

A man with a beard and short dark hair, wearing a light blue suit jacket over a white shirt, is sitting outdoors. He is looking upwards and to the right with a thoughtful expression, his hand resting on his chin. The background features large green plants and a modern building with large windows.

2024 ESG report

North America

AVISON
YOUNG

INVESTMENT
MANAGEMENT

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Green shoots: a global perspective

How have we progressed in 2023? We continue to refine our focus from “scores” to results including, importantly, return on investment. Leasing markets continue to be highly competitive, with pricing power shifting to tenants who are seeking high performance assets with modern configurations. Some tenants have even expressed the expectation that owners make green upgrades prior to opening renewal discussions, as the options include new construction.

What are some of the challenges we ran into over the course of the year? New standards have come into common practice in Europe, while the change in tone in the U.S. has been dramatic, and often unhelpful. We have been active with various certification and benchmarking systems in recent years to advocate for adoption of more data methodology and measurement standardization. This effort is now morphing into efforts to find language which can be deemed less political for these, to enable continuous upgrading of our portfolios.

What opportunities did we come across in 2024? We have seen some promising introduction of new renewable energy sources and onsite renewable opportunities, especially in our German portfolio. We continue to drive social value and engagement in our U.S. apartment portfolio, as these measures reduce turnover and drive returns.

“Green is not dead, quite the contrary, the bifurcation between dismissal of all things ESG in the U.S. versus rising standards and tenant expectations elsewhere is hard to overstate.”

At the recent AFIRE and ULI European meetings in Berlin and London respectively, investors expressed concern about recent policy whiplash, elevated interest rates and retreat from climate action. In addition to strong returns, investors remain committed to building better places as a key portfolio goal. Placemaking is the new buzzword referring to destinations with unique amenities, programming and/or public spas. “Green” is not dead, quite the contrary, projects and districts with leasing difficulties, such as Canary Wharf are turning to these strategies to improve leasing velocity and to secure higher rents. While some tenants are softening their public commitments, they are still seeking the best places for their customers and employees.

Amy Erixon

Principal, President,
Global Investment Management





“Challenging financial conditions have resulted in significant headwinds for advancing the green agenda. More stringent financing and slower decision making are among key hurdles.”

What were our clients' priorities in 2024?

Ongoing insurability, tenant stability and avoiding functional obsolescence remain owner priorities heading into 2025. Energy efficiency, systems modernization and tenant engagement remain essential building blocks to achieving durable returns.

What are we expecting for the year ahead?

2025 looks to be a challenging year with trade associations noting membership and engagement declines, especially among developers. For our part, 2025 has delivered several unexpected vacancies, thankfully opening up the possibility to capture significant rental increases that occurred during the pandemic. Our challenge is to compete effectively head-to-head with new construction. Things should return to leasing and borrowing stability by mid-2026 and into 2027.

What is the level of optimism for the months to come?

Challenging financial conditions have resulted in significant headwinds for advancing the green agenda. Tighter lending standards, slow return to price discovery and significant geopolitical upheaval are among key challenges. We, along with most real estate professionals, recognize that programming social value into our places is a low-cost differentiator, beyond basic amenities. “Earning the commute” has come to mean tenant and public engagement. We look forward to partnering with both tenants and financial partners to make strategic investments that will protect values and drive occupancy.





North American perspective

01

Net Zero pathways

In 2021, we established ambitious carbon reduction targets across our managed portfolio, with a long-term objective of achieving Net Zero emissions by 2050. To support this goal, the portfolio continues to undergo a Net Zero pathways study aimed at defining a clear roadmap to decarbonization. This roadmap incorporates both operational improvements to meet our short-term emissions reduction targets and longer-term capital planning for lifecycle upgrades that will ultimately eliminate carbon emissions. These measures include full electrification of building systems, enhanced thermal performance, the integration of energy and heat recovery systems, and the adoption of on-site renewable energy sources. While we recognize that the transition won't happen overnight, the urgency of climate change demands action. Building owners and managers must begin mapping out their decarbonization strategies, while also acknowledging that achieving carbon neutrality may not be feasible for every property.

02

Building certifications

In September 2023, our Fielder Square property in Memphis earned a Green Globes Multifamily Existing Building certification, secured as part of our efforts to qualify for green financing through Fannie Mae. This certification not only enabled us to benefit from a reduced financing rate but also provided a valuable operational baseline for the property management team. It highlighted opportunities to enhance resource efficiency, reduce environmental impact, and promote occupant well-being. Looking ahead, we plan to pursue similar certifications for additional properties in our portfolio, in alignment with our long-term Capital Investment and Targets policy.



03

Improving coverage

Privacy regulations protecting consumers continue to present challenges for building owners and managers seeking to track utility consumption in residential properties, as many local utility providers decline to share usage data. Since most utility accounts are held directly by tenants, owners and managers have limited recourse to access this information. To address this, we've begun installing utility meters on master feeds at the building level, enabling us to gather aggregate consumption data without infringing on resident privacy. The first residential property where this solution has been implemented is Vista Germantown in Nashville. The resulting baseline will be incorporated into our 2025 data reporting.

04

Day of Giving

In October, our offices worldwide once again united in support of an enduring annual tradition, promoting sustainability, equity, and wellness in the communities we serve. For the eleventh consecutive year, Avison Young employees came together in a day-long celebration of volunteerism and charitable action, marking another impactful company-wide Day of Giving.

05

Consumption data verification

In 2024, 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 2024 data verification letter covering our U.S. investment portfolio on [page 15](#).

“For the eleventh consecutive year, Avison Young employees came together in a day-long celebration of volunteerism and charitable action, marking another impactful company-wide Day of Giving.”

Andrew Fraser
Principal, Director,
Investment
Management










Progress towards our goals

Explore our global priorities and goals alongside how we're doing and some of the highlights of our journey so far.








Carbon emissions

| Our goal | Our progress | Our journey |
|---|---|---|
| Continuous reduction in energy and water consumption of 3-5% per year for multi-family assets. |  Working on it | <ul style="list-style-type: none"> LED lights, high efficiency HVAC, and thermal improvements are added wherever possible in order to meet near term energy targets. Through the installation of low flow water fixtures, smart irrigation, and drought tolerant landscaping, we have been able to make progress on reducing water consumption as well, especially in our residential portfolio where we have more operational control. Energy: -2.6% p.a. (annualized), Water: -0.2% p.a. (annualized) |
| Continuous reduction in energy and water consumption of 3-5% per year for industrial assets. |  Working on it | <ul style="list-style-type: none"> Due to significant increases in production volume from tenants in our U.S. industrial portfolio, our facilities have shown an increase in consumption over time. However, this year, one tenant suspended a significant portion of its operations, resulting in a lower increase in average annualized consumption compared to the prior year. Energy: +0.3% p.a. (annualized), Water: -0.1% p.a. (annualized) |
| Implement minimum water efficiency standards for all fixtures by 2025. |  Complete | <ul style="list-style-type: none"> All properties have standardized replacement specifications for water fixtures; low flow toilets, faucets, shower heads, etc. |
| Continuous reduction in waste generation and improvement in recycling rates. |  Working on it | <ul style="list-style-type: none"> With many people working from home, reducing waste from residential communities has been a challenge, however we are making good progress against our target. Total Waste: -2.7% p.a. (annualized) |
| All assets to achieve 30-50% diversion from landfill by 2030. |  Working on it | <ul style="list-style-type: none"> 67% of properties now include recycling programs, however, take up has been limited at residential communities where convenience seems to trump environmentalism for many residents. Diversion: 7.0% |
| Regular e-waste collections at every asset by 2025. |  Complete | <ul style="list-style-type: none"> All properties have E-waste recycling on-site. |
| Grey water recycling program for 100% of assets by 2035. |  Gaining momentum | <ul style="list-style-type: none"> Rain barrels added in select locations and rerouting downspout flow to landscaped areas to reduce storm water runoff. Given the nature of the sanitary systems in most of our buildings, significant investment will be needed near term to separate the greywater sources from those that cannot be recycled. |






Renewables



| Our goal | Our progress | Our journey |
|--|---|--|
| Achieve net zero carbon (scopes 1–3) by 2040. |  Gaining momentum | <ul style="list-style-type: none"> The Net Zero pathway study was deferred in 2024 and is now scheduled to begin in 2025, with a focus on upcoming long-term lifecycle replacements and strategies for transitioning to renewable-ready electric systems. |
| 25% of energy consumption across the portfolio must come from renewable sources by 2030; 50% by 2040; 100% renewable energy consumption by 2050. |  Incubating | <ul style="list-style-type: none"> Exploring renewable power purchase agreements with local utility providers. Longer term, we are looking at adding on-site renewables. |
| Complete solar PV and wind turbine rollout on all viable rooftops or other useable site areas by 2030. |  Planning | <ul style="list-style-type: none"> We are currently assessing various operating models for photovoltaic (PV) systems, including various ownership and operational models, with priority to those markets where local utility and State level incentives may support the financial feasibility. |
| Full electrification of facilities by 2040 through the elimination of all carbon-based fuel-consumption on-site. |  Gaining momentum | <ul style="list-style-type: none"> In 2024, we planned to add heat pumps to replace the traditional gas-fired HVAC system at our industrial facility in Waukegan, IL. However, the project has been deferred to 2026 due to ongoing negotiations with the tenant. We are also exploring the use of similar technology for common area HVAC systems across our residential portfolio. |
| Transition to climate friendly refrigerants by phasing out HFC refrigerants by 2040. |  Planning | <ul style="list-style-type: none"> Although HFCs do not deplete the ozone layer due to their low chemical reactivity, their molecular structure enables them to absorb significant amounts of thermal radiation, giving them properties similar to greenhouse gases. |



Measurement

| Our goal | Our progress | Our journey |
|---|---|--|
| Obtain or estimate tenant energy consumption for 100% of portfolio tenancies by 2026. |  Gaining momentum | <ul style="list-style-type: none"> Submeters are being added to main building feeds in order to capture whole building data for both common area and tenant spaces. This is being tested at Vista Germantown and will be rolled out to our remaining residential properties near term. 100% of property consumption is already tracked for our industrial assets. |
| Install smart metering across the portfolio by 2025. |  Incubating | <ul style="list-style-type: none"> Most managers still use manual data collection from utility invoicing to compile consumption data for our portfolio properties. |
| Improve tracking and data consistency by standardizing GHG emission calculations by 2025. |  Complete | <ul style="list-style-type: none"> All property managers in the U.S. utilize the Energy Star Portfolio Manager software and apply standardized greenhouse gas (GHG) calculations based on EPA GRID emission factors. |

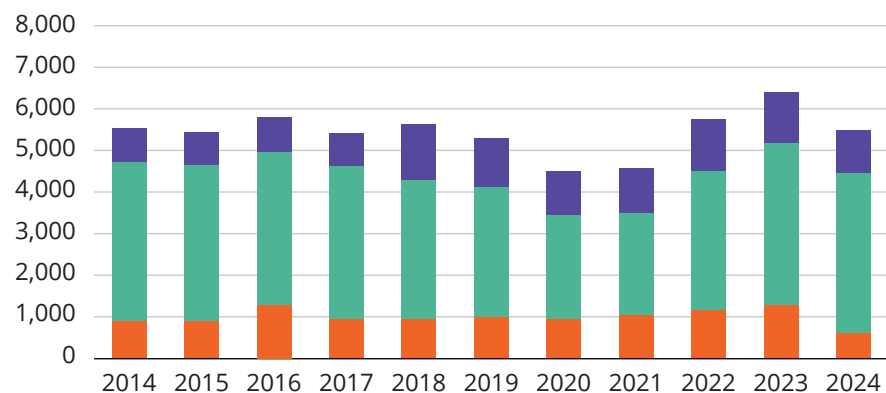
Biodiversity and habitat

| Our goal | Our progress | Our journey |
|--|---|---|
| Survey of all assets by 2026 to identify opportunities to create habitats that promote biodiversity. |  Incubating | <ul style="list-style-type: none"> This may be included as a supplement to our net zero pathways study. |
| Implement drought-tolerant landscaping plans for all assets by 2027. |  Gaining momentum | <ul style="list-style-type: none"> All residential properties must include drought tolerant plant species when replacing any existing landscaping on site (excluding seasonal beds), however we have not extended this to our industrial properties due to these areas being managed by the tenants. |



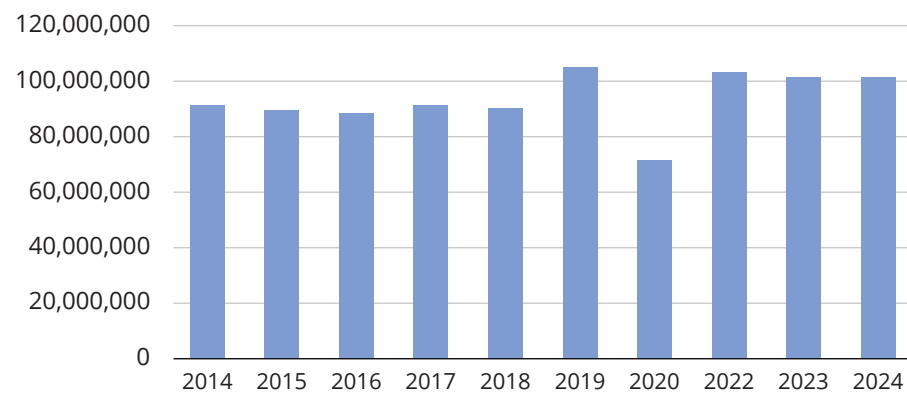
Portfolio consumption, GHG and intensity

Summary of emissions (tCO2e)



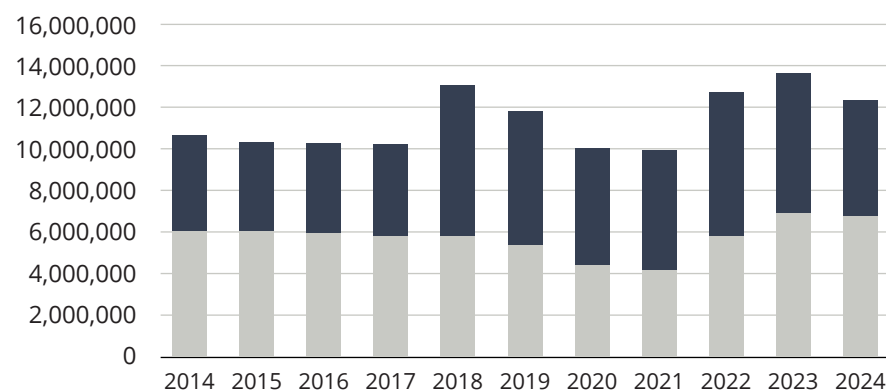
Scope 1: Direct emissions Scope 2: Indirect emissions, energy Scope 3: Indirect emissions, other

Water consumption (litres)



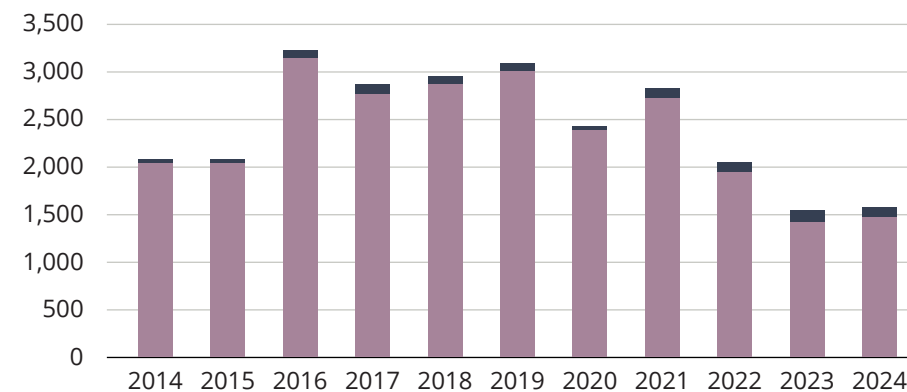
Water consumption

Energy consumption (kWh)



Electricity consumption Gas consumption

Total waste (tonnes)

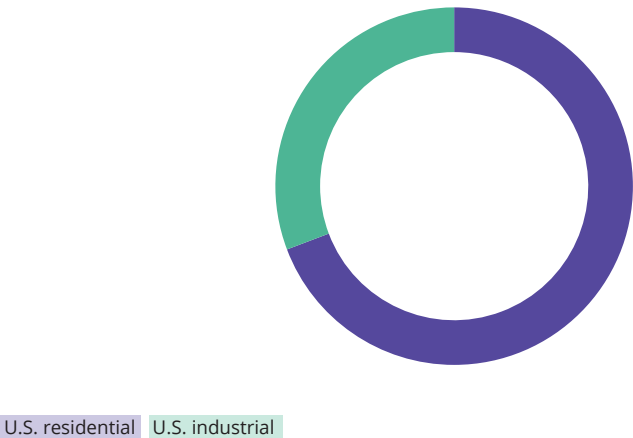


Landfill Recycling

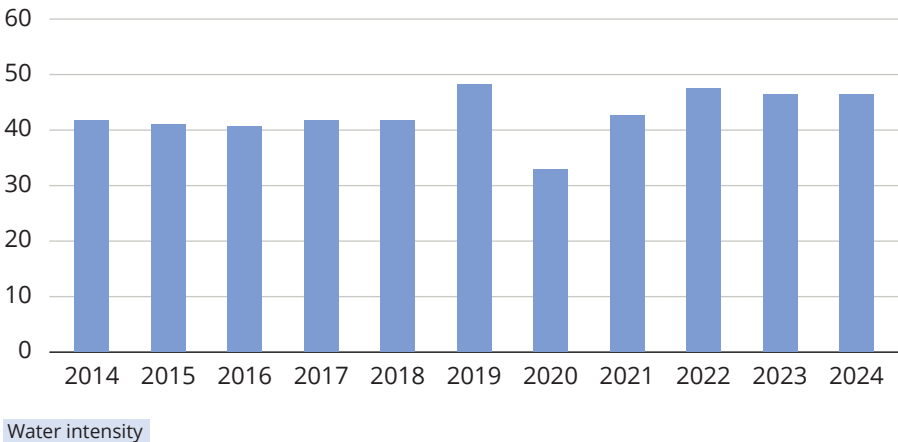


Portfolio consumption, GHG and intensity

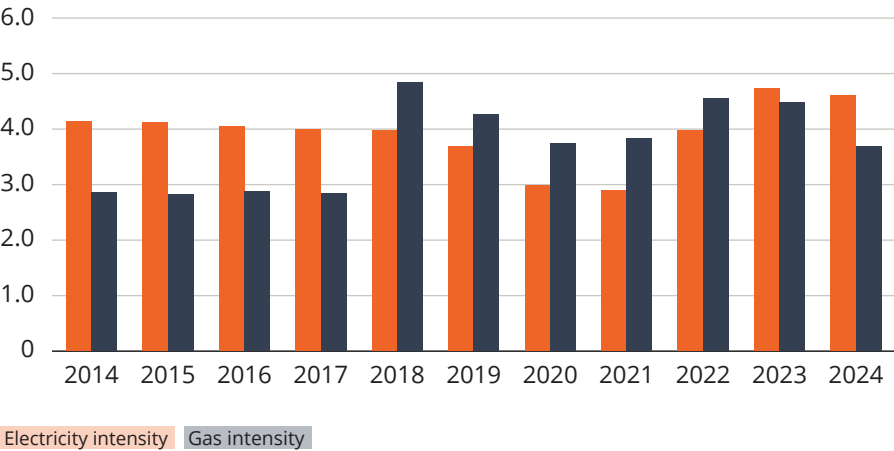
Emissions by property type (tCO2e)



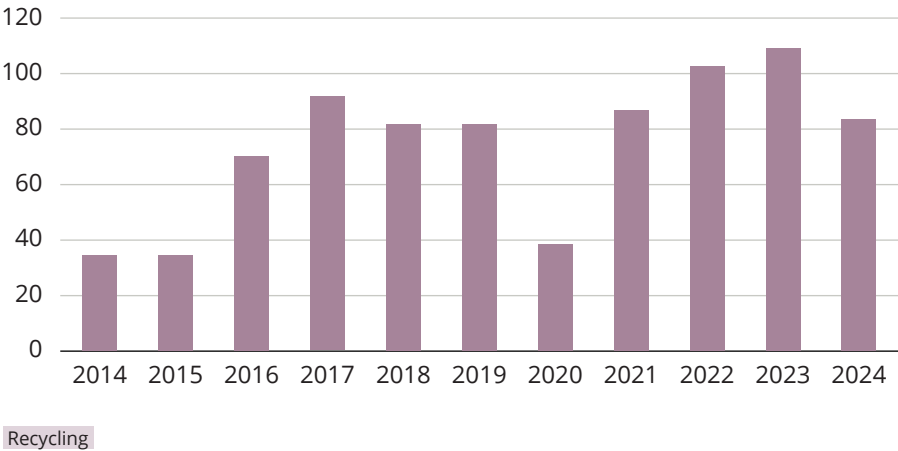
Water intensity (litres psf)



Energy intensity (kWh psf)



Recycled waste (tonnes)



Portfolio consumption tables

Electricity (kWh)

| Property | 2023 | 2024 |
|---------------------------|------------------|------------------|
| Multi-family (Nashville) | 593,855 | 535,741 |
| Multi-family (Memphis) | 512,697 | 556,727 |
| Multi-family (Birmingham) | 321,873 | 328,413 |
| Industrial (Waukegan) | 3,096,491 | 2,931,164 |
| Industrial (Joliet) | 2,503,296 | 2,524,305 |
| U.S. | 7,028,211 | 6,876,350 |

Natural gas (kWh)

| Property | 2023 | 2024 |
|---------------------------|------------------|------------------|
| Multi-family (Nashville) | 251,744 | 254,333 |
| Multi-family (Memphis) | 4,098 | 7,738 |
| Multi-family (Birmingham) | 4,193 | 3,284 |
| Industrial (Waukegan) | 5,645,282 | 4,741,465 |
| Industrial (Joliet) | 764,945 | 491,219 |
| U.S. | 6,670,264 | 5,498,220 |

Total energy (kWh)

| Property | 2023 | 2024 |
|---------------------------|-------------------|-------------------|
| Multi-family (Nashville) | 845,600 | 790,075 |
| Multi-family (Memphis) | 516,795 | 564,465 |
| Multi-family (Birmingham) | 326,066 | 331,697 |
| Industrial (Waukegan) | 8,741,733 | 7,672,809 |
| Industrial (Joliet) | 3,268,241 | 3,015,524 |
| U.S. | 13,698,474 | 12,374,570 |

Water (L)

| Property | 2023 | 2024 |
|---------------------------|--------------------|--------------------|
| Multi-family (Nashville) | 17,952,694 | 17,884,935 |
| Multi-family (Memphis) | 46,048,038 | 50,500,422 |
| Multi-family (Birmingham) | 18,758,987 | 18,481,516 |
| Industrial (Waukegan) | 11,031,447 | 10,345,350 |
| Industrial (Joliet) | 7,841,102 | 5,083,808 |
| U.S. | 101,992,242 | 102,296,211 |

Landfill (tonnes)

| Property | 2023 | 2024 |
|---------------------------|----------------|----------------|
| Multi-family (Nashville) | 448.22 | 459.85 |
| Multi-family (Memphis) | 443.18 | 544.48 |
| Multi-family (Birmingham) | 374.36 | 350.77 |
| Industrial (Waukegan) | 100.21 | 97.48 |
| Industrial (Joliet) | 72.54 | 50.83 |
| U.S. | 1438.51 | 1503.41 |

Recycling (tonnes)

| Property | 2023 | 2024 |
|---------------------------|---------------|--------------|
| Multi-family (Nashville) | 85.61 | 61.80 |
| Multi-family (Memphis) | 10.85 | 13.44 |
| Multi-family (Birmingham) | 0.00 | 0.00 |
| Industrial (Waukegan) | 8.35 | 8.35 |
| Industrial (Joliet) | 3.78 | 0.00 |
| U.S. | 108.59 | 83.59 |

Total waste (tonnes)

| Property | 2023 | 2024 |
|---------------------------|-----------------|-----------------|
| Multi-family (Nashville) | 533.83 | 521.65 |
| Multi-family (Memphis) | 454.03 | 557.92 |
| Multi-family (Birmingham) | 374.36 | 350.77 |
| Industrial (Waukegan) | 108.56 | 105.83 |
| Industrial (Joliet) | 76.32 | 50.83 |
| U.S. | 1,547.10 | 1,587.00 |



Portfolio consumption tables

| Total GHG emissions | | Total emissions (tCO2e) | |
|---------------------------|--|-------------------------|---------------|
| Property | | 2023 | 2024 |
| Multi-family (Nashville) | | 775.7 | 546.4 |
| Multi-family (Memphis) | | 692.1 | 561.9 |
| Multi-family (Birmingham) | | 503.3 | 325.9 |
| Industrial (Waukegan) | | 2875.6 | 2571 |
| Industrial (Joliet) | | 1561.2 | 1479.5 |
| U.S. | | 6407.9 | 5484.6 |

| Natural gas, oil, propane (scope 1 direct) | | Total emissions (tCO2e) | |
|--|--|-------------------------|--------------|
| Property | | 2023 | 2024 |
| Multi-family (Nashville) | | 45.6 | 46.1 |
| Multi-family (Memphis) | | 0.7 | 1.4 |
| Multi-family (Birmingham) | | 0.8 | 0.6 |
| Industrial (Waukegan) | | 1023.1 | 859.4 |
| Industrial (Joliet) | | 138.6 | 89 |
| U.S. | | 1208.9 | 996.5 |

| Electricity, steam, chilled water (scope 2) | | Total emissions (tCO2e) | |
|---|--|-------------------------|---------------|
| Property | | 2023 | 2024 |
| Multi-family (Nashville) | | 321.4 | 289.9 |
| Multi-family (Memphis) | | 277.5 | 301.3 |
| Multi-family (Birmingham) | | 160 | 163.2 |
| Industrial (Waukegan) | | 1758.7 | 1664.8 |
| Industrial (Joliet) | | 1354.8 | 1366.1 |
| U.S. | | 3872.3 | 3785.4 |

| Water, landfill waste (scope 3) | | Total emissions (tCO2e) | |
|---------------------------------|--|-------------------------|--------------|
| Property | | 2023 | 2024 |
| Multi-family (Nashville) | | 408.6 | 210.4 |
| Multi-family (Memphis) | | 413.9 | 259.2 |
| Multi-family (Birmingham) | | 342.6 | 162.1 |
| Industrial (Waukegan) | | 93.8 | 46.8 |
| Industrial (Joliet) | | 67.8 | 24.3 |
| U.S. | | 1326.7 | 702.8 |

| Energy use intensity (kWh psf) | | | |
|--------------------------------|--|------------|------------|
| Property | | 2023 | 2024 |
| Multi-family (Nashville) | | 19 | 17.7 |
| Multi-family (Memphis) | | 4.1 | 4.4 |
| Multi-family (Birmingham) | | 5.6 | 5.7 |
| Industrial (Waukegan) | | 25.5 | 22.4 |
| Industrial (Joliet) | | 3.6 | 3.3 |
| U.S. | | 9.3 | 8.4 |

| Water use intensity (litres psf) | | | |
|----------------------------------|--|-------------|-------------|
| Property | | 2023 | 2024 |
| Multi-family (Nashville) | | 71.8 | 71.6 |
| Multi-family (Memphis) | | 107.4 | 116.9 |
| Multi-family (Birmingham) | | 74.1 | 73.0 |
| Industrial (Waukegan) | | 32.1 | 30.1 |
| Industrial (Joliet) | | 8.6 | 5.6 |
| U.S. | | 46.7 | 46.8 |

| Waste intensity (tonnes psf) | | | |
|------------------------------|--|------------|------------|
| Property | | 2023 | 2024 |
| Multi-family (Nashville) | | 2.1 | 2.1 |
| Multi-family (Memphis) | | 1.0 | 1.3 |
| Multi-family (Birmingham) | | 1.5 | 1.4 |
| Industrial (Waukegan) | | 0.3 | 0.3 |
| Industrial (Joliet) | | 0.1 | 0.1 |
| U.S. | | 0.7 | 0.7 |



EcoVert data verification letter



Toronto – Kitchener – Ottawa

DATA VERIFICATION LETTER

Ecovert has conducted data verification for Avison Young's 2024 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 2024 energy, water, and waste performance data on behalf of Avison Young for the following properties participating in the 2024 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 2024 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 2024 Sustainability Report.

www.ecovert.ca



EcoVert data verification letter



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 2024 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

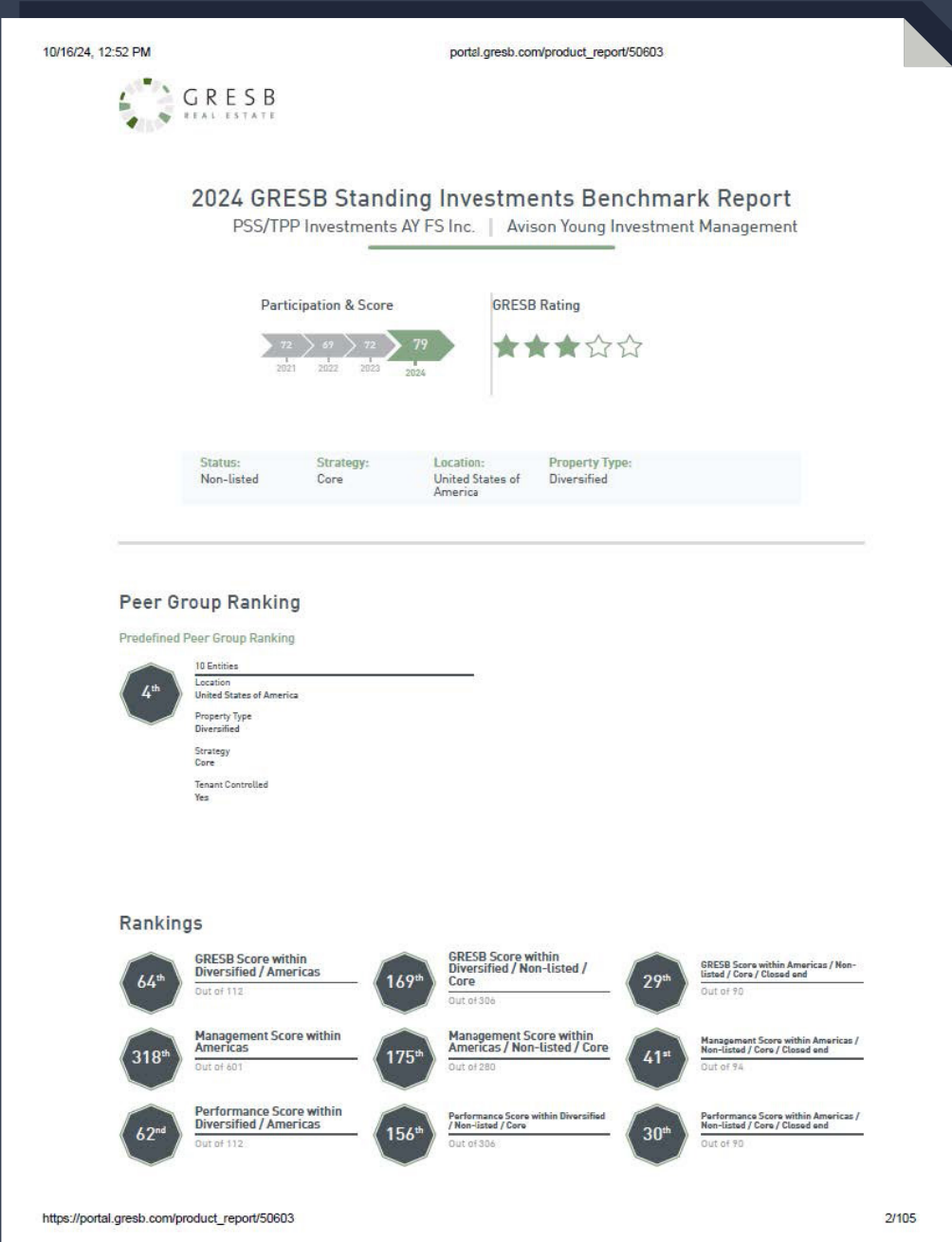
James Donath
Director of Project Management
Date: 23 June 2025

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GRESB real estate benchmark report

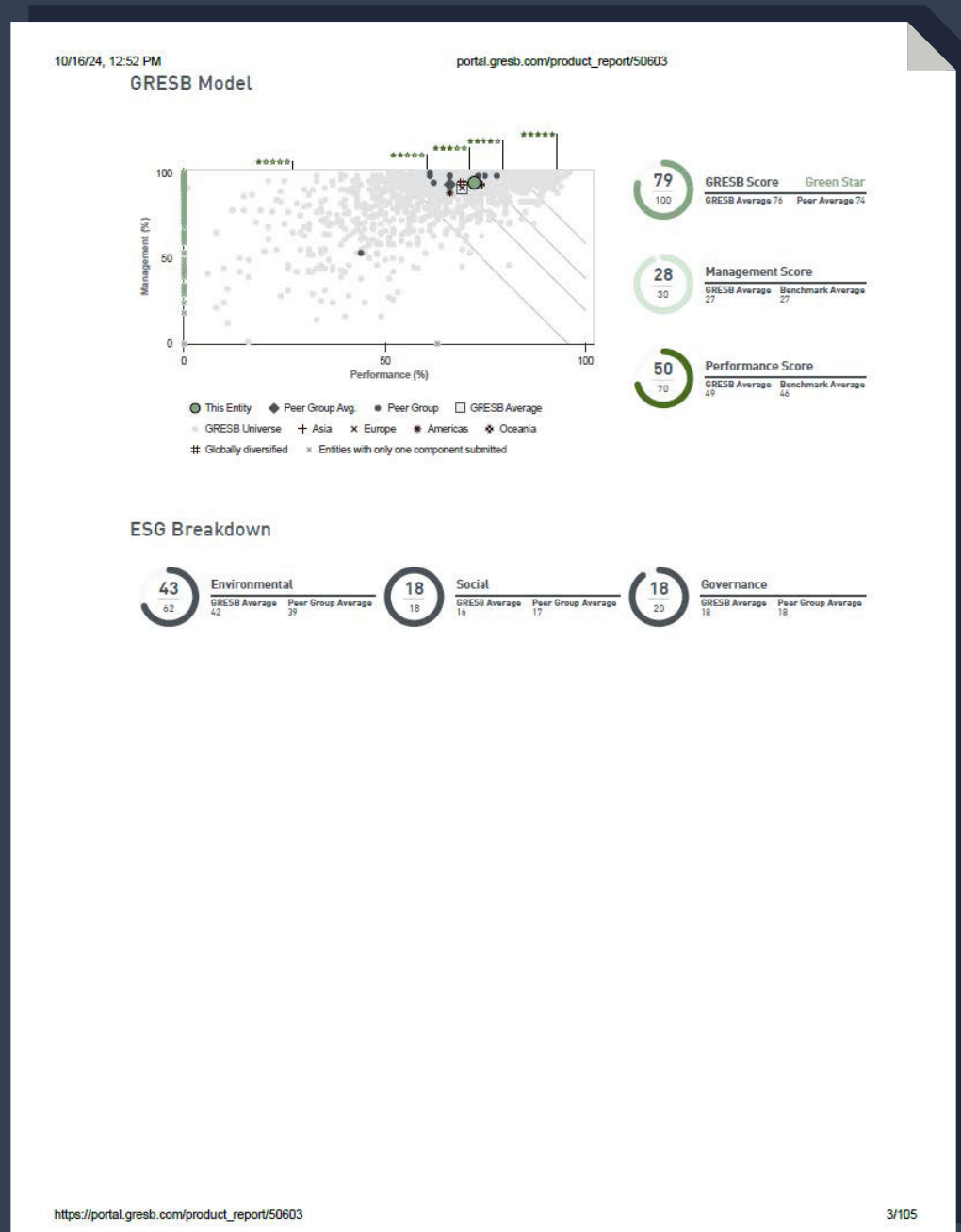
2024 scorecard



Annex B

GRESB real estate benchmark report

2024 scorecard



Annex B

GRESB real estate benchmark report

2024 scorecard

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Trend



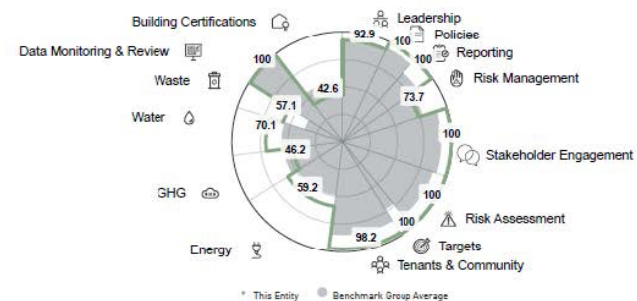
Note:

GRESB advises against the direct comparison between 2024 GRESB Scores and prior year results. The new Standard provides a more rigorous assessment of sustainability practices, new asset-level benchmarks, and enhanced alignment with emerging investor priorities. These benefits come at the cost of comparability, and investors are encouraged to carefully evaluate changes driven by the evolution of the Standard, assessment methodology, and participant actions.

Relative comparisons are among the best indicators of performance, and they provide investors and other data users with clear and relevant information to better contextualize a score, given the evolving methodology. Investors are encouraged to use rankings to understand the relative position of companies among their peers.

For more detailed information about this year's changes and their impact, [please click here](#).

Aspect, Strengths & Opportunities



MANAGEMENT COMPONENT
Americas | Core (280 entities)

https://portal.gresb.com/product_report/50603

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Annex B

GRESB real estate benchmark report

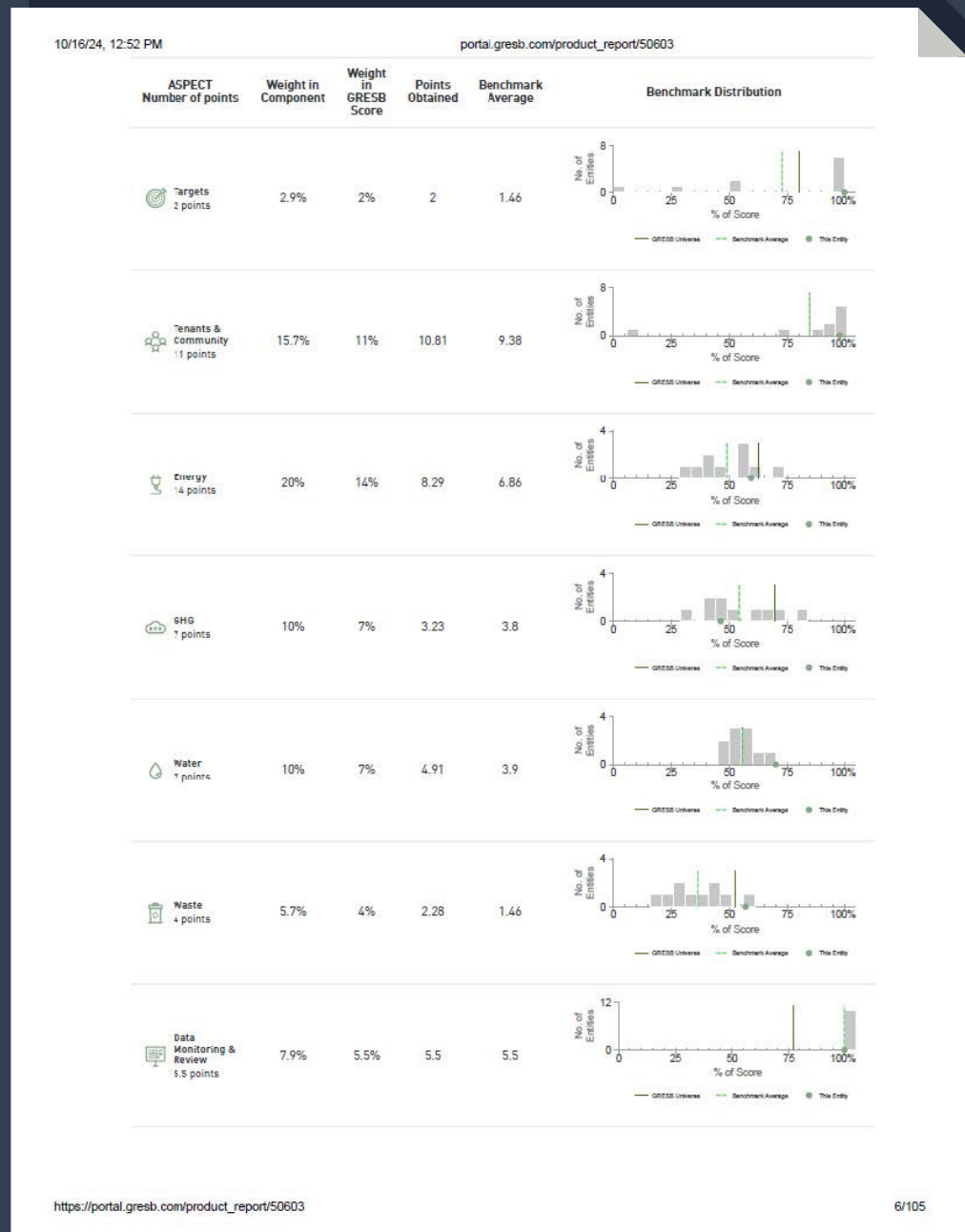
2024 scorecard



Annex B

GRESB real estate benchmark report

2024 scorecard



GRESB real estate benchmark report

2024 scorecard



2024 ESG report

North America

For more information, 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

222 Bay Street, Suite 2500
Toronto, Ontario, M5K 1J5
Canada

Andrew Fraser

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

222 Bay Street, Suite 2500
Toronto, Ontario, M5K 1J5
Canada

im.avisonyoung.com

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