

2024 SUSTAINABILITY AND IMPACT REPORT

Investing in a Brighter Tomorrow



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EXECUTIVE SUMMARY

Investing in a Brighter Tomorrow



At KingSett, we see sustainability as a key driver of long-term value. By actively managing the environmental and social risks that affect our assets, we aim to enhance their resilience and performance, generating value across our portfolios. At KingSett we do things differently, and it is through this approach that, on behalf of our stakeholders, we strengthen the long-term stability of our investments and position ourselves to capitalize on new opportunities.

We are committed to an investment strategy that delivers premium, sustainable risk-weighted returns while positively impacting our environment and communities. Looking forward, we are expanding our focus to encompass more areas of our business — seeking to create lasting economic, environmental and social value for all our stakeholders.

We continue to build on the strong relationships with existing partners and forge new partnerships to help us accelerate our energy efficiency, decarbonization and social impact efforts. Our collaboration with the Canada Infrastructure Bank, through a \$47 million loan, is helping fund green retrofits in our commercial properties across Toronto and Vancouver. The solar install at Kanata Lakes in Ottawa will create value by improving energy efficiency, lowering costs for tenants and boosting climate resilience, ultimately enhancing the project's return on investment.

Through our mortgage funds, we are financing the development of over 1,000 affordable housing units, as well as actively developing hundreds more in the KingSett Affordable Housing Fund. Finally, our adoption of the Principles for Responsible Investment (PRI) is shaping and driving investment strategies across our business, for which we score above the median benchmark in all categories.

Despite the challenges facing our industry and country at this time, we're dedicated to working with partners and stakeholders to unlock new value by creating resilient and healthy places where people want to work, shop and live. We're excited about the opportunities ahead and remain fully committed to driving positive change — today and tomorrow.

Regards,

Rob Kumer
CEO

2024 HIGHLIGHTS



Fairmont Royal York Hotel 2024 Awards:

- ENR Global Best Projects Award: **Green Project**
- Ontario General Contractors Association: **Best Environmental Project**
- Canadian Construction Association: **Environmental Achievement Award**



Awards

Valhalla Village Phase 1
receives Embodied
Carbon Award



Closed on
lending
for over
1,000
affordable
housing units 





Achieved Zero Carbon
Building (ZCB) – Performance
certification at **1235 Bay St.**

KingSett Capital scored
above the UN Principles
for Responsible
Investment (UN PRI)
benchmark across
all modules


Policy, Governance and Strategy	95 _{/100}
Direct – Fixed Income – Private Debt	91 _{/100}
Direct – Real Estate	81 _{/100}
Confidence Building Measures	87 _{/100}

Canadian Real Estate Income Fund (CREIF) Portfolio

23% 
energy use
reduction
vs 2019

23% 
emissions
reduction
vs 2019

DECARBONIZATION:
Secured \$47M from the Canada
Infrastructure Bank (CIB) to
decarbonize 4.8M sf

19% 
water use
reduction
vs 2019

26% 
waste
reduction
vs 2019

TARGET:
On track to reduce carbon
emissions by 67% by 2035 in CREIF
using the Science Based Targets
initiative (SBTi) methodology

CERTIFICATIONS:
87% of the portfolio certified
to a green building standard

SUSTAINABLE INVESTING STRATEGY

KingSett is committed to enhancing the value of its investments by actively managing the environmental and social risks and opportunities associated with owning, developing and managing real estate throughout each asset's ownership lifecycle.

Our strategy is centred on delivering premium risk-weighted returns and positive impact on our environment and the communities in which we operate. We are motivated by the significant opportunities offered by integrating sustainable investing and climate resilience into our real estate portfolio. Our approach has a proven track record for generating profitability and creating long-term value.

By integrating sustainability considerations into our decision-making processes, we generate economic, ethical, social and environmental value. Our process articulates and reinforces our dedication to acquiring, developing and managing assets responsibly, in line with our Mission, Vision and Core Values.

We are investing in our properties with the goal to improve their environmental and economic performance, reduce their carbon footprints and meet the needs of our stakeholders. These commitments help build resilience and create sustainable value across our portfolios.

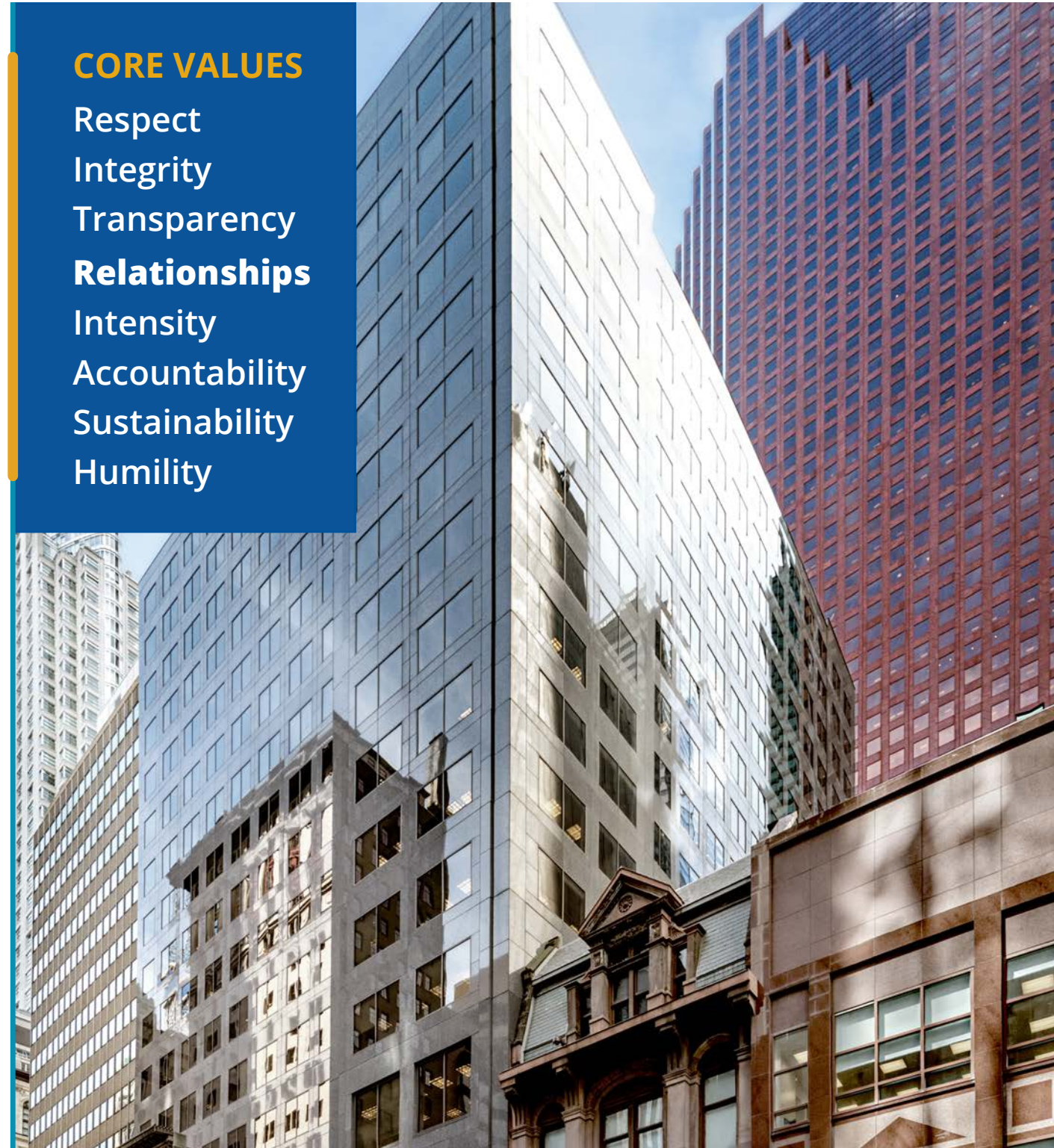
Core Objectives of Our Sustainable Investing Strategy



- 1. EMBED** sustainability and responsible investing considerations into our business processes
- 2. SET** meaningful targets and execute decarbonization strategies
- 3. MEET** our sustainable development and social impact guidelines and objectives
- 4. IDENTIFY,** assess and manage physical and transition climate risks and opportunities
- 5. DRIVE** positive social change across our assets and in the surrounding communities
- 6. LEVERAGE** a multi-disciplinary Sustainability Committee to guide the evolution of our strategy

CORE VALUES

Respect
Integrity
Transparency
Relationships
Intensity
Accountability
Sustainability
Humility



SUSTAINABILITY COMMITMENT

Across our Business

Canadian Real Estate Income Fund (CREIF)

Since 2014, we have integrated sustainability considerations into our CREIF portfolio, which holds core, long-term real estate investments. With this view, we identify sustainability risks and opportunities, set decarbonization targets, implement operational upgrades and report on our progress.

We proactively assess both physical and transitional climate risks and opportunities across the portfolio. We identify key risk areas and focus on addressing them through strategic asset renewal and decarbonization. This approach supports the long-term security of our investments while promoting sustainable growth.

As KingSett's Sustainable Investing Strategy has evolved in CREIF, we have begun to expand our approach to capture more aspects of our business, including our Mortgage, Affordable Housing and Growth funds. This expansion will take into account each fund's mandate and seek to drive economic, environmental and social value for their corresponding stakeholders.

Unless otherwise stated, all performance data, metrics and targets presented in the remainder of this report pertain to our CREIF portfolio only.

Sustainability Achievements:

- 2.3M sf has achieved Zero Carbon Building – Performance certification
- Secured \$47M from Canada Infrastructure Bank to decarbonize 4.8M sf of commercial real estate across Canada



Affordable Housing Fund

KingSett's Affordable Housing Fund was created in response to Canada's housing affordability crisis, with a focus on fostering vibrant communities and driving scalable economic outcomes. The fund aims to generate stable, risk-adjusted returns while providing high-quality, affordable housing throughout Canada's rental markets. It delivers its mandate through joint ventures, ground-up developments, financing initiatives and other structures.

Within this fund's mandate, success has been achieved through integrating net-zero design measures. This includes the reduction of embodied carbon emissions, adoption of geothermal systems, centralized heat pump plants, state-of-the-art building automation systems and more. Such measures enhance resource efficiency of our new affordable housing developments, building in cost predictability for the future and providing value for decades after construction.

Sustainability Achievements:

- Commenced construction on 384 affordable units, with an additional 277 in the pipeline, in partnership with City of Toronto and Greenwin
- Net-zero design measures at 50 Wilson Heights include on-site geothermal system
- Achieved Zero Carbon Building – Design certification at Valhalla Village Phase 1

Next Steps

STRENGTHEN our partnerships with not-for-profits and community agencies to provide additional supplements to deepen housing affordability

FINALIZE design of Valhalla Phase 2

Mortgage Lending

KingSett creates bespoke financing solutions for a wide range of projects and properties. We offer construction and term financing across all asset classes and currently have more than \$5.6 billion of loan commitments across Canada.

KingSett's Mortgage team has made a commitment to integrate sustainable investing criteria into their lending processes. Through their Responsible Investment Committee, sustainability is incorporated into decision-making to create value for our partners and clients, in line with our Core Values. Borrower sustainability surveys, along with positive and negative screening, are integrated into the process to ensure a thorough assessment of the sustainability-related risks and opportunities of a loan before execution.

UN PRI Direct – Fixed Income – Private Debt module improved by **49%**

Due to the continued expansion of sustainability-related policies, the mortgage lending teams have garnered strong recognition for their market leadership. In 2024 KingSett's PRI results for the Direct – Fixed Income – Private Debt module improved by 49% (from 61/100 to 91/100)*. This significant improvement signals to our stakeholders and the broader market that we are effectively identifying and measuring the risks and opportunities around sustainability and climate change within our lending business.

As part of an increased focus on embedding sustainable practices in our lending business, each loan is given a low, medium or high sustainability and impact rating. High rated loans go above and beyond the regional best practices and implement sustainability measures that may include:

- On-site renewable energy
- Geothermal heating and cooling
- Triple glazing windows
- Air-source heat pumps
- Adoption of Passive House Standard
- Student housing and/or affordable units

Sustainability Achievements:

- Achieved 15% of loan commitments with a high ESG rating
- Closed on lending for over 1,000 affordable housing units

Next Steps

INCREASE target of annual loan commitments with a high ESG rating

INTEGRATE climate risk surveys into underwriting across the portfolio

*View the full Assessment Report and Transparency Report

CASE STUDY CHAMPIONING SUSTAINABLE IMPACT

2024 Mortgage ESG Competition

Each year, KingSett's Mortgage team participates in an annual Best ESG Deal competition, an internal event where loan originators showcase their most impactful sustainability-driven deals. Colleagues cast their votes to recognize the deal that delivers the greatest environmental, social and governance impact. This year's winning project was the construction loan for 307 Sherbourne St., an 18-storey multifamily student housing development in Toronto. The project stood out for its strong change commitments, including pursuing the Canada Green Building Council's Zero Carbon Building – Design standard, borrower-led sustainability strategies and targets, and a goal to achieve Rick Hansen Foundation accessibility certification.



"As a real estate lender, investor, developer and asset manager, we are committed to delivering a full suite of customized debt and equity solutions that our borrowers can rely on."

Scott Coates, President,
KingSett Mortgage Corp.





Growth Funds

KingSett's Growth Funds are closed-end and diversified opportunity funds created for institutional investors. The strategy of these funds is to invest in Canadian real estate assets with a focus on event-driven, value creation opportunities. Since 2002, we have launched eight closed-end funds in our growth fund strategy and raised \$7 billion in capital. These closed-end Growth Funds are governed by an investment committee with additional oversight from an advisory board.

As KingSett continues to take action on its environmental impacts, we continue to expand utility data coverage to include assets in our Growth Funds. The collection and analysis of this data is the first step to enable us to measure environmental performance and set meaningful reduction targets, ultimately reducing operating costs and driving value.

In 2024 we expanded utility data coverage across the Growth Funds to 80%. This increased coverage has helped us better understand our energy and water consumption and carbon emissions in our standing investments, and informs our action plans to achieve our company-wide SBTi interim and long-term targets.

80%
Utility data
coverage
across Growth
Funds in 2024

Next Steps

EXPAND utility data coverage to 100% of operating properties under all funds

FOR A MORE RESILIENT FUTURE

Our Strategy in Action

At KingSett, resilience is fundamental to our business strategy. By diversifying our asset ownership, fund structure and approach, we've created a market offering that delivers value to our stakeholders while ensuring our assets are resilient to a variety of challenges. We prioritize responsible capital allocation, control operating costs, monitor and reduce carbon emissions and aim to develop healthy, comfortable spaces where people want to live, work and shop.

We proactively assess both physical and transitional climate risks and opportunities in our portfolio. By thoroughly evaluating our assets, we identify high-risk areas and focus on addressing them effectively. From managing physical climate impacts like rising temperatures to adapting to evolving regulations on air quality and carbon emissions, we tackle these challenges through strategic asset renewal and decarbonization, enhancing the long-term security of our investments and promoting sustainable growth.



DECARBONIZATION

2026-2028

- Complete final phase of net-zero strategy at Arthur Erickson Place
- Complete decarbonization of 2.9M sf of Toronto core office properties
- Achieve ZCB – Design certification for Valhalla Village Phase 2

2025

- Use SBTi methodology to quantify the total carbon emissions for KingSett’s AUM, potential targets and timelines
- Finalize decarbonization strategy for Bayshore Shopping Centre
- Finalize design of Valhalla Village Phase 2
- Execute studies to decarbonize 2 Bloor St. W, Midtown Mall and Burlington Centre

2024

- Connected Atrium to Deep Lake Water Cooling system
- Achieved ZCB – Design certification for Valhalla Village Phase 1
- Secured \$47M financing from the CIB towards decarbonization projects for seven assets
- Certified 1235 Bay St. to ZCB – Performance

2023

- Certified 100 Yonge St. to ZCB – Performance
- Decarbonized Fairmont Royal York and certified to ZCB – Performance
- Certified Arthur Erikson Place to ZCB – Performance
- Publicly launched KingSett’s Building Decarbonization Modelling Tool

2022

- Secured financing from the CIB for Fairmont Royal York decarbonization
- Decarbonized 100 Yonge St. using a market-leading heat pump and heat recovery system

2021

- Developed internal Decarbonization Modeling Tool
- Set CREIF short- and long-term carbon reduction targets of a 47% reduction by 2030 and 67% reduction by 2035, in alignment with SBTi
- Finalized Fairmont Royal York carbon study
- Broke ground on Valhalla Village Phase 1 geothermal system

2020

- Certified 40 King St. W ZCB – Performance standard
- Internal whitepaper published on decarbonization retrofits
- Commenced carbon study of Fairmont Royal York
- Decarbonized Arthur Erickson Place’s domestic hot water system with CO₂ heat pumps

Our Proven Approach

KingSett views real estate in Canada as a pivotal opportunity to advance global net-zero commitments — not just for us, but for our partners, communities and the broader industry. Our success is a result of aligning the right set of initiatives that will create a financial return coupled with significant carbon reductions and improved energy and water performance.

This approach places decarbonization at the centre of our analysis with existing properties and new developments but relies on deep energy retrofits of the existing properties to achieve the overall strategy for the asset. We work with management teams and engineering consultants to develop property-level strategies that include:

- Assessing the property’s current energy use makeup and capital budget plans
- Targeting at least 50% carbon reductions from baseline
- Projects to decarbonize operations including fuel switching, electrification, deep energy retrofits and increased tenant awareness and communication

3.5M sf
decarbonized
by end of 2024
across all funds



Decarbonization
pipeline of
4.8M sf of
existing assets
in CRIEF by 2028



Development
pipeline of
800k sf on
target to achieve
net-zero by 2030



Before a property can be considered for decarbonization, it must meet four key prerequisites:

- 1.** Major mechanical systems must be at or near end-of-life
- 2.** The property must have real-time data for all major systems for at least one heating and one cooling season
- 3.** The property must be able to manage the capital premium to fuel switch and electrify
- 4.** The property must be located in a region that supports electrification or is on a trajectory to do so

CASE STUDY INVESTED IN SUSTAINABILITY

CIB supports KingSett's net-zero building transition

The Canada Infrastructure Bank (CIB) is supporting KingSett's efforts to accelerate the reduction of greenhouse gas emissions in buildings across Toronto and Vancouver with a \$47 million loan. This funding will enable green retrofits in commercial properties within KingSett's portfolio.

Through this collaboration, KingSett will deliver large-scale energy efficiency and decarbonization upgrades, while also enhancing its ability to pursue further carbon reduction measures. These efforts are a key part of KingSett's Sustainable Investing Strategy, which includes science-based targets to reduce carbon emissions by 35% by 2027 and 67% by 2035 across the CREIF portfolio. CIB's investment represents a meaningful step toward achieving those goals.



"Our \$47 million investment with KingSett Capital is an example of how we can work with the private sector to prioritize and accelerate the decarbonization of buildings across the country."

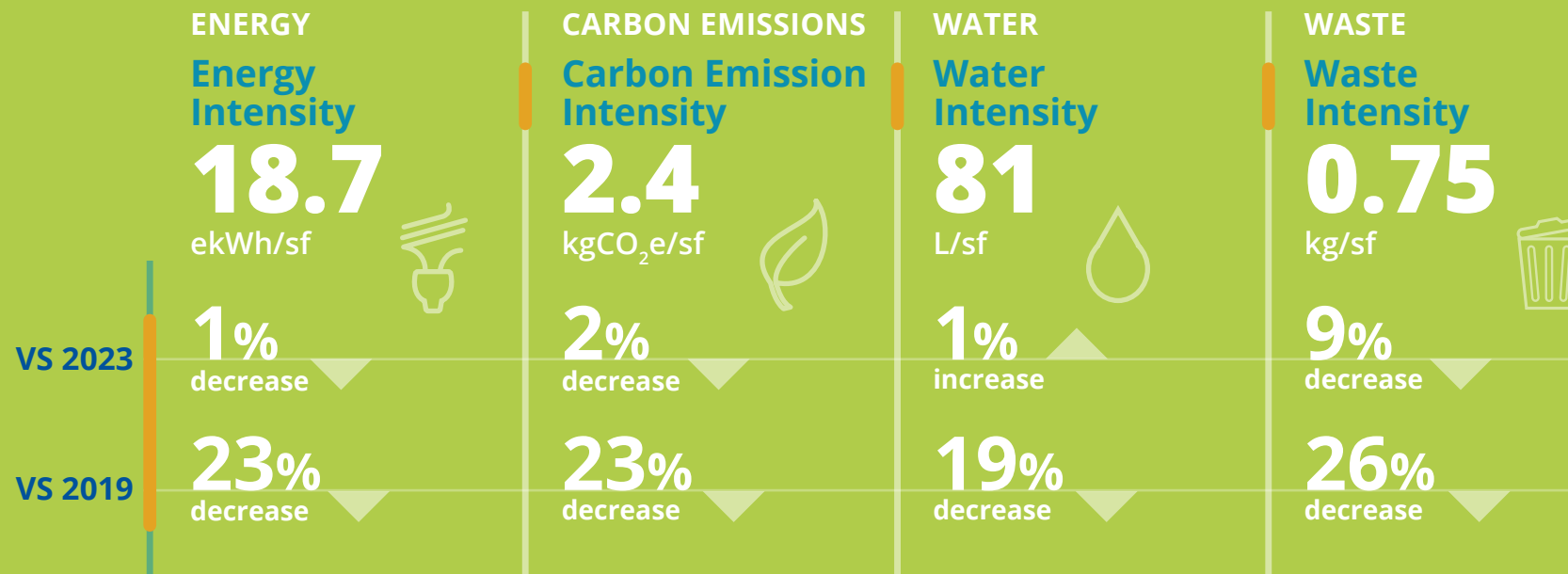
Ehren Cory,
Chief Executive Officer,
Canada Infrastructure Bank

ENVIRONMENTAL IMPACT STAYING AHEAD OF WHAT'S NEXT

It is essential for us to take proactive steps to significantly reduce, and to support progress toward, our long-term ambition of significantly lessening the environmental impacts of our buildings. Doing so in a holistic, thoughtful manner will help us capitalize on these opportunities to unlock significant value for our stakeholders. KingSett has taken a bottom-up approach to determine high-priority areas for immediate action and to advance our long-term goals.

We track our energy and water use, waste generation and corresponding carbon emissions to improve our operational efficiency and manage environmental impacts. These efforts help enhance long-term value for our partners, tenants and communities.

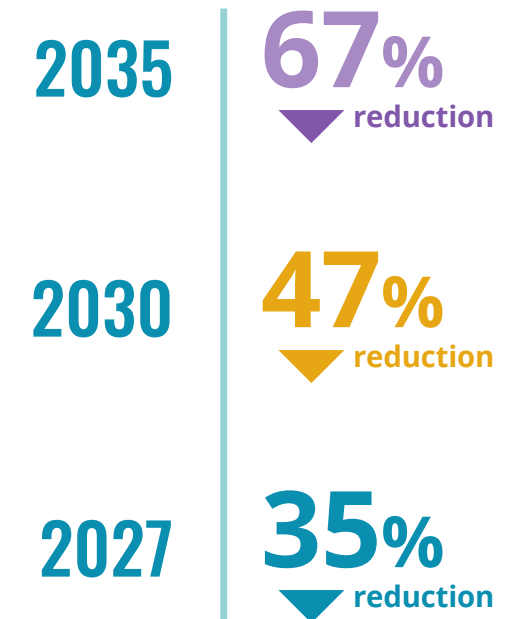
CREIF Environmental Performance



Energy intensity represents a like-for-like comparison of 91% of the CREIF portfolio by GLA, including new developments. Carbon emission intensity represents emissions from energy and is a like-for-like comparison of 91% of the CREIF portfolio. Total scope 1, 2, 3 location-based emissions was 34,161 tCO₂e in 2024. Water intensity represents a like-for-like comparison of 91% of the CREIF portfolio by GLA, including new developments. Waste intensity in 2024 covers 81% of the CREIF portfolio and is not a like-for-like comparison. Waste intensity accounts for all waste streams.

CREIF SBTi-Aligned Carbon Reduction Targets

We set and track our targets in alignment with the Science Based Targets, an internationally recognized methodology for target setting, using a 2019 baseline.



Next Steps

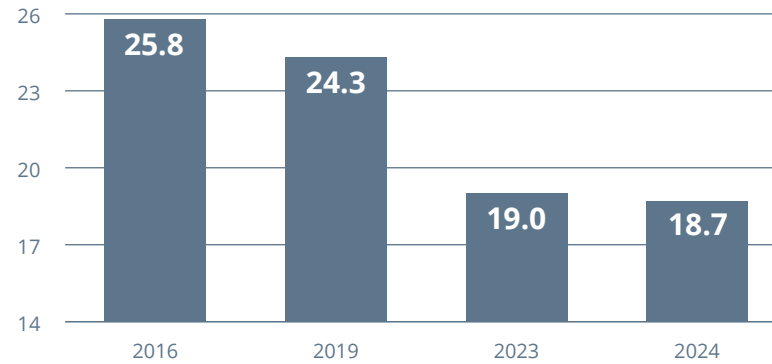
ESTABLISH SBTi-aligned targets for KingSett's entire AUM (income and debt funds)

CREIF PERFORMANCE HIGHLIGHTS

Data collection and analytics is not only table stakes for managing commercial real estate, but core for unlocking value across the real estate life-cycle. KingSett tracks its energy and water use, waste generation and carbon emissions to drive operational efficiency, identify potential projects, reduce negative environmental impacts and measure our progress against internal and external targets. The progress we've made since tracking data in 2016 is due to our innovative approach, focus by our teams and collaboration with our stakeholders.

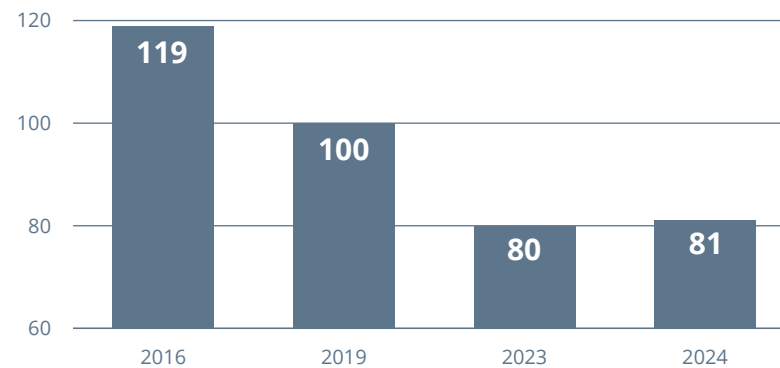
By concentrating on enhancing the performance of our properties, we ensure they are positioned to deliver significant economic, environmental and social benefits when major systems are up for replacement. Doing so helps ensure our assets are renewed to better meet current and long-term climate risks and opportunities.

Energy Intensity (ekWh/sf)



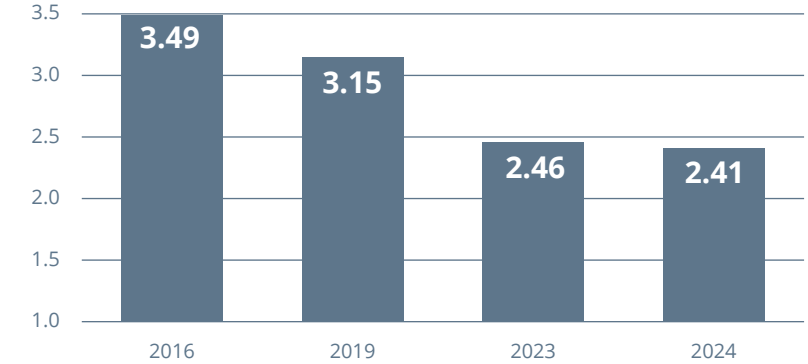
CREIF's office portfolio continues to maintain significant performance improvement compared to previous years as a result of most decarbonization and deep energy retrofit projects occurring in that asset class. This accounts for nearly all of the portfolio's energy savings, 72 million ekWh, since 2016. While multi-residential has seen the largest increase in energy use since 2016, it is wholly due to new developments (2 St. Thomas St. and 99 Gerrard St.) becoming operational in 2018 and 2019.

Water Intensity (L/sf)



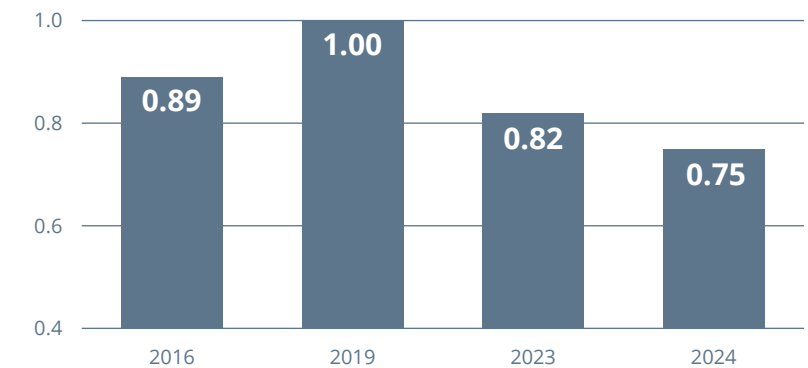
Water use is highly correlated to occupancy and across the portfolio, when excluding new developments, all asset classes have seen strong reductions in consumption. As assets continue to evolve their operations to address how occupants consume water, we've seen a plateau in reductions year-over-year. Water use is expected to drop in the future as property decarbonization strategies create opportunities for significant water reduction through the elimination of cooling towers.

Carbon Emission intensity (kgCO₂e/sf)



CREIF's carbon emissions performance follows similar trends to its energy performance, where the office portfolio is driving the bulk of the reductions for the portfolio. Enclosed retail, while reducing 13% energy use vs. 2016, also reduced 8% of its carbon emissions compared to the same period.

Waste Intensity (kg/sf)



Waste generation is another performance metric that is highly correlated to occupancy, and while the commercial real estate industry typically reports on waste with a diversion percentage, we believe a much more valuable number is total waste and waste intensity, including recycling materials. Waste intensity have changed relatively little compared to all other building performance metrics. This is mainly due to the little control property owners have on the generation of waste. We continue to rely on vendors and suppliers, occupants and government to make the right decisions when it comes to packaging, disposal and regulations around waste creation and management.

CASE STUDY CLEAN CONNECTIONS

Atrium taps into Deep Lake Water Cooling

Atrium, a 1 million sf Class A office and retail complex in Toronto, is now connected to Enwave's Deep Lake Water Cooling (DLWC) system, as part of KingSett's broader sustainability and decarbonization efforts. By using cold water from Lake Ontario, the system provides efficient, low-carbon cooling, significantly reducing the building's energy use and greenhouse gas emissions.

As the largest system of its kind in the world, DLWC serves much of downtown Toronto, including other KingSett-owned properties such as Fairmont Royal York Hotel, 700 Bay St. and 77/99 Gerrard St. This connection supports not only KingSett's Sustainable Investing Strategy but also contributes to the city's broader climate action goals by helping lower the carbon footprint of Toronto's building stock.




BUILDING CERTIFICATIONS AND AWARDS

Building certifications offer an externally recognized and verifiable framework for evaluating and showcasing a building's environmental performance and management by using established and credible frameworks recognized by the market.

ACHIEVED Carbon Leadership Forum's Low Embodied Carbon Award for Valhalla Phase 1

KingSett is committed to adopting third-party building certifications to validate our properties' positive impact and demonstrate their tangible benefits to tenants.

3.6M sf 
achieved Zero Carbon Building – Performance certification across all funds

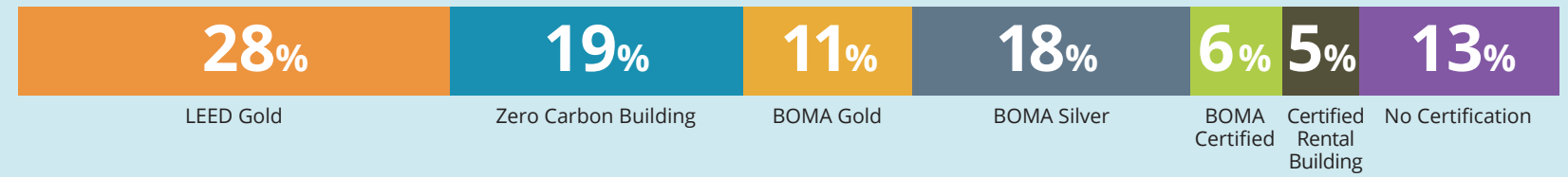
79% 
of office properties by GLA are LEED O+M Gold or higher in CREIF



“Driving sustainable building practices, with verifiable results like green building certifications, across our portfolio, is an important part of KingSett's value enhancement strategy. It strengthens our business while creating a lasting positive impact for our stakeholders and communities.”

Kit Milnes, VP Sustainability & Resilience

CREIF Portfolio Building Certifications by Gross Leasable Area (GLA) **87%**



CASE STUDY RECOGNIZING LEADERSHIP

Fairmont Royal York

Toronto, ON

The successful decarbonization of the iconic Fairmont Royal York Hotel marked a major milestone — demonstrating our ability to execute large-scale, complex decarbonization projects in historic buildings that deliver both environmental impactful and economic value.

This transformative effort has earned widespread recognition, with Fairmont Royal York and its project partners receiving multiple awards in 2024, including:

- Engineering News Record 2024 Global Best Projects – Green Projects category
- Ontario General Contractors Association Best Built Project
- Canadian Construction Association Environmental Achievement Award

The retrofit now serves as a benchmark for sustainable energy solutions in hotels and heritage properties.




SUSTAINABLE DEVELOPMENT

New developments and site intensification projects have a significant impact on the environment and surrounding communities, which is why we have integrated sustainability considerations in each step of our development and redevelopment process. KingSett engages in all stages of the development cycle, from site consolidation and design development to entitlement and construction. To date, we have completed \$4 billion of development projects, with another \$1 billion currently under construction, \$2 billion in the pipeline and \$2.4 billion in entitlement opportunities.

We strive to develop and redevelop real estate in a way that benefits all stakeholders. By focusing on healthy, comfortable and efficient buildings, we seek to create lasting value for our investors, tenants and the communities we serve.

91% 
of all KingSett assets have a tenant fit-out program with sustainability-specific requirements

1.3M sf 
in development pipeline designed with geothermal and/or air-source heat pumps

CERTIFIED Valhalla Village Phase 1 to ZCB – Design standard

Next Steps

ACHIEVE ZCB – DESIGN certification at Valhalla Village Phase 2



VALHALLA VILLAGE PHASE 2

Valhalla Village Phase 2 is a two-tower affordable rental development located in Toronto's Eatonville-Bloorlea neighbourhood. The project is being designed to meet the Zero Carbon Building – Design standard and features in-suite air-source heat pumps, an enhanced envelope and a modeled embodied carbon intensity of 314 kg/m². This system eliminates the need for natural gas-powered equipment, helping to significantly lower greenhouse gas emissions, a critical factor in reducing a building's overall climate impact.

50 WILSON HEIGHTS

The redevelopment at 50 Wilson Heights Boulevard will deliver 767 new homes, including 50% affordable rentals, a childcare centre, retail and community spaces. The site is one of 17 identified for development under HousingNowTO, an initiative aimed at adding much-needed affordable and market housing supply to the City of Toronto by activating underutilized city-owned sites for development. This project demonstrates how private, government and agency sectors can effectively collaborate to address the challenge of affordable housing in Toronto.



CASE STUDY BUILDING RESILIENCE

Harnessing the power of sunlight at Kanata Lakes

Kanata Lakes, a luxury residential complex in Ottawa's west end, is taking advantage of solar photovoltaic (PV) technology to boost energy efficiency, lower electricity costs for tenants and enhance climate resilience. Home to 731 residential and four commercial units, the property offers amenities such as in-suite laundry and exclusive access to a private clubhouse with a saltwater pool and gym. With its prime location near parks, shopping and entertainment, Kanata Lakes is well-positioned for sustainable upgrades that support both tenant satisfaction and environmental goals.

The installation of solar PV systems on two newly roofed buildings will be supported by the Ottawa DER Large Solar PV Funding Incentive, which improves the project's return on investment when systems are designed for self-consumption. This initiative reflects a forward-looking approach to combining sustainability with economic efficiency in multi-residential real estate.



CLIMATE RISK MANAGEMENT

KingSett Capital is committed to enhancing the resilience of its assets against both physical and transition-related climate risks to help ensure long-term value and sustainability. Through a diversified asset base and strategic fund management, KingSett integrates climate considerations into all material facets of its operations, aiming to create energy-efficient, healthy buildings while mitigating risk. We support this by:

- Engaging extensively with stakeholders
- Adopting decarbonization measures and setting carbon targets
- Achieving green building certifications
- Investing to improve physical and transition resilience
- Assessing alternative energy sources that are both low-carbon and reliable

Identifying and Managing Climate Risks

KingSett assesses climate risks via due diligence, environmental KPIs, flood and emergency planning, and low-carbon energy evaluations — especially in Alberta and Saskatchewan. Material risks are elevated to the Sustainability & Impact Committee for strategic oversight.

Climate Resilience Modelling

Using climate scenario analysis (Representative Concentration Pathways), KingSett evaluates its CREIF portfolio against various climate futures. These scenarios help anticipate temperature shifts, precipitation patterns and pollution levels. Insights guide capital investments and long-term asset planning. Properties undergo five-year reviews (where feasible), ensuring data-driven, adaptive resilience strategies.

KingSett's forward-looking approach positions us to thrive amid environmental shifts, driving both sustainable growth and premium sustainable risk-weighted returns for stakeholders.

EMBEDDED climate risk assessment measures into asset decarbonization strategies

Next Steps

INTEGRATE climate risk assessments in the investment due diligence process



FOR PEOPLE TO FLOURISH CREATING SUPPORTIVE SPACES

Work, Live and Thrive

We understand that our buildings are more than just spaces — they shape the daily experiences and well-being of those who work, shop and live within them. It's why we strive to create healthy, comfortable and efficient environments that actively support the needs of our employees, tenants, communities and partners.

Our business thrives when our people do. By embedding equity into our people processes and fostering a culture that prioritizes authentic engagement and employee wellbeing, we cultivate a values-driven team that is focused on building meaningful relationships and delivering impactful results for our stakeholders.

Our commitment goes beyond our employees to the people and businesses that call our properties home. We aim to create secure, sustainable environments that enhance the tenant experience and drive long-term success.



EMPLOYEE ENGAGEMENT AND WELL-BEING

We strive for a highly engaged, values-led team to ensure we consistently deliver strong results for our stakeholders.

In 2024, we conducted our annual People Survey and an Employee Benefits & Development Survey to evaluate team engagement, measure progress, gather feedback and inform future action plans. Based on the insights gained, we prioritized:

- Launching a strategic initiative to strengthen our culture and values
- Enhancing our performance development framework and leadership programs
- Reviewing employee benefits
- Investing in technology enablement across the business

95% 
engagement survey
response rate

85% 
of employees
say they're
proud to work
at KingSett

80% 
of employees
would recommend
KingSett as a great
place to work

Next Steps

ENHANCE formalized learning and development programs

LIVE our values and strengthen our culture

REINFORCE the integrity of our people processes to ensure equitable practices

BUILD connections



LIVING OUR VALUES

As part of our ongoing effort to foster a positive and inclusive workplace, KingSett engaged with consultants to help us better understand our employees' experiences and perspectives. Through employee interviews and building off the 2024 People Engagement Survey, more ways to fully reflect our values in daily interactions were identified. The resulting Values in Action policy set out clear steps to strengthen collaboration, respect and engagement. It has led to more targeted leadership development, connection-building initiatives and ongoing improvements to our people processes.

BOMA TORONTO EMERGING LEADER AWARD

Heather Sadura, Manager, Analysis & Resilience at KingSett, was recognized by BOMA Toronto with the 2024 Individual Award of Excellence in the Emerging Leader category. This recognition highlights Heather's leadership in advancing sustainability and ethical practices within the industry. Heather has been instrumental in the integration of sustainable principles throughout KingSett's operations, helping embed sustainability into decision-making processes and supporting performance improvements throughout the company's asset portfolio.



KINGSETT SHINES AT HYROX TORONTO

In October, KingSett was proudly represented at Canada's inaugural HYROX event, held at the Enercare Centre in Toronto. HYROX is an innovative global fitness competition that combines functional exercises — such as rowing, sled pushes and burpees — with 1 km runs between each workout. Designed to challenge both strength and endurance, it's a true test of all-around fitness. Five KingSett relay teams participated in the heats, bringing energy, determination and impressive performances to the course. With teammates lining the route to offer support and encouragement, the KingSett spirit was on full display.

TENANT ENGAGEMENT

We are dedicated to delivering comfortable, secure and environmentally beneficial living and working environments that cater to the needs of our tenants.

By understanding the concerns, needs and goals of our tenants and occupants, KingSett and its property management partners are able to develop tailored, property-specific programs that drive success. We actively incorporate tenant feedback into the development of our property amenities and offerings.

The tenant engagement programs at our properties are supported by the property management teams and includes various tools for communication and involvement, such as:

- Tenant engagement surveys
- Tenant communication apps
- Tenant-focused events
- Social media/online platforms
- Tenant engagement meetings
- Tenant feedback

100% 
of KingSett properties have sustainability-specific clauses in their standard lease agreement

Next Steps

DEVELOP property-level engagement strategies based on feedback from satisfaction survey

100% 
of CREIF properties have undertaken a tenant satisfaction survey in the last three years and have a communications program with tenants



PROMOTING WELLNESS AT SCOTIA PLAZA

Scotia Plaza, in partnership with UrbanCore, launched a series of complimentary wellness and yoga classes to support tenant well-being and encourage healthy routines in the workplace. Offered every Tuesday and Thursday at noon, the 50-minute sessions are available both in person and virtually, providing flexibility for busy schedules. The initiative has been met with steady engagement and positive feedback, highlighting the growing demand for accessible wellness options in the workplace.

BURLINGTON CENTRE CHARITY SPACE

During the holiday season, Burlington Centre supports the community by providing space for charitable partners to raise funds in support of local programs. In 2024, supported initiatives included the Salvation Army Toy Mountain, Salvation Army Kettles and the Joseph Brant Gift Wrap. Year-round, the Centre also offers its HUB space free of charge to charities and non-profits, creating opportunities to raise awareness and engage with the community on important issues, such as mental health.



ELEVATING THE TENANT EXPERIENCE

KingSett has partnered with Oliver & Bonacini (O&B) Hospitality to operate a brand new 20,000 sf amenity space on the 68th floor of Scotia Plaza. The space features a 10,000 sf event venue and a tenant-only lounge with café and bar. With panoramic views, flexible event configurations and exclusive catering by O&B, all electrically powered, this versatile space reflects our commitment to creating extraordinary, experience-driven environments for tenants and their guests.

FOR STRONG AND THRIVING COMMUNITIES

Creating Lasting Impact

As owners and managers of commercial real estate, we recognize that our buildings serve more than just their physical function — they are integral to the dynamic fabric of the communities they inhabit. With a deep commitment to the areas where we operate, we strive to enhance and strengthen these communities by creating spaces that foster growth, well-being and opportunity. Our approach goes beyond ownership; we work to empower local neighborhoods and contribute to their prosperity. Through this dedication, we aim to create meaningful, lasting social and economic benefits for our employees, tenants, investors and the broader community.



COMMUNITY IMPACT AND ENGAGEMENT

KingSett aims to be a good neighbour and partner in the communities in which we operate. We understand that we are more effective when incorporating diverse ideas and input from our communities and partners.

In our new developments, throughout the project planning and development process, we collaborate closely with city staff to ensure our projects comply with relevant ordinances, regulations and guidelines. When appropriate, we also engage with community members to better understand their needs and explore ways to support and address them.

Our employees actively engage in various charitable events and local initiatives that build trust and contribute value to all. We empower our property teams to get involved in the communities they serve, fostering strong connections. By organizing events, offering public services and building relationships with local residents, we create vibrant spaces where people want to be.

Industry Participation

At KingSett, we actively engage with industry associations across Canada to drive value for our tenants, properties and communities. These associations provide us with vital insights into the latest industry trends and legislative developments at both the federal and provincial levels. As members, we gain access to policy working groups and a seat at the table where decisions are made that impact our business, industry and stakeholders.

These associations offer a platform for sharing best practices and exchanging information with peers, which is invaluable when addressing industry-wide challenges such as climate risk and mitigation, decarbonization, recruitment and the safety and well-being of our customers.

Raised over 
\$530,000
by KingSett for the
**United Way Campaign
of Giving since 2015**

91% 
of CREIF properties
have a community
engagement program



INVESTING IN COMMUNITY

A positive impact in the community is a shared value that drives our culture. During our annual Volunteer Week, more than 100 team members came together to support a range of local initiatives across the Greater Toronto Area at community organizations including Daily Bread Food Bank, Horizons for Youth Toronto, Fred Victor and Toronto Humane Society. From preparing meals and planting gardens to lending a helping hand, our people showed their commitment to giving back — one meaningful act at a time.

WELCOMING RESIDENTS TO BIRCHMOUNT GREEN

Birchmount Green is a 220-unit, 100% affordable housing building at 1236 Birchmount Rd. in Scarborough. The property offers rent-g geared-to-income housing, as well as affordable and supportive housing, in partnership with local not-for-profit agencies: Fred Victor, Community Living Toronto, Loft Community Services, The Redwood Family Shelter and Woodgreen Community Services. Following the opening of the building, KingSett welcomed new residents with a community barbecue, hosted in collaboration with Community Living Toronto and our partners at Mahogany Management. The KingSett team volunteered their time to help create a warm, welcoming and fun atmosphere for everyone involved.



PAYING IT (FASHION) FORWARD

From January 30 to February 16, Scotia Plaza hosted a women's clothing drive to collect gently used business attire in support of Dress for Success, which empowers women on their journey to economic independence. A dedicated drop-off location was set up in the Scotia Plaza concourse to make participation easy and accessible for tenants and visitors. KingSett team members also volunteered their time to help facilitate the event throughout its duration.

CASE STUDY CREATING SPACES FOR ALL

KingSett honoured for commitment to accessibility

Each year, the Canadian Foundation for Physically Disabled Persons recognizes organizations that have gone the extra mile to support people with disabilities. KingSett was honoured to receive the 2024 Corporate Award in recognition of our commitment to creating accessible buildings and communities for all. This commitment includes the certification of over 7M sf of our properties and over 500 rental apartments under the Rick Hansen Foundation Accessibility Program (RHFAC).

We believe third-party building certifications such as RHFAC are a credible and consistent way to assess, validate and communicate the environmental performance and management of our buildings through trusted, verifiable standards. KingSett has adopted the RHFAC standard in our portfolio for many years, helping us identify both areas of strength and opportunities to improve accessibility. By acting on these recommendations, we're able to create spaces that everyone can enjoy — fostering greater inclusivity in the communities we serve and improving accessibility for all people who come to a KingSett property.



"We are honoured, humbled and grateful for the recognition. The award is a reminder to all of us that the work we do can have a positive impact on our communities and those who live, work, shop and play in our properties."

Rob Kumer,
CEO

CLIMATE DISCLOSURES

Task Force on Climate-related Financial Disclosures (TCFD)

KingSett is committed to being transparent about our climate-related risks and environmental performance. To do so, we align our disclosures with the TCFD recommendations. In December 2024, the Canadian Sustainability Disclosure Standards (CSDS) were released, which incorporate and expand upon the recommendations of the TCFD. At the time of this report, adoption of the CSDS is voluntary. Going forward, we will review these standards and consider our roadmap for adoption in a future period.

The table below outlines where you can find our climate risk management disclosures. For more information on KingSett’s climate disclosures, visit our sustainability website. [↗](#)

RECOMMENDATION	WEBSITE LOCATION
TCFD Governance A	Governance
TCFD Governance B	Governance
TCFD Strategy A	Climate Risk and Resilience
TCFD Strategy B	Climate Risk and Resilience
TCFD Strategy C	Climate Risk and Resilience
TCFD Risk Management A	Climate Risk and Resilience
TCFD Risk Management B	Climate Risk and Resilience
TCFD Risk Management C	Risk Management
TCFD Metrics and Targets A	Climate Risk and Resilience
TCFD Metrics and Targets B	Performance
TCFD Metrics and Targets C	Decarbonization

SASB & DATA ASSURANCE

As part of our commitment to transparency and sustainability, KingSett provides disclosures informed by the Sustainability Accounting Standards Board (SASB) Real Estate Standard for consumptions and the Greenhouse Gas (GHG) Protocol for emissions. In addition to the below table of key performance indicators, our SASB table is included on our website which outlines key sustainability metrics relevant to our industry, including energy management, water usage, tenant engagement and climate change adaptation. For more information on KingSett's climate disclosures, visit our sustainability website. [🔗](#)

KingSett has obtained independent limited assurance for select performance metrics in accordance with the requirements of Canadian Standard on Assurance Engagements (CSAE) 3000, Attestation Engagements Other Than Audits or Reviews of Historical Financial Information and Canadian Standard on Assurance Engagements (CSAE) 3410, Assurance Engagements on Greenhouse Gas Statements. Please visit the following link for KingSett's limited assurance report. [🔗](#)

KEY PERFORMANCE INDICATORS- EMISSIONS	CRITERIA	2019	2023	2024
GHG Emissions Scope 1 (tCO ₂ e) ^{1,3,4,5} % change restated from prior year ²	Quantification methodology for Scope 1 and Scope 2 emissions is aligned with The GHG Protocol: A Corporate Accounting and Reporting Standard. Management's internally developed criteria: To use emission factors and global warming potentials from the 2024 published National Inventory Report 1990-2022.	21,928	16,117	15,837 ✓
GHG Emissions Scope 2, location based (tCO ₂ e) ^{1,3,4,5} % change restated from prior year ²		-9%	-12%	
GHG Emissions Scope 1 and Scope 2, location based (tCO ₂ e) ^{1,3,4,5} % change restated from prior year ²		15,604	12,745	12,650 ✓
		-9%	-9%	
GHG Emissions Scope 1 and Scope 2, location based (tCO ₂ e) ^{1,3,4,5} % change restated from prior year ²		37,532	28,862	28,488 ✓
		-9%	-11%	
GHG Emissions Scope 3 (tCO ₂ e)- Category 13 - Tenant Electricity ^{3,4,5} % change restated from prior year ²	Quantification methodology for Scope 3 category 13 emissions is aligned with The GHG Protocol: A Corporate Accounting and Reporting Standard. Management's internally developed criteria: To include only electricity related emissions and use emission factors and global warming potentials from the 2024 published National Inventory Report 1990-2022.	1,367	1,893	1,666 ✓
		-1%	20%	
GHG Emissions Scope 3 (tCO ₂ e)- Category 1 - Water-pump Emissions ^{3,4,5} % change restated from prior year ²	Quantification methodology for Scope 3 category 1 emissions is aligned with The GHG Protocol: A Corporate Accounting and Reporting Standard. Management's internally developed criteria: To include emissions related only to the purchase of water and use emission factors and global warming potentials from the 2024 published National Inventory Report 1990-2022.	100	89	91 ✓
		-7%	0%	

KEY PERFORMANCE INDICATORS- CONSUMPTIONS	CRITERIA	2023	2024	2024 DATA COVERAGE
Total water consumed (m3) ³ % change restated from prior year ²	SASB IF-RE-140a.2 (1) Management's internally developed criteria: to include only total amount and not by portfolio level	996,587	1,009,054 ✓	91%
		-1%		
Total energy consumed within the organisation (ekWh) ³ % change restated from prior year ²	SASB IF-RE-130a.2 (1) Management's internally developed criteria: to include only total amount and not by portfolio level	236,778,405	234,060,483 ✓	91%
		-7%		

✓ Metric assured by PwC

1. All carbon emissions calculation methodologies are based on The Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard, using the operational control approach.

2. Previously reported 2019 and 2023 figures have been restated from previously published figures in KingSett's 2023 GRI Index. KingSett recalculates and restates all historical years for its energy, carbon emissions, water and waste annually. This is done to capture improvements in data coverage/actual data, emission factor updates, acquisitions/dispositions.

3. All CREIF properties under KingSett's management as of December 31, 2024, have been included in all calculations. Assets sold throughout the year are included up to the date of disposition.

4. Greenhouse gases included in the calculation of the Scope 1, 2 and limited Scope 3 emissions include CO₂, CH₄ and N₂O.

5. Carbon emissions factors and underlying global warming potentials are taken from Environment Canada's 2024 National Inventory Report, Enwave's 2023 Study Report (specifically for steam and chilled water published in 2024) and the 2009 Maas Report (specifically for water-pump emissions).

ABOUT THIS REPORT

This report pertains to KingSett Capital's Sustainability Strategy and the performance of the KingSett Canadian Real Estate Income Fund LP (CREIF) during the 2024 calendar year (January 1, 2024 – December 31, 2024), unless otherwise stated. Please see our sustainability website [↗](#) for more information on our:

- Sustainability management approach
- Activities
- Data verification and auditing process
- Supplementary performance data
- Alignment with reporting standards

For more information about Sustainable Investing at KingSett, please contact:

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