



# 2022 ESG Report

# A look at ESG through our CEO's eyes

## In the face of current global and local economic uncertainties, how does Canderel balance financial decisions with the need to drive Environmental, Social and Governance (ESG) impact?

Canderel must strike a delicate balance between financial decisions and the drive for Environmental, Social, and Governance (ESG) impact amid the existing societal and economic challenges affecting today's markets. Prioritizing sustainable practices, responsible investment, and community engagement can contribute to long-term success while positively impacting society, the environment and a company's workforce and culture. Implementing ESG factors can lead to resilient and ethical investments that align with both financial goals and societal well-being though in the short term each decision needs to be balanced with sound acumen.

## What can real estate companies do to better integrate ESG considerations throughout their businesses?

Real estate companies can do it by implementing several key strategies. Firstly, conducting comprehensive ESG assessments of their properties and operations will help identify areas for improvement. Secondly, adopting sustainable building practices and energy-efficient technologies can reduce environmental impacts. Thirdly, fostering inclusive and diverse workplaces will enhance the

social aspect of ESG. Additionally, engaging with local communities and stakeholders will strengthen relationships and contribute to positive governance practices. The pursuit of each of these ESG strategies must be aligned with the goals of investors and project capital providers; uniformity of objectives across all stakeholders cannot be taken for granted.

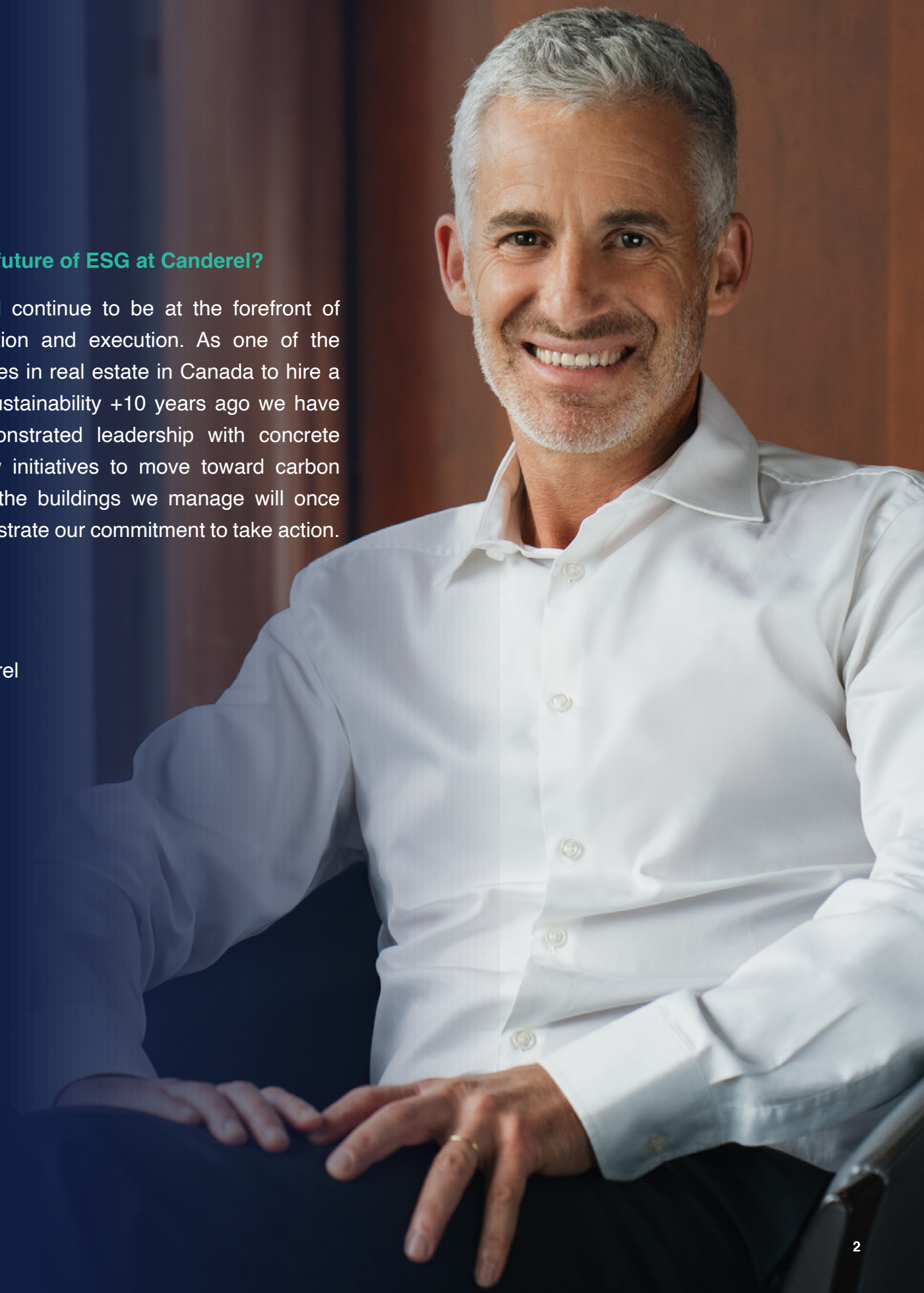
## How do you see ESG in real estate evolving over the next few years? What topics or themes will be top of mind for asset managers and developers?

ESG in real estate is expected to evolve significantly over the next few years. Asset managers and developers will increasingly prioritize sustainability, energy efficiency, and green building practices to reduce environmental impact. Social considerations, such as community engagement and diversity, will gain more attention. Governance practices will also be in focus, with emphasis on transparency and ethical decision-making. Additionally, incorporating innovative technologies to enhance ESG performance will become a prominent theme. Overall, the real estate industry will see a continued shift towards more responsible and sustainable practices as ESG becomes an integral part of business strategies. Furthermore, legislation at the municipal, provincial and federal levels of government will continue to develop and prescribe specific performance requirements pushing the laggards in the industry.

## What is the future of ESG at Canderel?

Canderel will continue to be at the forefront of ESG innovation and execution. As one of the first companies in real estate in Canada to hire a director of sustainability +10 years ago we have always demonstrated leadership with concrete actions. New initiatives to move toward carbon neutrality in the buildings we manage will once again demonstrate our commitment to take action.

**Brett Miller**  
CEO, Canderel





# About Canderel

Canderel is one of Canada’s largest privately held real estate companies.

**We expanded our capabilities over 48 years, from property and asset management to ground-up development, construction, leasing, and sustainability—and we did so on a solid foundation of values: integrity, grit, forward and creative thinking, and relentless client service.**

Adding to our unique perspective as owners and investors, our nationwide team focuses on innovation and value creation in all spheres of the real estate experience.

48 years

of operation

650+

Employees across Canada

7

corporate offices nationwide

80 M sf

of owned, managed and development properties over the years

\$ 20B+

in acquisitions, development and management projects

# Year at a Glance

Apr.

Taza earned the **Green Lease Leaders** recognition

May

Our annual **Défi Canderel** charity event raised **\$2.2M** for cancer research

Jun.

Automation of **ESG reporting process** for **9.7M sf** of office properties

Jul.

Issued inaugural **Diversity, Equity and Inclusion survey**

Sep.

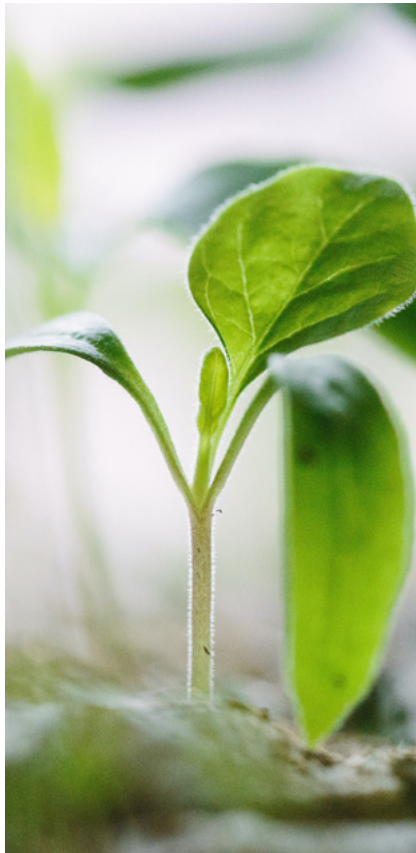
Secured **4 urban farms** for following growth season

Nov.

Completed our **Materiality Assessment** to refine our strategy and priorities

Dec.

Achieved our first **WELL Health & Safety Rating** for 3 office properties in Ontario



# 2022 Materiality Assessment

Integrate ESG priorities in all business strategy, decision making processes, and client-based solutions.

At the end of 2022, we completed our Materiality Assessment to ensure that our priorities and those of our stakeholders were aligned. As part of this process, we conducted two surveys. One directed to our employees and the other one to our clients, business partners and suppliers. Then, we selected 19 topics identified by our employees and stakeholders per level of impact on their activities and on the real estate industry. The results are shown in the adjacent table, outlining 3 levels of priorities and classified into 3 pillars that are tied to several United Nation’s Sustainable Development Goals.

	Climate & Energy Mitigation & adaptation	Responsibility & Governance Ethical & accountable in everything we do	Wellbeing & Inclusion In our physical spaces & in our company culture
Primary Topics	<ul style="list-style-type: none"><li>• Energy management</li><li>• Greenhouse gas emission reduction</li><li>• Climate change resilience</li></ul>	<ul style="list-style-type: none"><li>• Waste management</li><li>• Data privacy and cybersecurity</li></ul>	<ul style="list-style-type: none"><li>• Accessibility</li><li>• Employee health &amp; safety</li><li>• Employee experience</li></ul>
Secondary Topics		<ul style="list-style-type: none"><li>• Water management</li><li>• Management of conflict of interest</li><li>• ESG governance</li></ul>	<ul style="list-style-type: none"><li>• Health &amp; wellbeing</li><li>• Tenant engagement</li><li>• Employee DEI</li></ul>
Tertiary Topics		<ul style="list-style-type: none"><li>• Responsible supply chain</li><li>• Biodiversity &amp; land management</li><li>• Building certifications</li><li>• Community relations</li></ul>	<ul style="list-style-type: none"><li>• Affordable housing</li></ul>
Associated United Nations’ Sustainable Development Goals	<div><div>13CLIMATE ACTION</div><div></div></div> <div><div>11SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div>	<div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	<div><div>10REDUCED INEQUALITIES</div><div></div></div> <div><div>3GOOD HEALTH AND WELL-BEING</div><div></div></div>

# ESG – a value driver to our stakeholders

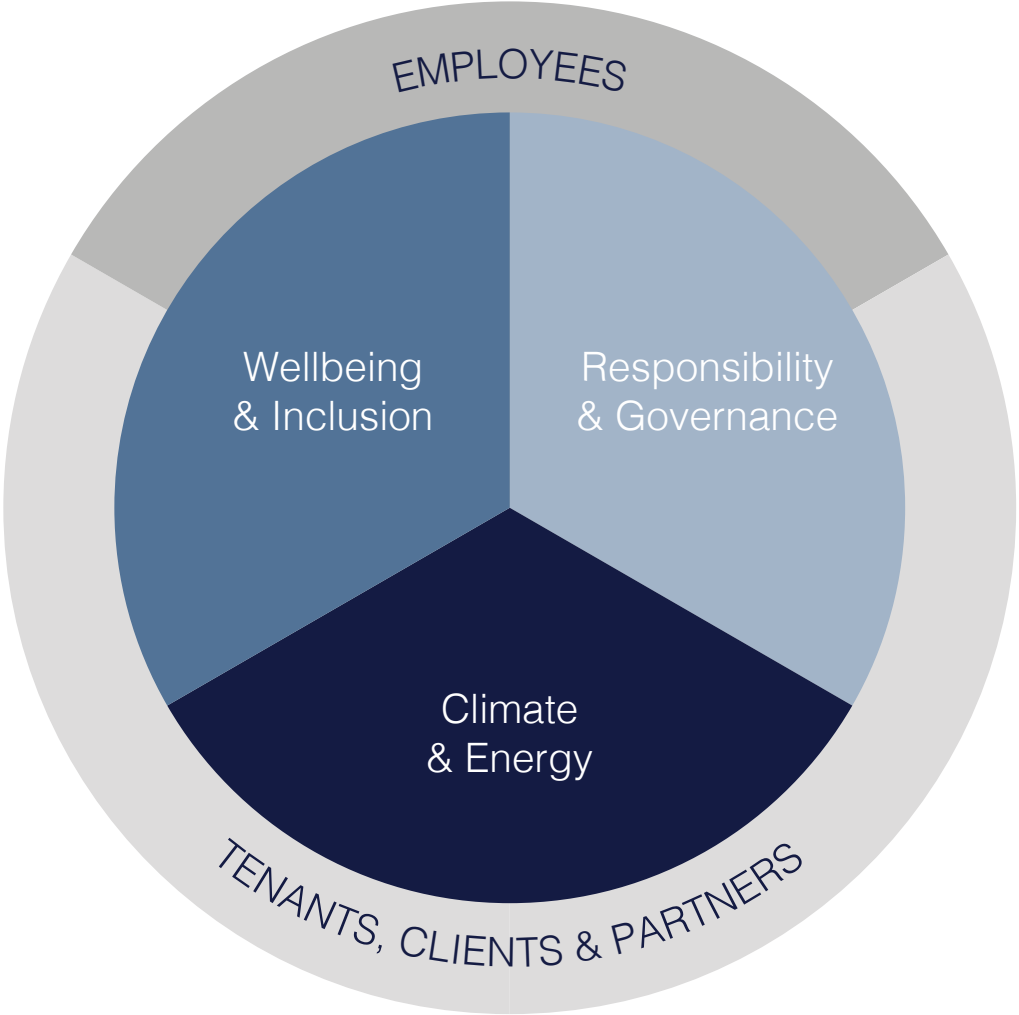
We integrate ESG and Diversity, Equity & Inclusion (DEI) priorities in all business strategy, decision making processes, and client-based solutions, bringing measurable impact and value enhancement with a focus on 3 key pillars:

- 1. Climate & Energy:** we take action to increase the value of our managed portfolio by working with tenants and partners on robust decarbonization and resiliency action plans. We also prioritize an integrated design approach to limit climate change and its impact on buildings and communities.

**2. Responsibility & Governance:** we execute best practices that promote sustainable consumption and ethical business conduct.

- 3. Wellbeing & Inclusion:** we create unique spaces and programs that are rooted in wellbeing and inclusion best practices.

The results of our recent materiality assessment will be key in shaping and managing our ESG journey.



# 2022 ESG Highlights



## Climate & Energy

11.3 million

square feet LEED® and BOMA BEST® certified

9%

of Energy Use Intensity (ekWh/ft²)  
reduced from 2020

27%

of Greenhouse Gas Emissions Intensity  
(kgCO<sub>2</sub>e/ft²) reduced from 2020



## Responsibility & Governance

8%

of Water Use Intensity (litres/ft²) reduced  
from 2020

600 lbs

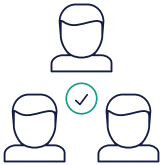
food harvested in urban farms  
(+50% compared to 2021)

15

interns across Sustainability, Project Management &  
Construction, Property Management, Investments &  
Development, and Accounting for summer 2022

\$2.2 M

raised in support of charities



## Wellbeing & Inclusion

2.6 million

square feet WELL Health-Safety Rated

80%

of employees took at least 1 wellness day  
in 2022

69.1%

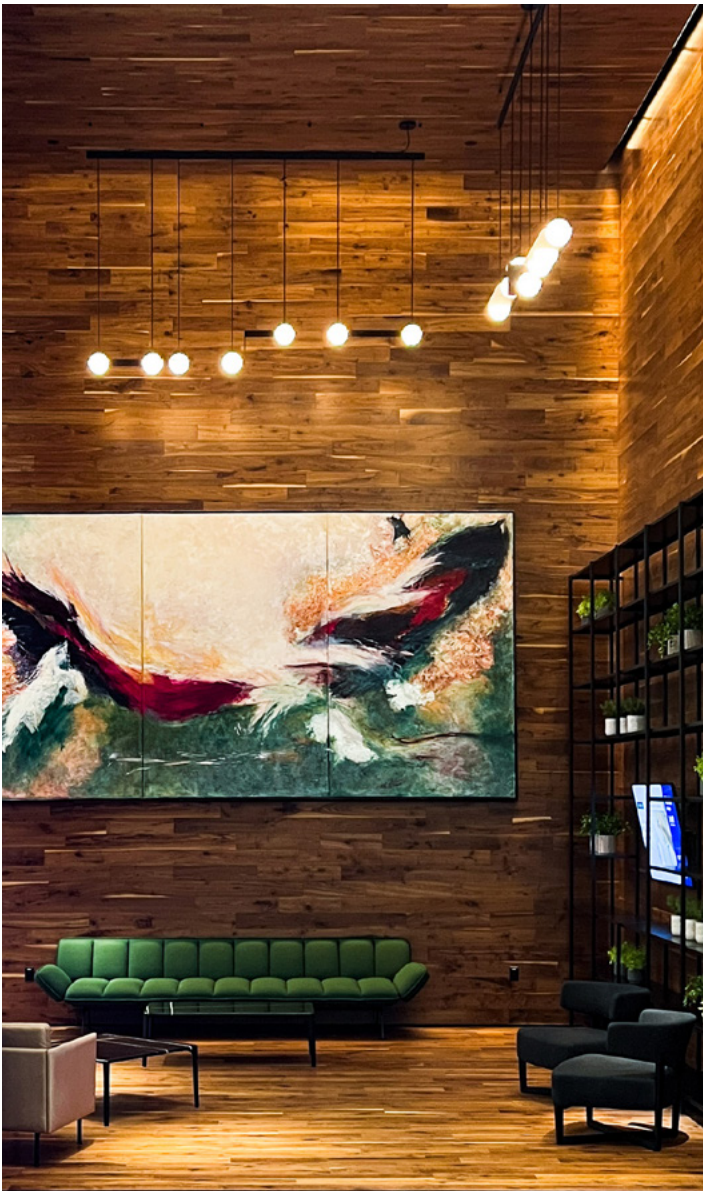
DEI Survey Participation rate

12 National  
and 36 local

employee recognition awards

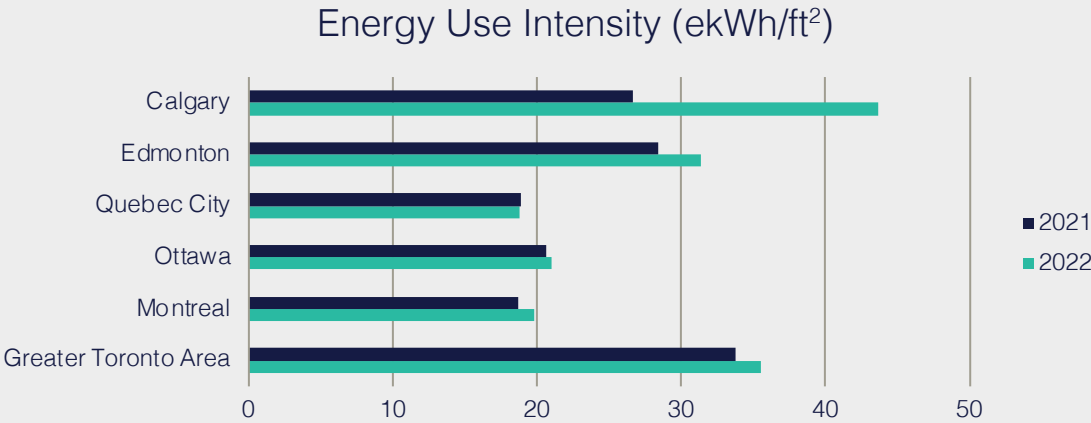
# Managing responsibly

We embed ESG in our property management services to clients and partners, bringing measurable impact and value enhancement by focusing on key pillars.

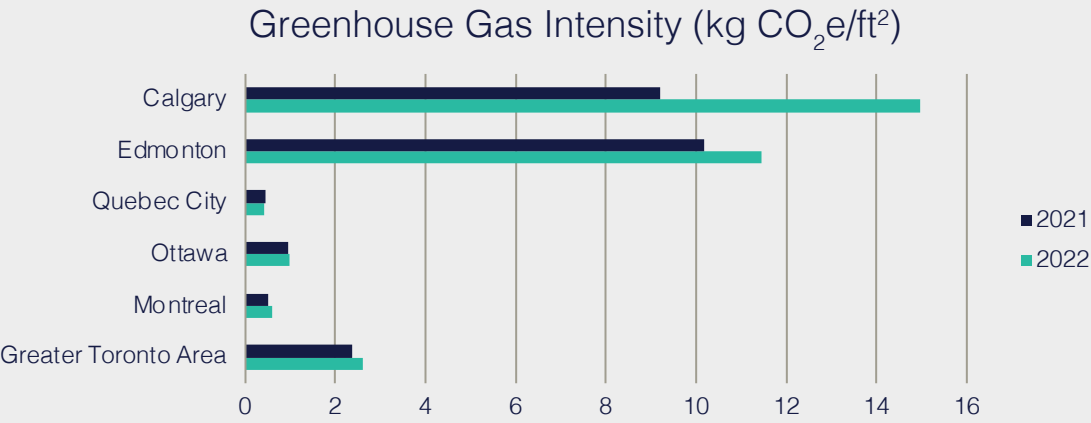


As the world emerged from the COVID-19 pandemic, more people returned to their offices and retail stores in 2022 compared to 2021. The environmental performance of buildings were affected by building occupancy as presented in the following graphs. By executing our best practices, we drive sustainable consumption, ensure efficient resource management, and we advance tenants' sustainability goals.

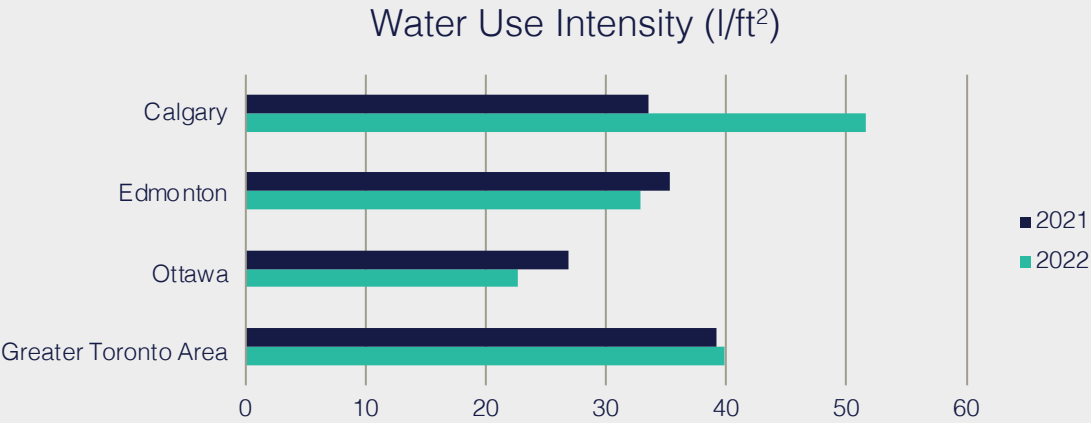
## Energy



## Greenhouse Gas



## Water



**Methodology:** Metrics are calculated using the portfolio of offices where Canderel has full operational control and/or access to full tenant data. Energy sources include electricity, natural gas and district cooling (diesel is excluded). This is a like-for-like comparison, meaning only properties present in 2021 and 2022 are considered. Metrics are expressed in gross leasable area.

Due to low frequency of billing, water data is not available for 2022 for Montreal and Quebec City Properties.

# Developing communities of the future

Canderel is committed to a sustainable future with the aim of developing safe, resilient, connected and sustainable properties.



As part of a large-scale mixed-use development in Burnaby, BC, we are proposing an innovative approach to parking whereby the uppermost level of the parkade is being dedicated as a Transportation Hub. It will include robust alternative modes of transportation including car share vehicles, shared e-bikes, and dedicated Uber/Lyft/Handy Dart pickup & drop off areas. The development also heavily promotes bicycle use by offering dedicated and secured bicycle storage, bicycle repair rooms and dedicated elevator access to and from grade.

Our proposed alternative transportation strategy is paired with a significant reduction in the amount of parking stalls that are to be constructed within the underground parkade. Therefore, about **30,000 tonnes of embodied carbon** will be avoided in addition to the removal of almost **500 cars** due to a smaller parkade.

It will also result in a shorter construction timeline to bring desperately needed housing to market and will allow for housing to be “de-coupled” from the parking allowing lower housing prices for those who choose not to purchase a parking stall with their condo unit.



# Community

Canderel is proud to support and give back to a range of organizations that bring meaningful, positive change to local communities. We believe that by offering financial support, volunteering and engaging with these groups in meaningful ways, we can help create healthy and vibrant communities that benefit everyone.

## Défi Canderel Challenge

The Défi Canderel Challenge is a philanthropic initiative benefitting cancer research. Created in 1989, this annual campaign has raised \$26M for two Canadian academic cancer centres: McGill University's Rosalind & Morris Goodman Cancer Institute, and the Institut du cancer de Montréal, affiliated to the Université de Montréal.

Canderel challenges its business partners to also get involved in the fight against cancer by donating and raising funds. In May of every year, we invite our wonderful community of donors, partners, researchers and students to a fun-filled fundraising event in Montreal.



**\$2.2M**  
raised in 2022

## REET Institute Mentorship Program (Edmonton, AB)

The program is designed to educate, train and equip BIPOC high school students with financial literacy, through commercial real estate. Students are given eight weeks of access to an immersive experience of hybrid learning, industry exposure, a pitch competition, and the chance to win a scholarship. Canderel sponsored the program with a financial contribution and a senior-level employee participated as a mentor.

## National Summer Internship Program

Canderel hosted 15 interns across our departments and offices. The program supported the development of the future leaders of the real estate industry through mentoring and networking while also adding value to our business.

## Employee Volunteer Days

Every Canderel employee is entitled to one paid workday a year to contribute to community betterment. This company-sponsored program allows employees to contribute their time and skills to not-for-profit organizations or causes aligned with Canderel's values.



# Inclusion

## Employee Supports

### Mental Health

Canderel recognized World Mental Health Day (October 10<sup>th</sup>) by hosting a national employee event. A mental health expert was brought in to speak about the importance of prioritizing mental wellbeing and strategies to manage stress. More than 200 employees expressed interest in the event!

### Manager Training Series

HR conducts 2-3 sessions each year focused on up-skilling our managers, which in turn benefits the overall employee experience. Sessions on recruitment and performance management included portions specifically focused on biases and how to overcome them. Approximately 70% of managers attended the training.

### Employee Recognition

In 2022, Canderel launched recognition rewards to make employees feel appreciated and connected to one another. 12 national awards were given out at a company townhall and 6 office awards were given out in each city. These included:

- |                           |                         |
|---------------------------|-------------------------|
| Customer Service Award    | Coaching Champion Award |
| Team Player Award         | Emerging Leader Award   |
| Cultural Ambassador Award | Notable Newcomer Award  |



# Inclusion

## Diversity, Equity, & Inclusion

### Inaugural DEI Survey

Canderel’s DEI Committee administered an anonymous DEI Assessment Survey to understand employee experience with DEI topics. The Assessment is an important part of Canderel’s commitment to making tangible progress on DEI issues.

Employees told us they see Canderel’s commitment towards building a DEI-oriented workplace and noted the actions taken to improve awareness in the organization, such as establishing a DEI Committee. In addition, we understand that employees want to see more diversity in senior roles as well as career growth pathways.

### Gender Pronouns in Email Signatures

Employees were given the option to voluntarily add their gender pronouns to their email signature. Introduction of pronouns is a simple way of making Canderel’s culture more inclusive of LGBTQ2S+ communities and fostering greater understanding of gender diverse people.



### Early Adopter of WELL Equity Rating at 151 Bloor St West Corporate Office

We are thrilled to share that Canderel is amongst the first companies globally to pursue the WELL Equity Rating! Our commitment to DEI means putting our people first. As one of three real estate companies in Canada pursuing the rating by International WELL Building Institute (IWBI), we are invested in creating places where everyone has an equal opportunity to thrive.

# Taza

## The Tsuut'ina-Canderel Partnership

Tsuut'ina Nation and Canderel have partnered to plan, finance, and develop Taza along the Southwest Calgary Ring Road. This is one of the largest First Nations developments in North America (1,200 acres) and is centered around Indigenous values and sustainability.

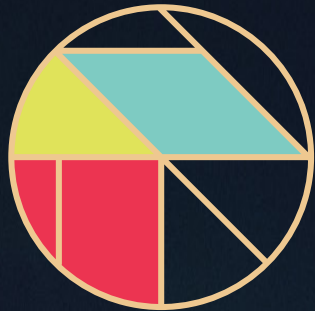
## Community Relationships

### Irene Crowchild Sponsorship

Taza sponsored Irene Crowchild and her team at the Shaw Charity Classic Blakes Women's Day. Irene is an Akīyīī Māk'ōdzà Dīnà (Two Spirit Person) from Tsuut'ina Nation and two-time Canadian long drive champion.

### Tsuut'ina Community Events

The team attended the 2022 Tsuut'ina Open House, sharing information about the development and building relationships with Tsuut'ina citizens.



TAZA

## Environment

### Stormwater Management via the Blue-Greenway

Preliminary work began in 2022. This natural approach to stormwater management will create habitat for native species.

### Sustainable Food & Mobility

Taza researched best practices for on-site Smart Farms and how the model can reduce food miles. A conceptual design of a development-wide active mobility trail was also completed.

Find out more at: [togetherattaza.com](https://togetherattaza.com)



# Taza

## The Shops at Buffalo Run Tsuut’ina-Inspired Design

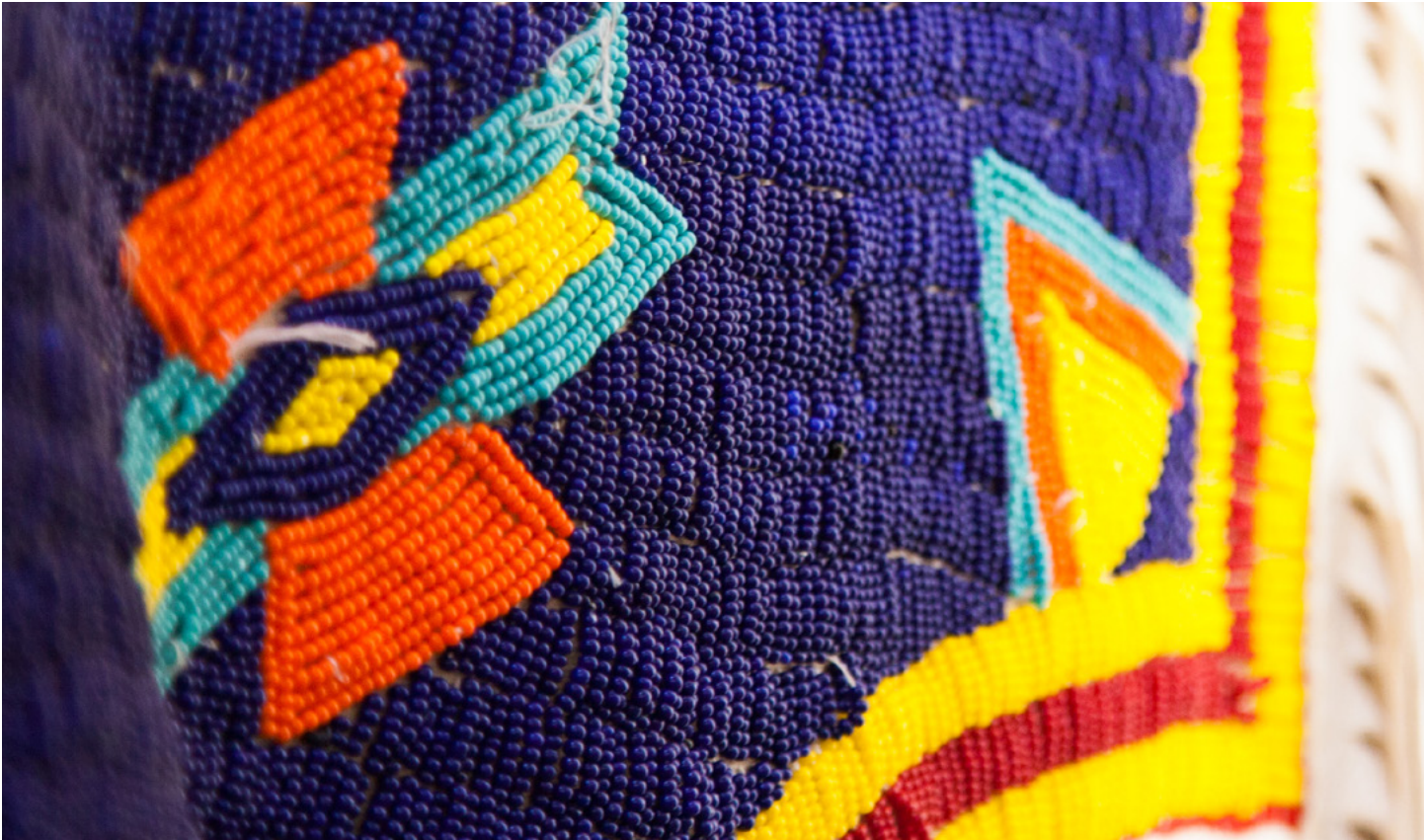
Culturally-relevant, placed-base design is essential to ensuring Taza is developed in a respectful way. At The Shops at Buffalo Run, the form of the retail buildings take their inspiration from the xaniti (bison), for its life connection to the Tsuut’ina Nation while the design of the central plaza is inspired by dit’oni (eagle), reflective of the nisk’a (land) and nast’ohja (sky).



Custom wall sconce lighting is inspired by traditional breastplates, originally used as protection in battle. Today, breastplates are worn during ceremonial events and displayed decoratively in the home.



Tsuut’ina beaded patterns have been blended into the design element in a way that create an authentic definition.



## Green Lease Leaders Recognition

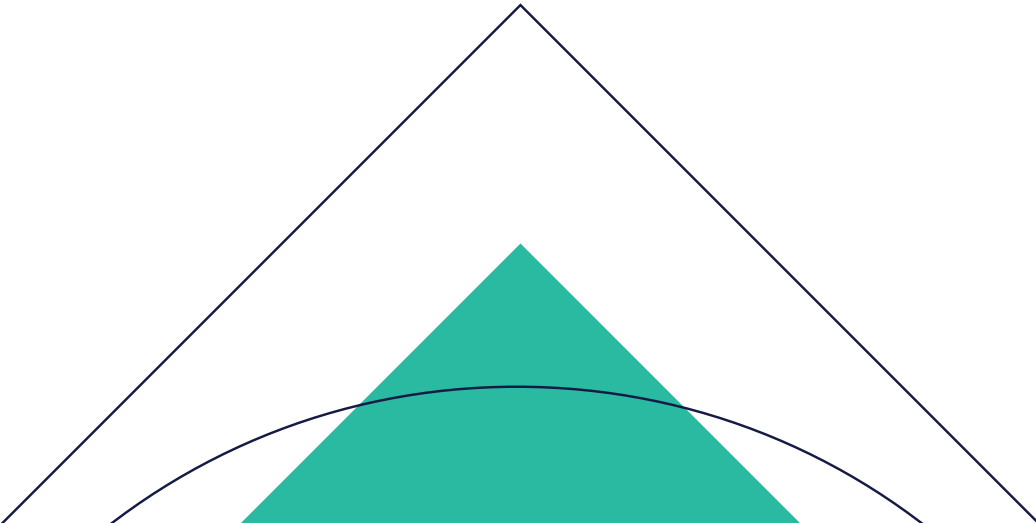
Taza achieved Green Lease Leaders Silver Recognition by creating a Sustainability Lease that works to make progress on environmental, social, and economic issues.

Launched in 2014, Green Lease Leaders recognizes landlords and tenants who modernize their leases to spur collaborative action on energy efficiency, cost-savings, air quality, and sustainability in buildings.



# | 2023 Preview

Key projects & priorities for the coming year



## ESG in our DNA

Embedding ESG throughout business decisions and in corporate culture is one of our 2023 Corporate Priorities. ESG employee goals, engagement events, and training promote an environment where sustainability is considered across all teams.



## Developing Decarbonization offering

Decarbonize the built environment by providing comprehensive guidance and support to landlords on their path towards net-zero.



## DEI Roadmap

Our DEI Roadmap, informed by the 2022 DEI Assessment Survey, will be shared with employees. Priority areas include career growth, employee diversity, and awareness of administrative tasks.



## Indigenous Engagement Policy

As a proud Canadian company, Canderel strives to build strong and long-lasting relationships with Indigenous communities and Peoples built on mutual trust, respect, and shared prosperity. We recognize that Canderel and its employees have a role to play in reconciliation.



## Wellbeing & Inclusive Design Guidelines

Development teams will be inspired and supported in people-oriented design via new guidelines. Inspired by WELL and DEI best practices, this resource will ensure our spaces are healthy and welcoming for all.

# Learn more

To learn more about Canderel & our ESG Program, please visit [www.canderel.com](http://www.canderel.com)



## ↔ Canderel Commercial

Highly focused and with a wide variety of skills and experience, our team provides our clients with a full roster of commercial real estate services aimed at driving income and creating long-term value.



## ↔ Canderel Residential

With experience across real estate disciplines, we develop, build, market and manage some of Canada’s most exciting residential projects, transforming urban areas with our nationwide network of architecture, design and construction experts.



## ↔ Canderel Investment

Backed by half a century of real estate advisory experience, we work as a single team, leveraging Canderel’s vertically integrated model to align expertise in all disciplines, drive innovation and create value for all our investment partners.

◀≡▶ **Canderel**