

Title: **Net Zero Carbon Commitment**

Effective Date: **September 26, 2024**

Version: **2**

Date: **September 26, 2024**

Authority: **President**

Canadian Urban Limited: Our Net Zero Carbon Commitment

Canadian Urban Limited has long been a recognized leader in delivering superior real estate investment returns for institutional and private clients. We achieve this through an unwavering focus on uncovering opportunities and tapping into the untapped potential of Canadian commercial real estate. Our reputation is built on our active engagement in the communities we serve and our commitment to continuously improving the assets under our management.

In our pursuit of long-term investment success, we recognize the critical importance of making decisions today that safeguard value well into the future. By embracing the principles of Environmental, Social, and Governance (ESG) standards and responsible investment, we are prepared to meet evolving regulatory, environmental, and societal challenges—issues that are increasingly relevant to our investors, tenants, and communities

Our Decarbonization and Net Zero Carbon Commitment

- **Assets Under Management:** We will assess each property within our portfolio for its potential to achieve Net Zero Carbon (NZC) operations and present these evaluations to investors to guide decision-making
- **Acquisitions Process:** We will evaluate all potential acquisitions for their Net Zero Carbon operation capabilities. This ensures we not only identify future risks but also unlock latent opportunities for value creation, informing decisions by stakeholders

Our Process

Our Net Zero Carbon (NZC) evaluation process is comprehensive, ensuring a holistic approach to decarbonization. It encompasses:

- **Active Systems Review:** We assess mechanical and electrical systems, building controls, and renewable energy generation potential to identify immediate and long-term upgrades.
- **Passive Systems Review:** This includes examining building envelopes, airtightness, shading, and passive cooling strategies to maximize energy efficiency without compromising comfort

- **Embodied Carbon Consideration:** In renovation projects, we evaluate the embodied carbon of building materials for reduction opportunities. We also work with tenants to guide them toward embodied carbon reductions in their own managed renovations.
- **Capital Planning Alignment:** Our Net Zero Carbon (NZC) strategy prioritizes aligning decarbonization efforts with the end-of-life of active systems and building assemblies, integrated within our capital renewal plans. This approach maximizes carbon reductions while avoiding unnecessary costs from replacing systems prematurely. It also prevents the need for costly replacements before 2050 by ensuring the right systems are chosen from the start.
- **Value Creation Prioritization:** We ensure that all managed assets not only meet NZC goals but also continue to appreciate in value, contributing positively to our overall investment strategy.
- **Risk and Opportunity Assessment:** Every capital investment recommendation is based on a thorough assessment of the risks associated with inaction and the opportunities inherent in proactive carbon reduction strategies. This ensures sustained long-term value creation and strong financial returns.
- **Leveraging Government Incentives:** We actively research and leverage available government incentives and grants to reduce the costs of capital investments related to NZC initiatives. By utilizing these programs, we aim to lower any potential financial burden of implementing sustainable upgrades, further enhancing the long-term value of our assets while contributing to broader environmental goals.

Critical Timelines and Interim Targets

Our goal is to achieve Net Zero Carbon operations across our managed assets by 2050 or sooner, with interim targets for 20% reduction by 2030 and 50% reduction by 2040 - to ensure we remain on track.

We are steadfast in our commitment to integrating ESG factors into our investment management strategy. This proactive approach mitigates risk, drives sustainable value, and ensures the long-term prosperity of the assets under our care.

Yours truly,



Jay Hamilton, President
CANADIAN URBAN LIMITED