareholder and investor expectations for all assets under management in CREC and CIP.

When we invest in entities we do not fully control, such as joint ventures or partnerships, we encourage our partners to manage these assets and operations in alignment with our policy, where appropriate.

The Concert Properties executive team periodically reviews and updates our policy to reflect market innovations and changes in our business strategy.

Our Investment Approach

Concert Properties’ Responsible Investment Policy aligns with the ESG Strategy and our current three-year roadmap. This strategy aims to ensure we remain competitive in seizing emerging opportunities and resilient in the face of new challenges. At the same time, we believe this approach will encourage innovation throughout our organization and differentiate us in the marketplace.



Governance

By incorporating the principles of strong governance into our ESG Framework and Responsible Investment Policy, we can better manage and mitigate risk as we deliver attractive long-term returns to our owners and investors while upholding our commitment to creating resilient, inclusive and sustainable communities across Canada.


Oversight

Our Board of Directors receives quarterly updates on ESG risks and opportunities relevant to the company. The Board is also briefed on noteworthy developments, including operational performance, industry benchmarking as well as market and regulatory updates. The executive team is responsible for the company’s business strategy, which includes the social purpose and ESG Strategy. The Vice President, ESG, leads these efforts, supported by the ESG Committee, the ESG Working Group and employees with ESG-related responsibilities across various functions and departments.

Additionally, the Management Investment Committee works with the ESG department to ensure the integration of significant ESG factors across investment strategies. The Committee also monitors regulatory changes and industry trends, providing guidance and expertise to various departments in the company as needed. Investment decisions are overseen by the Management Investment Committee, which may assess identified ESG risks and opportunities by evaluating their potential impact on performance.



CREC Governance



Board of Directors

CREC's Board of Directors is elected annually from representatives nominated by the union and management pension plans it represents. The Board provides direction for (and comprises) committees and guides the management of the company.

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Executive Committee

Tasked with specific projects

Compensation Committee

Executive team hiring, compensation and succession oversight

Audit Committee

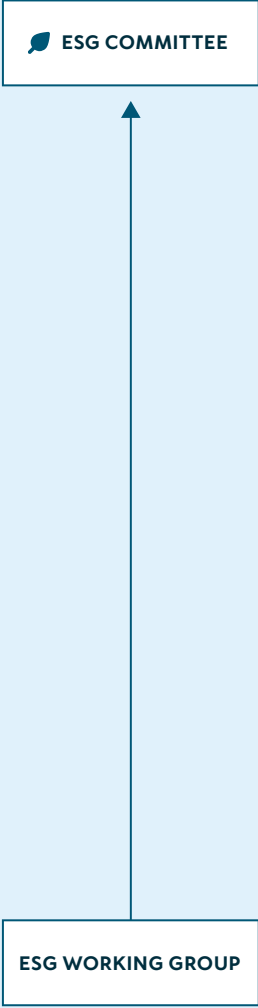
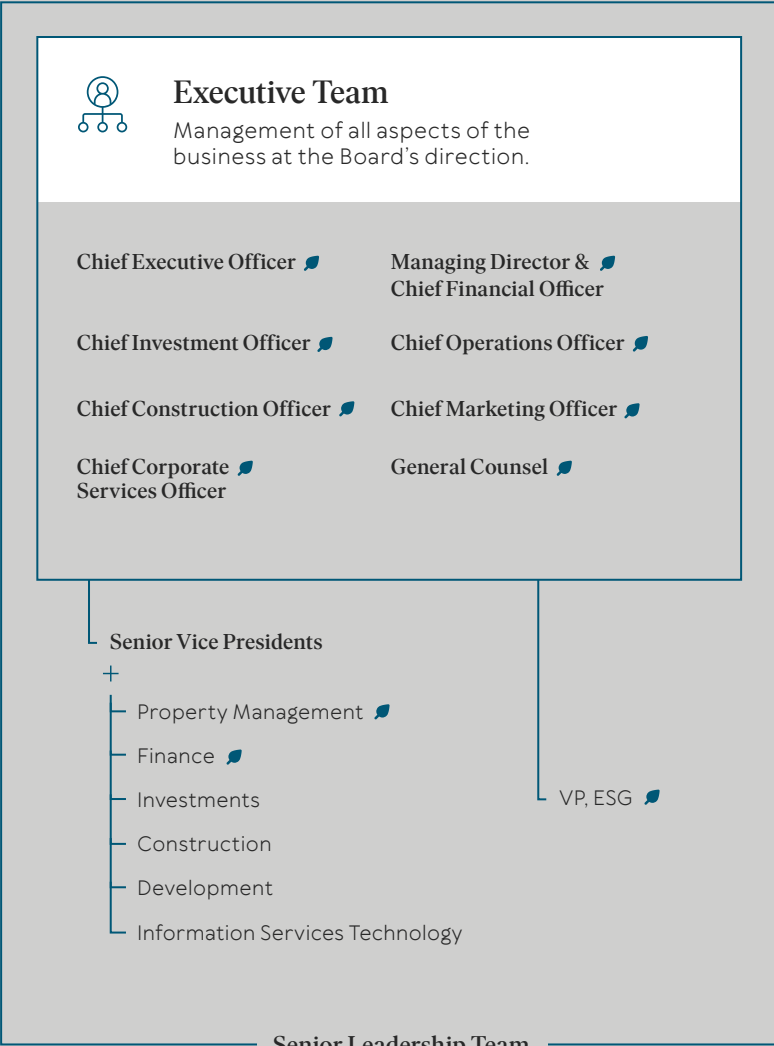
Financial reporting and enterprise risk

Investment Committee (CIP)


Oversees approvals for acquisitions, dispositions and financings

Advisory Committee (CIP)

Reviews conflict of interest transactions



Concert Properties' ESG Committee has been established to provide oversight on the company's social purpose, ESG Strategy and approach. Under their guidance, the ESG Working Group fosters inter-departmental collaboration and focuses on tactical implementation.

 Member(s) of the ESG Committee

Engagement and Stewardship

Concert Properties’ approach to responsible investing involves many collaborative efforts within the real estate industry. This includes engaging with policymakers and third-party standard-setters, either directly or through industry associations; contributing to public goods such as research; participating in public discussions and disclosures that align with stewardship; and negotiating with and overseeing other parties in the investment chain, including third-party property managers and tenants. See our latest [ESG Report](#) for an annual account of industry collaboration efforts.

Exclusionary Criteria

We only invest in Canadian real estate. Additionally, we avoid direct investments in companies that cause societal harm, which cannot be mitigated or effectively influenced, or those subject to international treaties or conventions aimed at eliminating their products.

To prevent indirect violations within our supply chain, we have clear guidelines and procedures that outline the minimum expectations for our suppliers, aligning with our organizational values.

Conflicts of Interest

We recognize our fiduciary duty to act in the best interests of our investors, shareholders and partners. An important part of this duty is properly disclosing and addressing any conflicts of interest. Concert Properties employees abide by our company’s Code of Conduct, which outlines what constitutes improper conduct, including any activity that is determined to be a conflict of interest, and provides guidance on how to disclose and resolve actual or perceived conflicts.

Monitoring, Transparency and Continuous Improvement

We are committed to transparent disclosure of our ESG performance, including UNPRI reporting, and alignment with reputable third-party frameworks such as:

- Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Canadian Purpose Economy Project (CPEP) Disclosing With Purpose framework

We continually evaluate and enhance our ESG integration based on input, emerging best practices and evolving regulatory expectations.

Our ESG performance and related details can be found on our [website](#).



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