



STRATHALLEN

2021 ESG REPORT



OUR MESSAGE

WE ARE PLEASED TO PRESENT OUR 2021 ESG REPORT



Cathal O'Connor
Chief Executive Officer



Throughout 2021, our teams have worked tirelessly to enhance our properties, and to engage and support our Communities, Tenants and our People.

In 2021, Strathallen Capital Corp. ("Strathallen") closed Strathallen Retail Property Fund LP No. 5 (the "Fund"); the largest capital raise in Strathallen's history. This Fund focuses on responsible investing in grocery and essential services properties. As a part of this fund raising, Strathallen made Environmental, Social, and Governance ("ESG") commitments to our Investors.

During the last year, the Strathallen team has made huge strides in advancing both our current, and new ESG initiatives. This collective team effort has enabled Strathallen to put our best foot forward, for our Communities, Tenants, People, and the Natural Environment. For example our property teams leveraged the Province of Ontario's LED Rebate program, and purchased new LED light fixtures for common areas, and have completed submissions for BOMA BEST certification for specific properties, where we expect to achieve BOMA BEST Silver certification.

We supported our Community in many ways in 2021. To highlight an extraordinary event, we were humbled to stand beside MKO and Nisichawayasihk Cree Nation ("NCN"), the indigenous nations of Northern Manitoba at our City Centre Mall in Thompson, Manitoba. The purpose of the event was to commemorate the partnership including a ceremonial flag raising, where we collectively committed to work with the NCN to create greater prosperity.

In 2021, we supported many charitable organizations including the Black Opportunity Fund and the Commercial Real Estate Equity and Diversity (CREED) Council. Our team members at various levels of our organization generously volunteered their time at fundraising events and sit on various boards of industry organizations.

To support our People, we implemented many significant programs and policies in the health, safety and well-being of our valued team members.

2022 is shaping up to be an exciting year for Strathallen as our ESG strategy execution continues. Strathallen is proud to align our ESG strategy and goals to the United Nations

Sustainable Development Goals (UNSDGs). Our commitment aligns to 10 UNSDGs, where we believe we can make a significant impact. In 2022 we will participate in the GRESB survey, an industry-leading, real estate sustainability benchmark, and are working to collect and measure our carbon footprint, and reduce emissions across our portfolio. We will launch an EV charging station pilot across a subset of our properties, with the goal of implementing this program across our entire portfolio over time.

In order to successfully achieve our goals, we will continue to strengthen our relationships with our Tenants and Communities. To accomplish this, we are establishing formal Tenant and Community Engagement Programs in 2022, where we aim to collect, understand and measure the needs of these invaluable stakeholders, and work with them to improve their experiences.

We look forward to executing on our ESG commitment and strategy and are well positioned to address the targets and goals we have set for ourselves in 2022.



ABOUT STRATHALLEN

Founded in 2003, Strathallen is a leading real estate manager focused on delivering superior risk-adjusted returns to its Investors. Using our experience and local expertise, our team provides expert market knowledge that leads to exceptional results in all of our business practices.

As a fully integrated firm, we provide Investment Management, Asset Management, and Property Management which includes strategic advisory services that allows us to continually create value for our Investors.

Strathallen is an employee-owned private company.

250+ Years

**Executive Real
Estate Experience**

Strathallen is led by a team of executives with a proven track record in the real estate industry. Their experience comes with years of relationships, influence in negotiations, transactions, and efficient operations.

Team Offices

**In All Major
Canadian Markets**

Offices across the country allows for superior tenant relations and community connections, as well as operational excellence.



STRATHALLEN

RETAIL | INDUSTRIAL | OFFICE | RESIDENTIAL

OUR FOCUS



Vision

We strive to be among ESG leaders, with business strategies adding meaningful value to all stakeholders, and empowering employees to act as a positive agent for change within their respective communities.

Mission

Our ESG mission aligns with our corporate mission and enhances our commitment to our investors and all stakeholders. We are committed to creating and adopting innovative ideas and business practices to improve our communities, the natural environment, and operational efficiencies, while enhancing stakeholder experiences.

What Matters Most

At Strathallen, we are committed to operating and growing our business sustainably and are conscious of the impact we have on our stakeholders and on the environment. We work hard to reduce the environmental impact of our operations while simultaneously dedicating ourselves to our stakeholders.

Our Investors - We are committed to providing our investors with market leading risk-adjusted returns. By integrating ESG into our business strategy, and viewing strategy through an ESG lens, we position Strathallen to further identify material risks and opportunities, enabling us to potentially generate better returns.

Our People - People are our greatest asset. We are an inclusive company that values and fosters all dimensions of diversity. As an employee-owned company, we have a strong entrepreneurial culture where all perspectives and points of view are considered. Our diverse group of real estate professionals define our company, driving innovation and growth to better serve our stakeholders.

Our Tenants and Communities - Our tenants and the communities in which we serve are the core of our business. Our company forms an essential part of the community and recognizes the importance of embracing, connecting, and supporting our neighbourhoods. We have the ability and responsibility to enable positive change and facilitate growth and connection between communities and tenants. We want our tenants and customers/visitors to feel welcome and safe while operating their businesses and frequenting our properties.

The Natural Environment - As an owner, operator and developer of real estate, we are acutely aware of the impact our buildings and tenant operations have on the environment, and the role they play in climate change. In partnership with our tenants, we have an opportunity and responsibility to understand our collective environmental impact and to minimize this footprint.

OUR ESG COMMITMENT



Strathallen is committed to **enhancing the economic, environmental, and social health and well-being** of all stakeholders. We commit to the following:



1

Executing on our ESG framework and program, continuing to fully integrate ESG into our business strategy and daily decision-making. By viewing our strategy through an ESG lens, we can improve our ability to identify risks and opportunities, and in turn enable the potential for stronger risk-adjusted returns for our investors.

2

Communicating our initiatives, goals, and accomplishments to our stakeholders in a manner that provides material and actionable disclosure.

3

Endeavour to become an employer of choice. We are committed to creating an environment where our employees will grow both professionally and personally. We strive to understand what our employees need to achieve excellence through development of employee achievement programs, through coaching and mentoring, and through matters identified by our Diversity and Inclusion Committee. We want to enhance our work environment and ensure our employees feel welcome, respected, heard, and rewarded.

4

Striving to be a trusted partner and advocate for our communities, enabling them to achieve their unique goals. We aim to accomplish this by encouraging and empowering our employee community members to connect and understand what our communities need and create strategies facilitating their desired goals and outcomes.

5

Reducing our environmental footprint. We commit to understanding and implementing strategies that reduce our impact on the environment by developing insights into our usage of water, waste and energy, and by implementing value enhancing green strategies at our properties.

2021 KEY INITIATIVES



ENVIRONMENTAL INITIATIVES

- Annual measurement of Key Performance Indicators
- Measuring our carbon footprint
- Utility data management
- AI BAS control systems investigation
- Nationwide LED lighting conversion program
- Sustainable construction materials
- Smart irrigation to manage water consumption
- BOMA BEST certifications
- Partnership for electric car stations
- Waterless urinals and/or low flow toilets
- Elimination of paper towels; install of aerators
- Utilize green cleaning products
- Bike parking and improved pedestrian access
- Reducing waste and energy usage
- National partnership to host an Earth Day Recycling Event

SOCIAL INITIATIVES

- Charitable contributions
- Excess construction material donated to Habitat for Humanity
- Donate space for community groups and events
- Promote Employee Health and Wellness
- Compliance with the Accessibility for Ontarians with Disabilities Act
- Employee-focused programs

GOVERNANCE INITIATIVES

- Board approval compensation
- Investor alignment through promote fee structure
- Diversity, Equity and Inclusion Consultant
- Compliance procedures and policies

ENVIRONMENTAL HIGHLIGHTS



Strathallen's goal is to become **a leader in environmental matters related to our properties.**

Strathallen actively engages in energy conservation measures throughout its portfolio by investigating and investing in conservation programs with the goal of reducing use, emissions, and overall operating expenses.

EV Charging Stations

For 2022, Strathallen has partnered with SparkPark EV, a national electric vehicle charging service provider, in recognition of the need to support the global transition to green technology and use of renewable resources. Together we are launching a pilot project at properties across the country, making use of their new rapid charging technology and modular infrastructure, which will be a first-to-market offering in Canada.



Government Programs

In 2021, property managers took advantage of the Province of Ontario's LED Rebate program. We purchased new LED light fixtures for common area installation, and will realize meaningful energy savings. We intend to have this program completed by the end of the year.



BOMA BEST

BOMA BEST is a certification program for sustainable buildings. The program considers best practices in the areas of energy and water consumption, occupant comfort and indoor air quality, hazardous materials handling and green cleaning program, waste reduction, diversion, and recycling. We have completed the preparation and submission for BOMA BEST certification for specific properties and expect to achieve BOMA BEST Silver certification.



SOCIAL HIGHLIGHTS



We are **committed to creating an environment where our employees will grow both professionally and personally.** We want to enhance our work environment and ensure our employees feel welcome, respected, heard, and rewarded.

Strathallen has committed to donate a minimum of 2% of its annual income to charitable causes. In addition to many charitable organizations, our 2021 commitment included the Black Opportunity Fund, the Commercial Real Estate Equity and Diversity (CREED) Council, in addition to supporting local indigenous groups and community organizations.

Our team members at various levels of the organization volunteered their time at fundraising events and sit on boards of industry organizations. Strathallen also provides professional mentoring and internship opportunities. The Strathallen team engages with and participates in the wider community where its business and properties are located. Our team members have personal paid leave made available to them and are encouraged to engage in charitable activities.

Community Engagement

City Centre Mall - Manitoba Keewatinowi Okimakanak

The year 2021 marks the 50th Anniversary of City Centre Mall and its service to the City of Thompson and Northern Manitoba communities. City Centre Mall has been a pillar of the community and Strathallen is excited to acknowledge and honour this history with such an important and meaningful partnership. We are humbled to stand beside MKO and Nisichawayasihk Cree Nation ("NCN"), the indigenous nations of Northern Manitoba, and work with them to create greater prosperity. There was an event on site which included a ceremonial flag raising to commemorate the partnership.

To view the video from this momentous occasion, click [HERE](#).

SOCIAL HIGHLIGHTS



Tenant Engagement

At Strathallen, we recognize that customer service is the cornerstone to long-term relationships and success. Customer Service is more than making sure the lights are on and the rent is collected. There is more to it than a lease. At Strathallen, it is an agreement to be good partners and to advance our mutual interests. To achieve this, we make a pledge to our Tenants titled the Customer Centricity Commitment.

In October 2021, we also sent out a Tenant Satisfaction Survey to tenants across our portfolio to gauge their satisfaction with our performance as property managers. We have taken the time to analyze the results and are implementing the necessary steps to facilitate actionable items.

Employee Engagement & Wellbeing

Mindfulness Policy: Strathallen is committed to continuously building a conscious work environment and culture that reflects the importance around mindful living. As a Company, we strongly believe that fostering a mindful atmosphere helps build an engaged and passionate team with a primary focus on their well-being. Our commitment is demonstrated through the encouragement of the utilization of paid time off, such as vacation or personal days, organized monthly Company events, access to our confidential Employee and Family Assistance Program, and the Group Benefits and Wellness Programs for eligible employees.

Wellness Benefit: The wellness benefit is designed to assist employees to maintain a healthy lifestyle such as gym memberships, fitness equipment, personal training, fitness and wellness classes.

Maternity/Pregnancy, Paternity and Parental Leave: Strathallen provides eligible employees with Employment Insurance (EI) top-up during their maternity leave and/or parental/paternity leave.

GOVERNANCE HIGHLIGHTS



Strathallen is **committed to exceptional corporate governance** to promote the long-term success of our company.

Committees

The **ESG Committee** is comprised of passionate ESG leaders representing various groups and departments within our organization. With the Chief Executive Officer as the program's executive sponsor, the committee's mandate is to oversee our ESG program and make meaningful and ambitious recommendations to our senior leadership team, aligned with our corporate strategy. This committee is supported by the Diversity and Inclusion Committee, the Innovation and Technology Committee, along with the Culture Committee.

In accordance with our Responsible Investment Policy, our **Investment Committee** comprised of the partners at Strathallen to strengthen governance and due diligence processes. Strathallen maintains strong due diligence discipline, including sustainability assessments, ensuring that it is not taking on any undue risk.

United Nations Sustainable Development Goals

Strathallen is proud to align its ESG strategy and goals to the United Nations Sustainable Development Goals (UNSDGs). Our commitment aligns to 10 UNSDGs, where we believe we can make a significant impact. Our team is continuously working towards each of these goals.

More information on the UNSDGs can be found [HERE](#).

SUSTAINABLE DEVELOPMENT GOALS



GOVERNANCE HIGHLIGHTS



Risk Management

Strathallen is committed to providing a healthy and safe work environment for all stakeholders. In pursuit of our commitment, we have developed, implemented and enforced policies and procedures such as our Workplace Health & Safety Policy and Workplace Violence Policy that promote open communication.

We also administer online Health & Safety Awareness training to all team members, to educate on the importance of health and safety in the workplace as outlined by the Occupational Health and Safety Act, to understand our responsibilities, and review common workplace hazards. Additionally, we maintain a national Joint Health & Safety Committee with representatives from offices across the country. Strathallen acts in compliance with all applicable workplace health and safety legislation at all times.

GRESB

Strathallen is proud to participate in GRESB, an industry-leading, real estate sustainability benchmark, that measures our performance against our peers, and provides investors with additional confidence into our commitment, metrics, and results.



OUR EXPERIENCE IS YOUR ADVANTAGE

As we look to the future, Strathallen will deliver on our ESG commitment to all our stakeholders. We are excited to continue driving progress both locally and nationally, supporting our communities and developing assets in innovative and sustainable ways.

At Strathallen, we continue to seek a deeper understanding of our impact as key members of our communities. We continue to invest, listen, and learn with a commitment to creating better and stronger neighbourhoods.

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