



INVESTMENT
MANAGEMENT

2022 ESG report

Avison Young
Investment Management

North America portfolio





About us

Avison Young Investment Management (AYIM) is the real estate investment management arm of Avison Young Global. Headquartered in Toronto, Canada, the group's main business objective is to help private and institutional investors meet their long-term real estate investment goals through directly managed real estate portfolios, as well as private fund syndications.

ESG policy

Our Environmental, Social and Governance (ESG) policy sets out our vision and commitments to an investment strategy that supports our main goal of providing exceptional risk-adjusted returns for our investors, while also addressing sustainability, engaging stakeholders, fostering health and wellbeing, and creating a positive impact on the environment and communities in which we invest.

Fifth annual ESG report

2018 represented the first year AYIM released a standalone report covering our ESG performance for the year. 2022 is now our fifth year, and as we grow and evolve, we look forward to expanding our coverage of the report to include other topics and best practices relevant to ESG and our clients.

ESG guiding principles



Energy efficiency and reduction



Health and wellbeing



Stakeholders and community engagement



Positive socioeconomic and environmental impact



Regulatory compliance

North America ESG updates

01

CapEx Projects

Throughout 2022, we continued to upgrade light fixtures to LED bulbs in all three of our multifamily properties, providing better energy savings for our residents. Additionally, across our residential portfolio, we are systematically replacing older appliances with new ones that have modern Energy Star ratings. These improvements enhance sustainability, reduce energy consumption, and lower utility bills for our residents. Within our industrial portfolio, we recently added additional ISO roof insulation above the existing BUR system to improve the overall thermal performance of our 2200 Norman property. We have also replaced several aging RTU's with high performance units that greatly reduce energy consumption. As we look forward, whole building energy metering, smart building controls, and adding EV charging will be a focus.

02

Electric vehicle manufacturing investment

In 2022, Avison Young Investment Management acquired a 906,517 sf class A Industrial facility occupied by Lion Electric (TSE:LEV), a Canadian-based manufacturer of electric commercial vehicles. The facility represents the largest dedicated production site for zero-emission medium and heavy-duty vehicles in the U.S., with an expected production capacity of up to 20,000 vehicles per year. By supporting transformative businesses like Lion Electric, we help facilitate the move toward a green economy.

03

Day of Giving

Our offices worldwide once again embraced an annual tradition of coming together in October for a remarkable cause - advancing sustainability, equality, and health in our communities. Avison Young employees wholeheartedly engaged in a day-long commitment to volunteerism and charitable endeavors, marking another successful company-wide Day of Giving for the ninth consecutive year.

04

Consumption data verification

In 2022, consumption data and GHG emission for the AYIM North America portfolio has been verified by an independent third party, Ecovert, under an ISO 14064-3 review. This ensures data accuracy of the reported portfolio consumption and carbon information included within this report. Please see a copy of our 2022 data verification letter covering our U.S. investment portfolio on page 10.

North America ESG updates

05

10 trends for 2023

In January 2023, Avison Young released “10 trends for 2023”, a continuation of our previous year’s forecast report which looks at how actions to address climate change are impacting the development, investment, and occupation of real estate. A key component of the wider ESG debate, decarbonization has wide-ranging implications for the economy, society, and the built environment. Growth in the use of cross-laminated timber as a structural element in commercial construction is supporting decarbonization of real estate. Meanwhile, green leases will become more prominent as regulation drives increased transparency around building performance, and the rights and obligations of landlords and tenants need to be incorporated into lease contracts. The report, featuring insights from the firm’s real estate experts across multiple disciplines, helps frame the issues organizations are grappling with as we look for paths to a zero-carbon world.



Click here to read about
10 trends for 2023

06

2021 ESG Report and AYIM Capital Investment and Targets Policy

We recognize that global challenges require a global response. To coincide with the release of our 2021 ESG Report, we’ve extended our long-standing ESG program into a formal, global ESG strategy. Our focus is on six key priorities aligned to the relevant UN Sustainable Development Goals (UNSDGs). Three core elements inform every action plan and decision, supporting our success in delivering against our commitments in these areas: innovation, data and insights, and governance and ethics. Avison Young will always seek to prioritize greenhouse gas (GHG) emissions reduction and moving toward our longer-term goal of net zero by 2040, with a 50% reduction by 2030.

In addition, AYIM’s long term goal is to achieve net zero and divert 100% of waste from landfill by 2040 (in alignment with the EU Climate Action Plan). This target directly relates to the guiding principle of Energy Efficiency and Reduction within the Investment Management group ESG policy.

To achieve this, we have established targets for our managed real estate investment portfolios stated on the following page.



Click here to read our
Global 2021 ESG Report



Click here to read our
Capital Investment and Targets Policy

North America ESG updates



Consumption and waste

- Continuous reduction in energy and water consumption of 3-5% per year.
- Implement minimum water efficiency standards for all fixtures by 2025.
- Continuous reduction in waste generation and improvement in recycling rates.
- All assets to achieve 30-50% diversion from landfill by 2030.
- Regular e-waste collections at every asset by 2025.
- Grey water recycling program for 100% of assets by 2035.



Renewables

- Achieve net zero carbon (scopes 1-3) by 2050.
- 25% of energy consumption across the portfolio must come from renewable sources by 2030; 50% by 2040; 100% renewable energy consumption by 2050.
- Complete solar PV and wind turbine rollout on all viable rooftops or other useable site areas by 2030.
- Full electrification of facilities by 2040 through the elimination of all carbon-based fuel consumption on-site.
- Transition to climate friendly refrigerants by phasing out HFC refrigerants by 2040.



Measurement

- Obtain or estimate tenant energy consumption for 100% of portfolio tenancies by 2025.
- Install smart metering across the portfolio by 2025.
- Improve tracking and data consistency by standardizing GHG emission calculations by 2025.

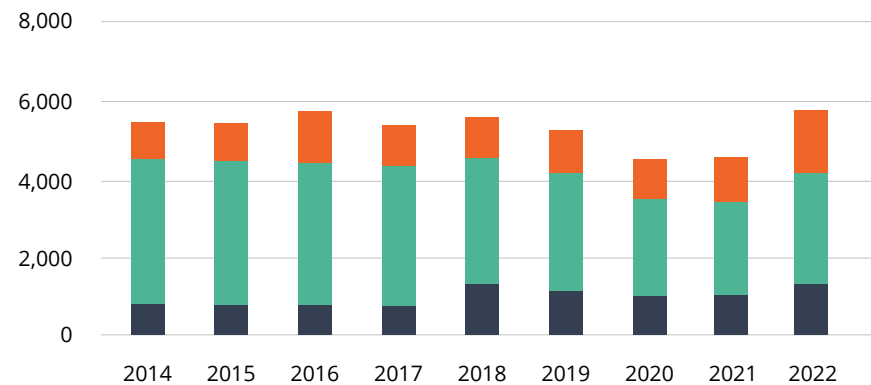


Biodiversity and habitat

- Survey of all assets by 2025 to identify opportunities to create habitats that promote biodiversity.
- Implement drought tolerate landscaping plan for all assets by 2027.

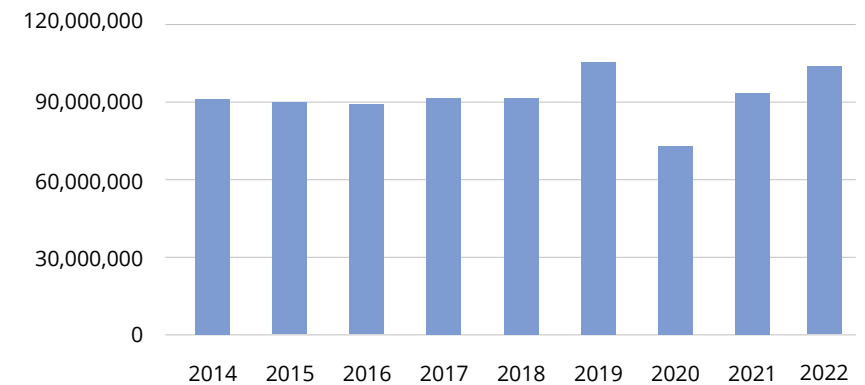
Portfolio consumption, GHC and intensity

Summary of emissions (tCO2e)



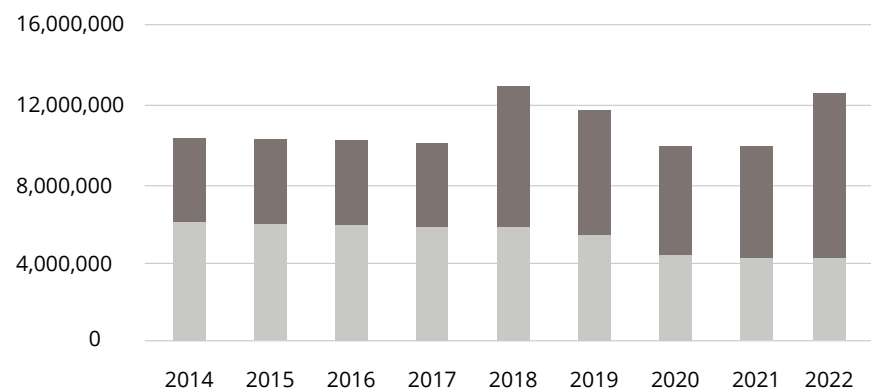
Scope 1: Direct emissions Scope 2: Indirect emissions, energy Scope 3: Indirect emissions, other

Water consumption (litres)



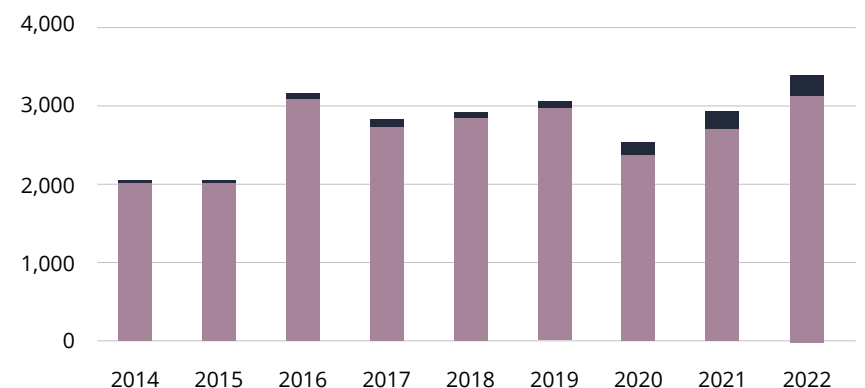
Water consumption

Energy consumption (kWh)



Electricity consumption Gas consumption

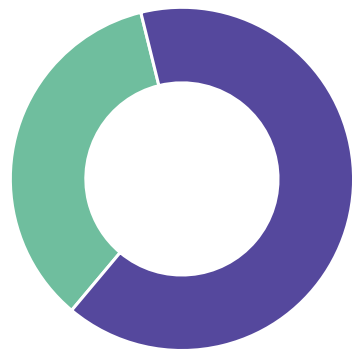
Total waste (tonnes)



Landfill Recycling

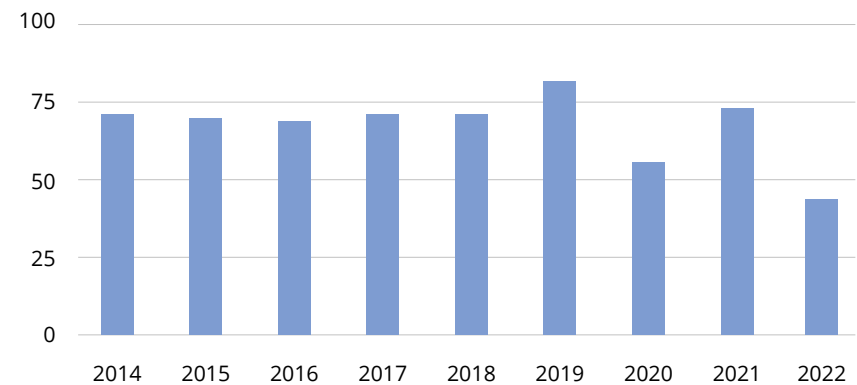
Portfolio consumption, GHC and intensity

Emissions by property type (tCO2e)



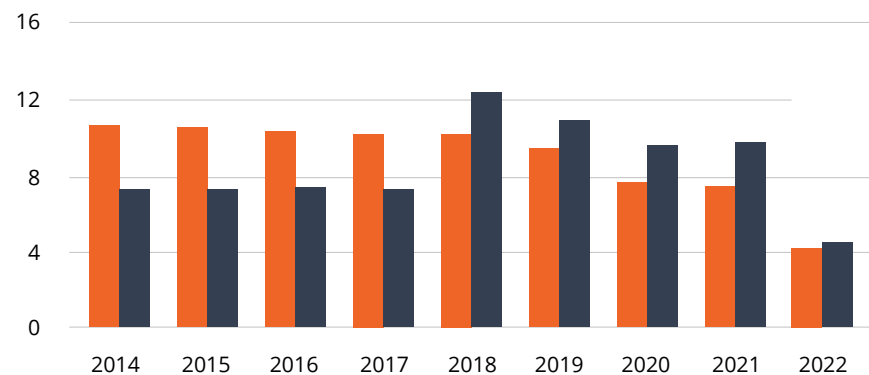
U.S. residential U.S. industrial

Water intensity (litres psf)



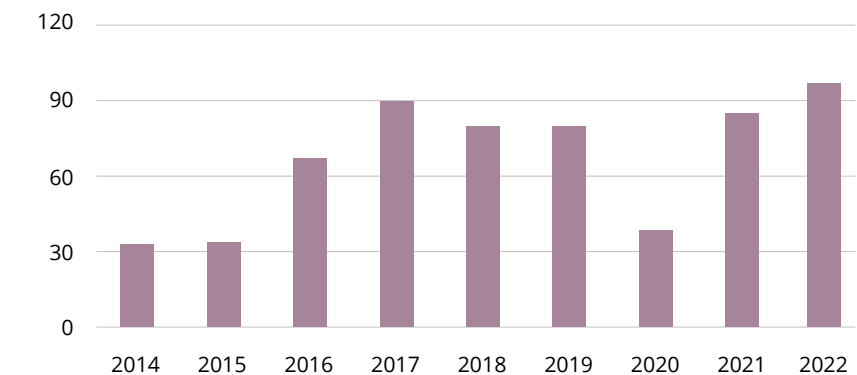
Water consumption

Energy intensity (kWh psf)



Electricity consumption Gas consumption

Recycled waste (tonnes)



Recycling

Portfolio consumption tables

Electricity (kWh)

Property	2021	2022
Multi-family (Nashville)	453,555	543,384
Multi-family (Memphis)	532,596	561,484
Multi-family (Birmingham)	310,720	321,619
Industrial (Chicago)	3,026,766	3,128,300
Industrial (Chicago) ¹		1,361,991
USA	4,323,637	5,916,779

Natural gas (kWh)

Property	2021	2022
Multi-family (Nashville)	447,402	325,593
Multi-family (Memphis)	6,104	1,243
Multi-family (Birmingham)	5,232	4,683
Industrial (Chicago)	5,219,978	5,742,683
Industrial (Chicago) ¹		690,851
USA	5,678,716	6,765,054

Total energy (kWh)

Property	2021	2022
Multi-family (Nashville)	900,957	868,977
Multi-family (Memphis)	538,700	562,727
Multi-family (Birmingham)	315,952	326,302
Industrial (Chicago)	8,246,744	8,870,983
Industrial (Chicago) ¹		2,052,843
USA	10,002,353	12,681,833

¹ Newly acquired industrial property in January 2022

Water (L)

Property	2021	2022
Multi-family (Nashville)	14,815,382	18,596,971
Multi-family (Memphis)	45,811,016	46,638,166
Multi-family (Birmingham)	21,119,872	17,789,164
Industrial (Chicago)	12,003,541	12,864,343
Industrial (Chicago) ¹		8,636,417
USA	93,749,811	104,525,061

Landfill (tonnes)

Property	2021	2022
Multi-family (Nashville)	607	994
Multi-family (Memphis)	1,675	1,671
Multi-family (Birmingham)	334	384
Industrial (Chicago)	133	100
Industrial (Chicago) ¹		31
USA	2,748	3,179

Recycling (tonnes)

Property	2021	2022
Multi-family (Nashville)	62.64	75.17
Multi-family (Memphis)	3.94	5.57
Multi-family (Birmingham)	11.14	-
Industrial (Chicago)	8.87	8.35
Industrial (Chicago) ¹		13.44
USA	62.64	75.17

Total waste (tonnes)

Property	2021	2022
Multi-family (Nashville)	670	1,069
Multi-family (Memphis)	1,679	1,677
Multi-family (Birmingham)	345	384
Industrial (Chicago)	141	108
Industrial (Chicago) ¹		45
USA	2,835	3,282

Portfolio GHC and intensity tables

Energy use intensity (kWh psf)	Intensity (kWh psf)	
Property	2021	2022
Multi-family (Nashville)	20.2	19.5
Multi-family (Memphis)	4.2	4.4
Multi-family (Birmingham)	5.5	5.6
Industrial (Chicago)	24.0	25.8
Industrial (Chicago) ¹		2.3
USA	17.54	8.6

Water use intensity (litres psf)	Intensity (litres psf)	
Property	2021	2022
Multi-family (Nashville)	59.3	74.4
Multi-family (Memphis)	106.0	107.9
Multi-family (Birmingham)	83.4	70.2
Industrial (Chicago)	35.0	37.5
Industrial (Chicago) ¹		9.53
USA	73.3	47.8

Waste energy (tonnes psf)	Intensity (tonnes psf)	
Property	2021	2022
Multi-family (Nashville)	2.68	4.28
Multi-family (Memphis)	3.87	3.86
Multi-family (Birmingham)	1.36	1.51
Industrial (Chicago)	0.41	0.32
Industrial (Chicago) ¹		0.05
USA	2.21	1.50

¹ Newly acquired industrial property in January 2022

Total GHG emissions	Total emissions (tCO2e)	
Property	2021	2022
Multi-family (Nashville)	574	741
Multi-family (Memphis)	975	961
Multi-family (Birmingham)	296	314
Industrial (Chicago)	2,722	2,860
Industrial (Chicago) ¹		877
USA	4,568	5,753

Natural gas, oil, propane (scope 1 direct)	Total emissions (tCO2e)	
Property	2021	2022
Multi-family (Nashville)	81	59
Multi-family (Memphis)	1	0.2
Multi-family (Birmingham)	1	1
Industrial (Chicago)	946	1,041
Industrial (Chicago) ¹		125
USA	1,029	1,226

Electricity, steam, chilled water (scope 2)	Total emissions (tCO2e)	
Property	2021	2022
Multi-family (Nashville)	245	294
Multi-family (Memphis)	288	304
Multi-family (Birmingham)	154	160
Industrial (Chicago)	1,719	1,777
Industrial (Chicago) ¹		737
USA	2,407	3,272

Water, landfill waste (scope 3)	Total emissions (tCO2e)	
Property	2021	2022
Multi-family (Nashville)	248	388
Multi-family (Memphis)	686	657
Multi-family (Birmingham)	141	153
Industrial (Chicago)	57	43
Industrial (Chicago) ¹		15
USA	1,131	1,255

2022 Data verification letter

AYIM U.S. portfolio



Toronto – Kitchener – Ottawa

DATA VERIFICATION LETTER

Ecovert has conducted data verification for Avison Young's 2023 GRESB Real Estate Assessment disclosure. The engagement was based on the ISO 14064-3 standard and Ecovert's proprietary verification criteria. Details and findings of the verification engagement are provided below for the use of Avison Young to share with stakeholders.

Scope of Verification

Ecovert conducted verification services of 2022 energy, water, and waste performance data on behalf of Avison Young for the following properties participating in the 2023 GRESB Real Estate Assessment:

- Fielder Square
- Vista Germantown
- Parkside Birmingham
- 2200 Norman Woods
- 2300 Norman Woods
- Lion Electric Joliet

Verification Methodology

Adherence to ISO 14064-3 Principles: Ecovert reviewed Avison Young's 2022 data using the following five ISO Principles: Impartiality, Evidence-Based Approach, Fair Presentation, Documentation, and Conservativeness.

Sustainability Performance Information: Ecovert reviewed Avison Young's energy, water, and waste performance information based on the following criteria:

- Review of utility performance information on ENERGY STAR Portfolio Manager for errors including gaps, overlaps, duplicate entries, and outliers, including confirmation that entries match invoices (source data).
- Comparison of final GRESB data to previous reporting years to identify anomalies or inconsistencies.
- Review of GRESB asset level spreadsheet completed by Avison Young to ensure data accuracy and completeness. This includes confirmation of energy, GHG emissions, water, and waste data, year-over-year performance numbers, and greenhouse gas methodology calculations.
- Review of SRI template completed by Avison Young to ensure data accuracy and completeness. This includes GHG emissions, energy, water, and waste consumption data. These data will be used for Avison Young's 2022 Sustainability Report.

www.ecovert.ca



Toronto – Kitchener – Ottawa

Verification Findings

The verification achieved a moderate level of assurance. Ecovert has obtained sufficient evidence in review of the source data (utility and waste invoices) to determine that Avison Young is in alignment and the performance data included in the 2023 GRESB submission achieves an appropriate level of reliability.

Independence and Impartiality

Ecovert is independent from Avison Young and its stakeholders in reaching and publishing an impartial verification statement.

Recommendations

Ecovert recommends the following enhancements going forward:

- Track and monitor any significant outliers in monthly utility data to identify possible causes of operational and occupancy changes.
- Set clear KPIs of energy, GHG emissions, water, and waste consumption and track performance quarterly.
- Continue to use ENERGY STAR Portfolio Manager to benchmark each property's utility performance against similar buildings in size, use, type, and location.

ECOVERT

James Donath

Director of Project Management

Date: 29 June 2023

www.ecovert.ca

2022

GRESB Results

Avison Young
Investment Management

North America portfolio



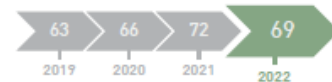
2022 GRESB score card

2022 GRESB Standing Investments Benchmark Report

Avison Young Investment Management

GRESB Rating
★ ★ ☆ ☆ ☆

Participation & Score



Peer Comparison



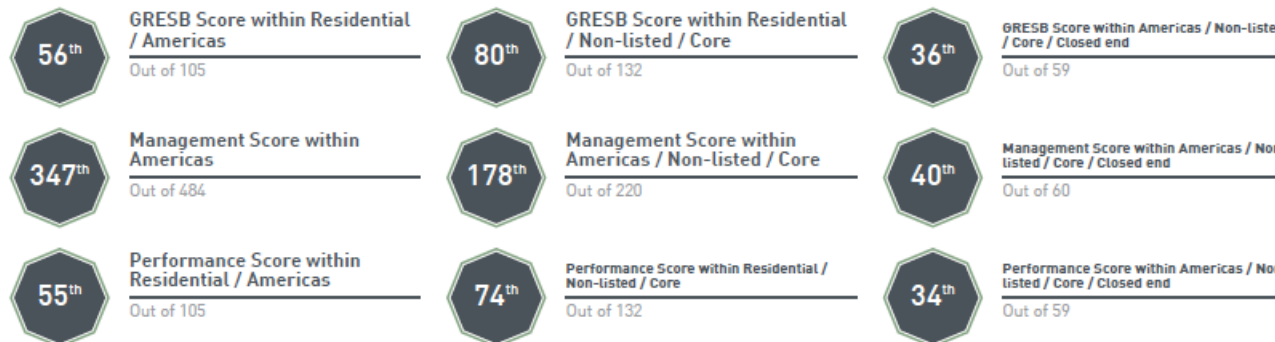
Status:
Non-listed

Strategy:
Core

Location:
United States of
America

Property Type:
Residential: Multi-Family: Mid-Rise Multi
Family

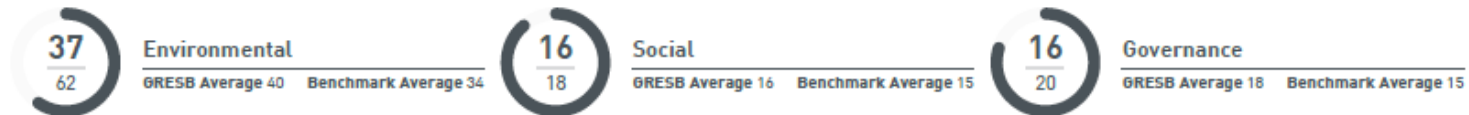
Rankings



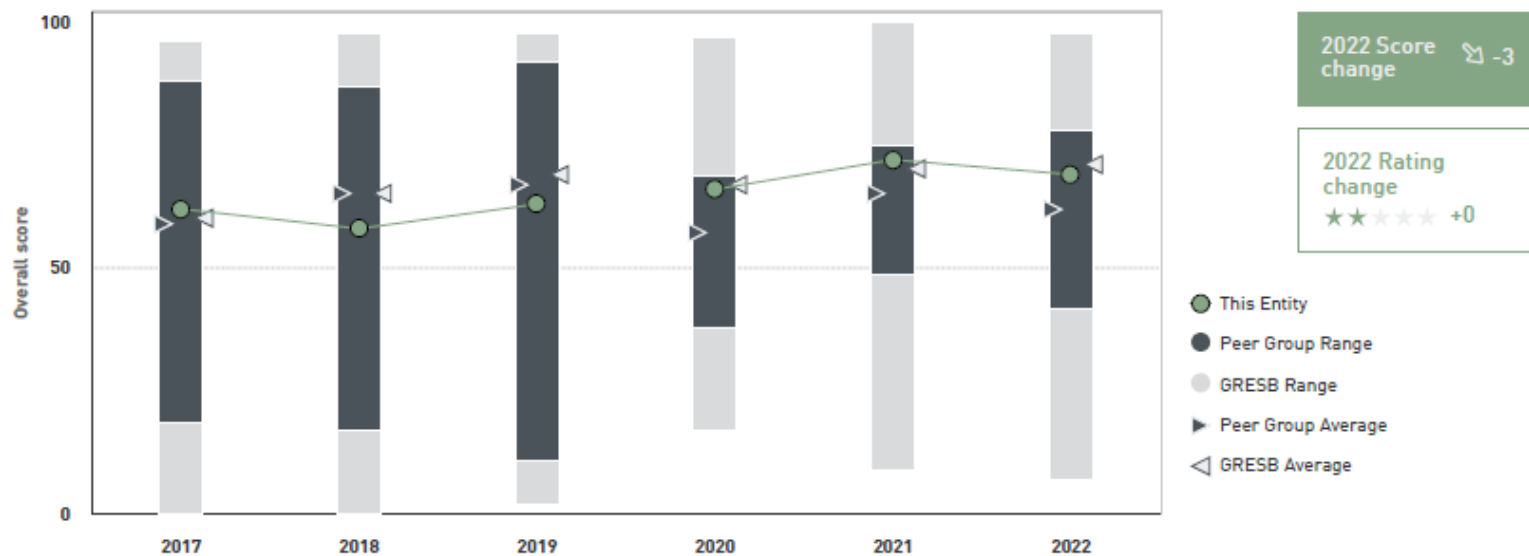
Sourced directly from GRESB.

2022 GRESB score card

ESG Breakdown

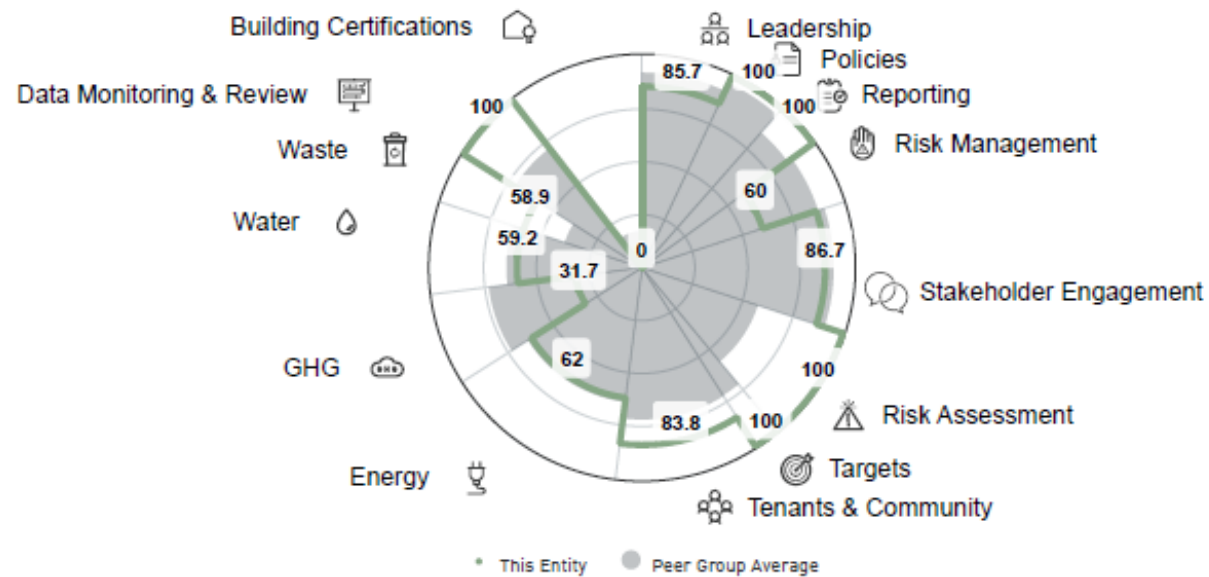


Trend



Sourced directly from GRESB.

2022 GRESB score card



Sourced directly from GRESB.

2022 GRESB score card

MANAGEMENT COMPONENT

Americas | Core (220 entities)


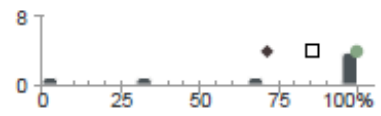
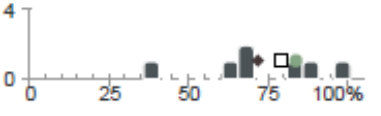

ASPECT Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
 Leadership 7 points	23.3%	7%	6	6.46	
 Policies 4.5 points	15%	4.5%	4.5	4.33	
 Reporting 3.5 points	11.7%	3.5%	3.5	2.98	
 Risk Management 5 points	16.7%	5%	3	4.38	
 Stakeholder Engagement 10 points	33.3%	10%	8.67	9.06	

Sourced directly from GRESB.

2022 GRESB score card

PERFORMANCE COMPONENT

United States of America | Residential: Multi-Family: Mid-Rise Multi Family | Non-listed (7 entities)

ASPECT Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
 Risk Assessment 9 points	12.9%	9%	9	5.18	
 Targets 2 points	2.9%	2%	2	1.43	
 Tenants & Community 11 points	15.7%	11%	9.22	7.89	
 Energy 14 points	20%	14%	8.69	8.94	
 GHG 7 points	10%	7%	2.22	5.11	

Sourced directly from GRESB.

2022 GRESB score card

PERFORMANCE COMPONENT

United States of America | Residential: Multi-Family: Mid-Rise Multi Family | Non-listed (7 entities)

ASPECT Number of points	Weight in Component	Weight in GRESB Score	Points Obtained	Benchmark Average	Benchmark Distribution
 Water 7 points	10%	7%	4.14	4.49	
 Waste 4 points	5.7%	4%	2.35	1.54	
 Data Monitoring & Review 5.5 points	7.9%	5.5%	5.5	3.93	
 Building Certifications 10.5 points	15%	10.5%	0	1.8	

Sourced directly from GRESB.

Appendix

Avison Young
Investment Management

North America portfolio



2022 ESG report

For more information on how we can help you reach your portfolio's ESG goals, please contact any member of the **Avison Young Investment Management team.**

Amy Erixon

Principal, President,
Global Investment Management
amy.erixon@im.avisonyoung.com
+1 416 673 4034

Simone Knopf

Director,
Investment Management
simone.knopf@avisonyoung.com
+1 49 69 962 443 100

Troy Jenkins

Principal, Director,
Investment Management
troy.jenkins@avisonyoung.com
+1 213 471 1061

Long Tang

Senior Analyst,
Investment Management
michael.bruce@avisonyoung.com
+1 416 402 2179

Andrew Fraser

Principal, Director,
Investment Management
andrew.fraser@avisonyoung.com
+1 416 673 4016

Michael Bruce

Chief Financial Officer,
Investment Management
michael.bruce@avisonyoung.com
+1 416 402 2179

Arun Khatri

Financial Controller,
Investment Management
arun.khatri@avisonyoung.com
+1 416 402 2179

**AVISON
YOUNG**

INVESTMENT
MANAGEMENT

im.avisonyoung.com

© 2023 Avison Young (Canada) Inc. All rights reserved. E. & O.E.: The information contained herein was obtained from sources which we deem reliable and, while thought to be correct, is not guaranteed by Avison Young.