



STRATHALLEN

2022 ESG REPORT



OUR MESSAGE



WE ARE PLEASED TO PRESENT OUR 2022 ESG REPORT



Our commitment to ESG remains a core focus for the Strathallen team, and throughout the last 12 months, we have continued to drive our strategy forward with incremental ESG initiatives. This collective team effort has enabled Strathallen to put our best foot forward, for our People, our Investors, our Tenants and Communities, and the Natural Environment.

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

As a result of our fully integrated ESG strategic initiatives, Strathallen continues to grow. Strathallen's Retail Property Fund LP No. 5 focuses on responsible investing through investment in grocery and essential services properties. This fund was launched in 2021 and was the largest capital raise in Strathallen's history.

Throughout 2022, our teams have worked tirelessly to enhance the efficiency of our properties, and to engage and support our People, our Investors, our Tenants and Communities. 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.

This year Fund 5 participated in theGRESB Real Estate Assessment survey, an investor-driven global ESG benchmark and reporting framework for listed property companies, private property funds, developers, and investors. Fund 5 achieved a 2-star rating and we are looking forward to improving on our score and performance in 2023.

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.

We supported our community in many ways in 2022. To highlight one of these meaningful partnerships, we partnered with the Circle of Turtle Lodge at Pembroke Mall and donated a large-format retail unit to the group which now serves as the new home of their Indigenous Heritage Centre.

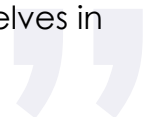
In 2022, we supported many charitable organizations including the Black Opportunity Fund, Indspire for indigenous education fund, and the Heart and Stroke Foundation. Our team members at various levels of our organization also generously volunteered their time at fundraising events, as well as sitting on various boards of industry organizations.

To support our teams, we implemented many significant programs and added additional policies to strengthen our business. Our organization underwent company-wide ESG training, and we worked hard to gain feedback from our staff through an employee survey which will shape our Employee Engagement Action plan.

In order to successfully achieve our goals and continue to enable our People, our Investors, our Tenants and Communities, we will continue to strengthen these relationships. To accomplish this, we established formal Community and Tenant 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.

It is paramount that we understand what our impact is, measure this impact, and take meaningful action to reverse the negative impacts that we are having on our climate and planet.

We look forward to executing on our ESG commitment and strategy for the remainder of 2022 and are well positioned to address the targets and goals we have set for ourselves in 2023.



Cathal O'Connor
Chief Executive Officer

ABOUT STRATHALLEN

Founded in 2003, Strathallen is a leading real estate manager focused on delivering superior risk-adjusted returns to its Clients. Strathallen is led by a team of executives with a proven track record of growth and success.

As a fully integrated firm, we provide Asset Management, Property Management and Strategic Advisory Services that allows us to continually create value for our Clients.

Strathallen is an employee-owned private company.

130

Number of Employees

18

Site Offices Country Wide

\$1.6B

Assets Under Management (AUM)

8.1M

Total SF GLA



STRATHALLEN

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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 properties form an essential part of the community, and we recognize 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:



Governance

- Executing our ESG framework and program, and continuing to embed sustainability 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.
- Communicating our initiatives, goals, and accomplishments to our stakeholders in a manner that provides material and actionable disclosure.

Environmental

- 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.

Social

- Endeavouring 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.
- 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.



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 recommendations to our senior leadership team that align with our corporate strategy. The senior leadership team meets weekly to actively discuss asset performance, updates regarding long-term strategic objectives, and to execute decision-making. ESG is a regular agenda item where the CEO is updated on the progress, direction, and goals of the company's ESG program and integration.

United Nations Sustainable Development Goals

Strathallen is proud to align its ESG strategy and goals to the United Nations Sustainable Development Goals. Our commitment aligns with 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

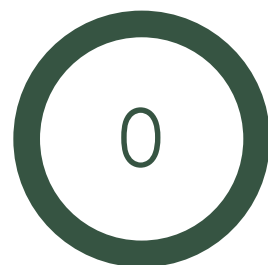


Risk Management

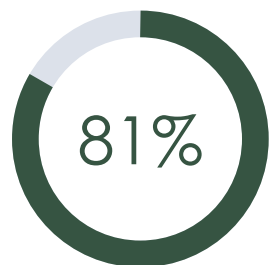
In 2021 Strathallen implemented an ISO 14001 aligned Environmental Management System (EMS) in order to organize and create processes and practices that enable Strathallen to reduce its environmental impacts and increase its operating efficiency. The framework continues to guide us and enables the achievement of environmental goals through consistent review, evaluation, and improvement of environmental performance. Through consistent review and evaluation, the company is able to identify opportunities for improving and implementing the environmental performance of the organization.

An Investment Committee comprised of the partners at Strathallen was established to strengthen governance and due diligence processes. In 2022, Strathallen continues to maintain strong due diligence discipline, including ESG assessments, ensuring that it is not taking on any undue risk by following our Responsible Investment Policy.

We 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 & 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 always acts in compliance with all applicable workplace health and safety legislation.



Number of Whistle-blower complaints received



Employee Satisfaction with Communication from Board of Directors



Gender ratio of Governance Bodies



Environmental Management System aligned to ISO 14001



Company-wide ESG training in 2022

*The above stats are from Strathallen's People Culture Survey 2022 Findings Report and internal governance metrics.

2022 Policies

Introduced

- Forced and Compulsory Labour
- Community Development & Social Enterprise Partnering
- Employee Engagement
- Health & Safety of Community

2023 Targets

- Align Fund Investor reporting with guidelines
- Evaluate additional technical building assessments

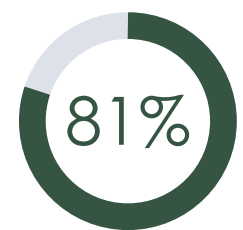


Our People

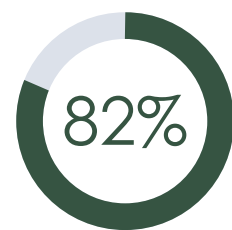
We are committed to creating an environment where our employees will grow both professionally and personally. We want to enhance our work environment and ensure our employees feel welcome, respected, heard, and rewarded.

In 2021, we renewed our Diversity, Equity & Inclusion (DE&I) Policy. As a part of that policy, we continue to ensure all walks of life are treated with equal respect and entrance into Strathallen's workplace regardless of race, colour, religious beliefs or observances, sex, gender identity, national origin, age (in alignment with our Human Rights & Child Labour Policy), physical or mental disability. We value differences in opinions and backgrounds, and we are dedicated to active listening, learning, and unlearning the racial biases that are woven into society today. Strathallen fosters full respect of the rights and identities of indigenous peoples and strives to preserve and promote indigenous peoples' cultural heritage and values as we welcome newcomers into our organization.

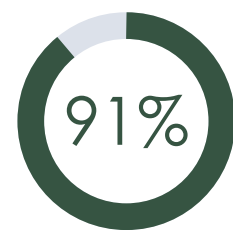
At Strathallen, we proudly support protection of human rights. The Diversity, Equity & Inclusion Committee completed training and worked with an external consultant to establish 2023 initiatives. Strathallen hosted Chief Joseph (Author and Residential School Survivor) as an opportunity for the team to broaden their Indigenous community knowledge.



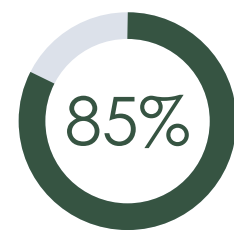
Employees feel the company takes adequate action to promote employee wellness



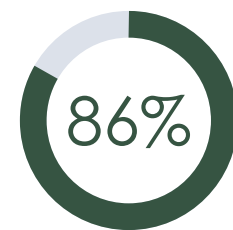
Employees feel company employee incentive programs are engaging and a valued employee amenity



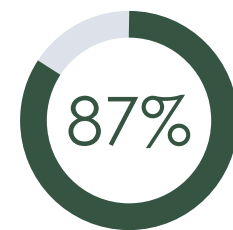
Employees feel Strathallen is dedicated to Diversity & Inclusion



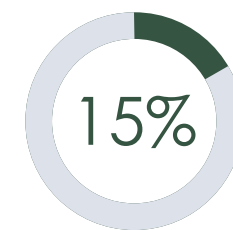
Employees feel Strathallen provides an environment for the free & open expression of ideas, opinions and beliefs



Employees feel valued for their contributions



Employees would recommend Strathallen as an employer to other working professionals



Turnover Rate (2022)

2023 Targets

- Develop and implement an action plan to enhance Employee Engagement
- Add Health and Wellbeing goal setting for employees
- Enhance recognition and reward strategy for employees
- Create and integrate personnel ESG performance targets
- Promote additional professional development opportunities to employees to drive job satisfaction and effectiveness
- Enhance employee diversity metric tracking and reporting
- Complete additional ESG training in 2023 for all employees



Our Tenants and Communities

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.

Regularly engaging with tenants to learn about ways in which we can improve their satisfaction with our properties is an integral part of our operations. Feedback and engagement sessions are in the form of “Turbo Talks” with tenants which happen no less than once annually. Turbo Talks is a program which has been designed to encourage and support frequent one-on-one personalized direct communication with the applicable Property Manager to discuss how their business is performing, to gain their insight on service improvement opportunities and any other suggestions they may have.

Community

Through corporate and portfolio initiatives, Strathallen has formed several community partnerships including:

- The Black Opportunity Fund
- The Commercial Real Estate Equity and Diversity (CREED) Council
- Indspire
- The Heart & Stroke Foundation

2%

Strathallens annual income donated to charitable causes

260+

Number of community initiatives that were supported

Tenants

Administered a Sustainability Guide for tenants to reduce operating costs, increase recognition for environmental stewardship, and improve occupant comfort.

2023 Targets

Tenants

- Administer a Tenant Satisfaction Survey to gain insight
- ESG-specific requirements in standard lease contracts such as information sharing on utility usage

Communities

- Monitor community change year over year including housing affordability, livability score, local income generated, local residents' well-being, and walkability score

The Natural Environment

In partnership with our Tenants, Suppliers, and Communities, we have an opportunity and responsibility to understand our collective environmental impact and to minimize this footprint.

In addition to the initiatives we engaged in 2022, we look forward to furthering our commitment to the Environment in 2023.

2022 Initiatives

- EV Charging Stations negotiations complete
- Finalized and implemented Environmental Management System
- Utility Data Management with sub-metering partnership
- Completion and rollout of Sustainable Construction Criteria or Tenants construction
- Continued Implementation of LED conversion program
- On-going tenant engagement in sustainable practices

2023 Targets

- Increase waste diversion data coverage
- Increase number of social asset-level risk assessments to 2 or more
- Expand Sustainability Policy to include additional areas of environmental and climate impact
- Evaluate additional technical building assessments
- Implement additional efficiency measures at properties
- Integrate green lease language
- Assess climate reporting frameworks





2022 GRESB Standing Investments Benchmark Report

Our 2022 submission for Strathallen - Fund 5 (Strathallen Capital Corp.) was our inaugural GRESB submission, and we are proud of our initial achievement. In 2023, we will work to improve our score and further our position with this benchmark.

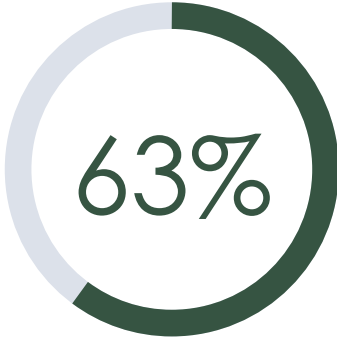
GRESB Assessments capture information regarding ESG performance and sustainability best practices for real estate and infrastructure funds, companies and assets worldwide. The Assessments are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments and are aligned with international reporting frameworks, such as Global Reporting Initiative, Principles for Responsible Investment, Sustainability Accounting Standards Board, Dow Jones Sustainability Index, Task Force on Climate-Related Financial Disclosures recommendations, the Paris Climate Agreement, UN SDGs, region and country specific disclosure guidelines and regulations.



Sustainability Accounting Standards Board (SASB)

SASB Standards guide the disclosure of financially material sustainability information by companies to their Investors. Reporting for 2022 is in accordance with these standards.

GRESB RANKING



Participation & Score

2022



North America
Retail: Retail Centres: Strip Mall | Non-Listed

Out of 6

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.



STRATHALLEN

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