

## Statement of Verification

### Independent Limited Verification Report for KingSett Capital

KingSett Capital (KingSett) engaged Quinn & Partners to verify its energy, water, waste and greenhouse gas (GHG) emissions statements for its 2020 Canadian Real Estate Income Fund L.P. (CREIF) for the reporting year from January 1, 2020 to December 31, 2020 as presented in the 2020 ESG Report and 2021 GRESB Real Estate Assessment response.

#### Quinn & Partners responsibilities

Quinn & Partners conducted a verification of KingSett's 2020 energy, water, waste and GHG emissions statements to a limited level of assurance in accordance with ISO 14064-3:2019<sup>1</sup>. The verification ensures that the inventory conforms to the requirements and principles of the *GHG Protocol Corporate Accounting and Reporting Standard* and aligned with *ISO 14064-1:2018*<sup>2</sup>. Verification activities were conducted with appropriate impartiality, using an evidence-based approach, ethical conduct, fair presentation, conservativeness and due professional care.

#### KingSett responsibilities

KingSett (the responsible party) prepared its 2020 energy, water, waste and GHG emissions statements with the assistance of a third-party service provider. KingSett was responsible for confirming that the results from the provider fairly presented the performance of the CREIF portfolio. This responsibility included maintaining data management systems to ensure its statements fairly reflect its operations and are free from material misstatement. KingSett's statements are voluntary – there is no mandatory requirement for disclosing this information.

#### Scope of engagement

Quinn & Partners provided verification to a limited level of assurance. Based on Quinn & Partners' verification activities and findings, we found no material discrepancy, error or omission that would lead us to conclude that KingSett's 2020 energy, water, waste and GHG emissions statements are not fairly stated and prepared in all material respects in accordance with the standards and principles of the GHG Protocol<sup>3</sup>. The quantitative materiality threshold was 5% for each statement. The investigation included the following metrics:

#### GHG emissions

- Direct GHG emissions (Scope 1) – stationary combustion
- Electricity indirect GHG emissions (Scope 2) – purchased electricity and steam

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<sup>1</sup> ISO 14064-3:2019 - Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statement

<sup>2</sup> ISO 14064-1:2018 – Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

<sup>3</sup> The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (World Resources Institute/World Business Council - Revised Edition)

- Other indirect GHG emissions (Scope 3) – energy use in tenant areas, upstream emissions from water use, and downstream emissions from waste generated in operations, when available.<sup>4</sup>

### Energy, water and waste

- Total energy, electricity, stationary combustion fuels and steam
- Total purchased water consumption
- Total waste generation, when available

### Criteria

The objective of the verification was to reach a conclusion about the accuracy of the GHG statement and its conformity with the GHG Protocol and aligned with ISO 14064-1:2018 and industry best practices for the quantification and reporting of energy, water and waste data. To do so, we followed the verification criteria provided by ISO 14064-3:2019.

### Work performed

The verification team employed methods to verify KingSett’s statements, including desktop review, analysis, sampling, recalculation, tracing and cross-checking with the quantification team. Sufficient evidence was collected to support the verification statements and ensure that the inventory methods, systems, calculations and results conform to the verification requirements. The principles of GHG accounting in ISO 14064-1:2018 and the GHG Protocol were used to guide the verification process:

- **Relevance:** Does the inventory contain the information that users—both internal and external to the company—need for their decision-making?
- **Completeness:** Has KingSett accounted for all relevant sources within the inventory boundary and time period?
- **Consistency:** Do the methods and systems used to aggregate emission sources ensure that results are consistent and comparable over time?
- **Accuracy:** Was the quantification process conducted in a manner that is likely to identify and minimize areas of uncertainty? Has KingSett reduced bias and uncertainties as far as is practical?
- **Transparency:** Has KingSett prepared its statements in a coherent manner, and disclosed relevant methods and assumptions?

### Limitations of our work performed

The verification team understands that voluntary disclosures of sustainability data by nature are subject to uncertainty, including scientific and estimation uncertainty, that lead to inherent limitations in the accuracy of the information reported. The verification team recognizes these inherent limitations and implements quality-checking processes to reduce the impact they may have on the accuracy of the resulting statements.

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<sup>4</sup> Tenant areas, water use and waste generated in operations correspond to Category 3, Category 12 and Category 5 of the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard



## Assertions

The table below outlines KingSett Capital's 2020 GHG, energy, water and waste assertions.

**Table 3. 2020 CREIF data assertions**

Assertion	2020 absolute total	Estimated materiality*
GHG emissions		
Scope 1	20,519 tCO <sub>2</sub> e	<5%
Scope 2	18,716 tCO <sub>2</sub> e	<5%
Scope 3	5,620 tCO <sub>2</sub> e	<5%
Energy, water and waste		
Energy	280,432,997 ekWh	<5%
Water	909,184 m <sup>3</sup>	<5%
Waste generation	5,192,082 kg	<5%

\*Estimated magnitude of discrepancies

## Verification conclusions

Quinn & Partners conducted a verification of KingSett's 2020 energy, water, waste and GHG emissions statements for the reporting year from January 1, 2020 to December 31, 2020 to a limited level of assurance. Based on the verification activities above, we found no material discrepancy, error or omission that would lead us to conclude the environmental performance statements are not fairly stated and prepared in all material respects in accordance with the standards and principles of The GHG Protocol and aligned with ISO 14064-1:2018. Additional good practice recommendations are described in Appendix 1.



**Attestation**



Lindsay Lucato.  
Verifier  
Quinn & Partners Inc.  
April 13, 2021



Daniel Pass, GHG-IQ  
Project Manager  
Quinn & Partners Inc.  
April 13, 2021



Isabel Sbragia, Ph.D.  
Independent Reviewer  
Quinn & Partners Inc.  
April 13, 2021

**Client's Attestation**

I, as a representative of KingSett Capital, accept the findings in this verification statement.



Kit Milnes  
Director, Sustainability  
KingSett Capital

April 13, 2021

Date



## Appendix 1 – Good practice recommendations

Below, we summarize recommendations to improve KingSett's statements in future years. Our recommendations strive to ensure that KingSett's statements are representative of its portfolio, supported by high quality data and appropriate for measuring and improving environmental performance.

Flag	Recommendation	Details
Some properties present the "Effective Area (ft <sup>2</sup> )" different from the actual GLA	Suggest reporting the actual GFA and/or GLA in the EPL spreadsheet to avoid any misinterpretation with the effective area	<ul style="list-style-type: none"> <li>For calculations involving floor area the actual GFA should be used and reported</li> </ul>
No base-year reported in the inventory	As stated in the GHG Protocol <sup>4</sup> , select and disclose a base-year for GHG statements (e.g., 2018 based on your GHG target)	<ul style="list-style-type: none"> <li>To be in line with the GHG Protocol, companies shall choose and report a base year, specify their reasons for choosing that particular year and develop a base year emissions recalculation policy<sup>5</sup></li> <li>Selecting a base year is important to track emissions over time and communicate GHG reductions (or increases)</li> </ul>
Inventory reports GHG values in tonnes of CO <sub>2</sub> e	Calculate and report separately CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, NF <sub>3</sub> , SF <sub>6</sub> and other appropriate GHG groups (HFCs, PFCs, etc.) in addition to tCO <sub>2</sub> e (as stated in the GHG Protocol and ISO14064-1:2018 <sup>6</sup> )	<ul style="list-style-type: none"> <li>To be in line with GHG standards, companies must separately report the seven greenhouse gases covered by the Kyoto Protocol—carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>)</li> </ul>
Exclusion of refrigerant emission sources	Report fugitive emissions from refrigerant leakage and emissions resulting from fuels used for back-up generation by KingSett	<ul style="list-style-type: none"> <li>The GHG protocol and ISO14064-1:2018 have a threshold that permit companies to exclude not relevant sources. However, this threshold is based on sources where there is a lack of data or the cost of gathering data may be a limiting factor.<sup>5</sup></li> <li>Tracking refrigerant data in some instances can exceed the materiality threshold. (e.g., in case where there was a large leakage)</li> </ul>

Addressing these recommendations will help to ensure that the quantification approach, data sources and results are well-documented, complete, consistent, and transparent for future statements.

<sup>5</sup> [http://pdf.wri.org/ghg\\_protocol\\_2004.pdf](http://pdf.wri.org/ghg_protocol_2004.pdf) (page 8)

