

2023 ESG Report



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About this Report

This report highlights Warrington PCI Management (WPM’s) Environmental, Social and Governance (ESG) performance for the 2023 calendar year and outlines a set of forward-looking goals and actions that will guide WPM in our commitment to integrating ESG strategies across our managed portfolio and company in 2024 and beyond. We have aligned our commitments with the following United Nations Sustainable Development Goals, a global effort to protect our planet and work towards improving human health and prosperity by the year 2030.



Letter from our President

At WPM, our mission is to deliver exceptional real estate services that create sustainable value for our clients and community. As one of Canada's largest and fastest-growing property management companies, it is both our responsibility and an important business strategy to integrate Environmental, Social, and Governance (ESG) practices into our company and services.

The accelerating impacts of climate change make it imperative to limit global warming to 1.5°C above pre-industrial levels and achieve net-zero emissions by 2050. We recognize our responsibility to our clients, tenants, employees, communities, and the planet to drive sustainable performance and advance low-carbon resilience across our managed portfolio.

We believe that sustainable practices should not only benefit the environment but also contribute to social equity and community development. By creating safe, healthy, and inclusive spaces, we aim to enhance the quality of life for all who live and work in our managed properties.

As the global economy moves towards a more equitable, low-carbon future, tenants and clients increasingly seek property management partners committed to environmentally sound operations, social responsibility, and strong governance.

Buildings equipped with energy-saving technologies, water conservation plans, and robust waste management policies will not only attract tenants and maintain strong lease rates, but they will also be more resilient and cost-competitive for our clients.

We are building on a legacy of exceptional property management, laying the groundwork for future success. In 2023, we focused on assessment and planning, while continuing to implement several exciting initiatives. This report details our strategic and thoughtful approach to integrating ESG principles into our operations.

We are committed to advancing sustainable and socially responsible practices in our industry and look forward to working with our tenants, clients, and the broader community to achieve a greener and more equitable future.

Sincerely,
Adam Spear, President



About Warrington PCI Management

We are committed to delivering sustainable outcomes for our planet, fostering social responsibility and maintaining ethical business practices across all aspects of our operations.

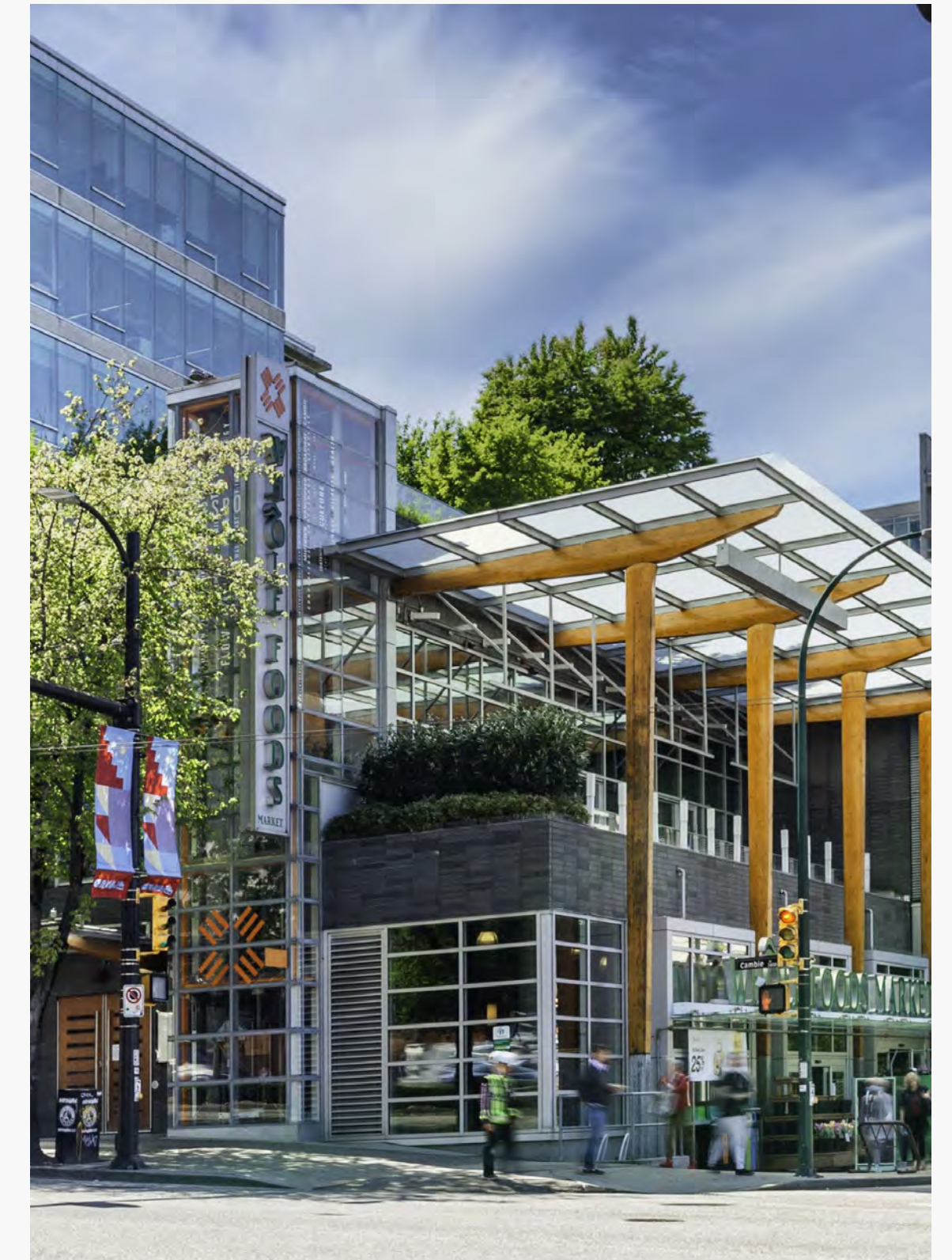


Warrington PCI Management (WPM) is British Columbia's largest commercial property management firm, overseeing more than 17 million square feet of office, retail, industrial and residential space.

We are dedicated to managing our clients' building assets with the utmost care and professionalism. We understand that exceptional property management goes beyond maintaining physical assets; it involves building strong relationships with our clients and tenants. Our team of over 200 highly skilled employees is committed to providing responsive, personalized service, addressing concerns promptly, and exceeding expectations.

Our broad spectrum of clients includes pension funds, investment advisory firms, private investors, associations and municipalities. With over 30 years of experience in the real estate market, we have the expertise and management systems in place to protect, create and enhance value for our clients' assets.

WPM has experienced significant growth over the past five years. As we continue to expand, we remain dedicated to fostering long-term relationships with our diverse clientele, investing in sustainable practices, and delivering exceptional value across all our managed properties.



WPM acknowledges and honours the traditional and unceded territories on which we operate, including 21 local first nations: Esquimalt, Katzie, Kwantlen, Kwikwetlem, Lheidli T'enneh, Malahat, Matsqui, Musqueam, Nanoose/Snaw-naw-as, Pauquachin, Qayqay, Semiahmoo, Songhees, Snuneymuxw, Squamish, Tsartlip, Tseycum, Tsawwassen, Tsawout, Tsleil-Waututh and WSA NEC. We recognize the deep connection that Indigenous peoples have with the land and waters they have stewarded for generations. WPM is committed to fostering respectful relationships, advancing reconciliation, and ensuring equitable access to jobs, training, and education opportunities for Indigenous peoples.

 **17+** Million Sq.Ft.

Total square feet managed

 **210+** Properties

Properties managed in British Columbia

 **12.5+** Billion Dollars

Assets under management

 **200+** Employees

Dedicated partners in property management



Professional Associations and Awards

We engage with professional groups and the communities we work in to advance ESG principles in our industry. We are proud to contribute to the creation of resilient, thriving communities and to drive positive change in the real estate sector by working with the following industry organizations:



Our Commitment to ESG

For over three decades we have served the interests of our clients, tenants and communities we work in. These years of sound management practices and excellent customer service have positioned us well to collaborate with our clients, employees and tenants in reducing our collective impact on the planet, increasing property values, and creating an equitable and engaging workplace.

As ESG has become an increasingly important aspect of continuing to protect and generate value, we have been working hard to implement processes and procedures to responsibly manage the transformation underway across our managed portfolio. With this report, we are committed to implementing a robust ESG strategy along with a comprehensive set of programs and policies that align with industry standards and best practices. Our goal is to ensure that our operations contribute positively to the environment, our workforce, and the communities that we work and live in.



Materiality Assessment

In 2023, we conducted a Materiality Assessment and used the results to further shape our ESG strategy. By understanding the key concerns and priorities of our clients, tenants, staff, and communities, we can better align our efforts to meet expectations and drive meaningful progress. Through an online survey, we asked participants to rank ESG topics in terms of importance and potential impact. These results have been instrumental in forming the foundational structure of WPM's ESG strategy.

Environmental

Climate Change Mitigation

Energy Reduction • Waste Reduction • Water Management

Climate Resilience

Portfolio-wide Integrity and Vulnerability

Social

Employee + Workplace

Employee Engagement + Advancement • Diversity, Equity and Inclusion • Health, Safety and Security

Clients, Tenants + Community

Communications • Client and Tenant Satisfaction • Community Impact

Governance

Management Standards

Business Ethics • Cybersecurity and Customer Privacy

2023 Impact Highlights



Environment

We advise our clients with leading environmental sustainability strategies to create lasting value while reducing environmental impact.



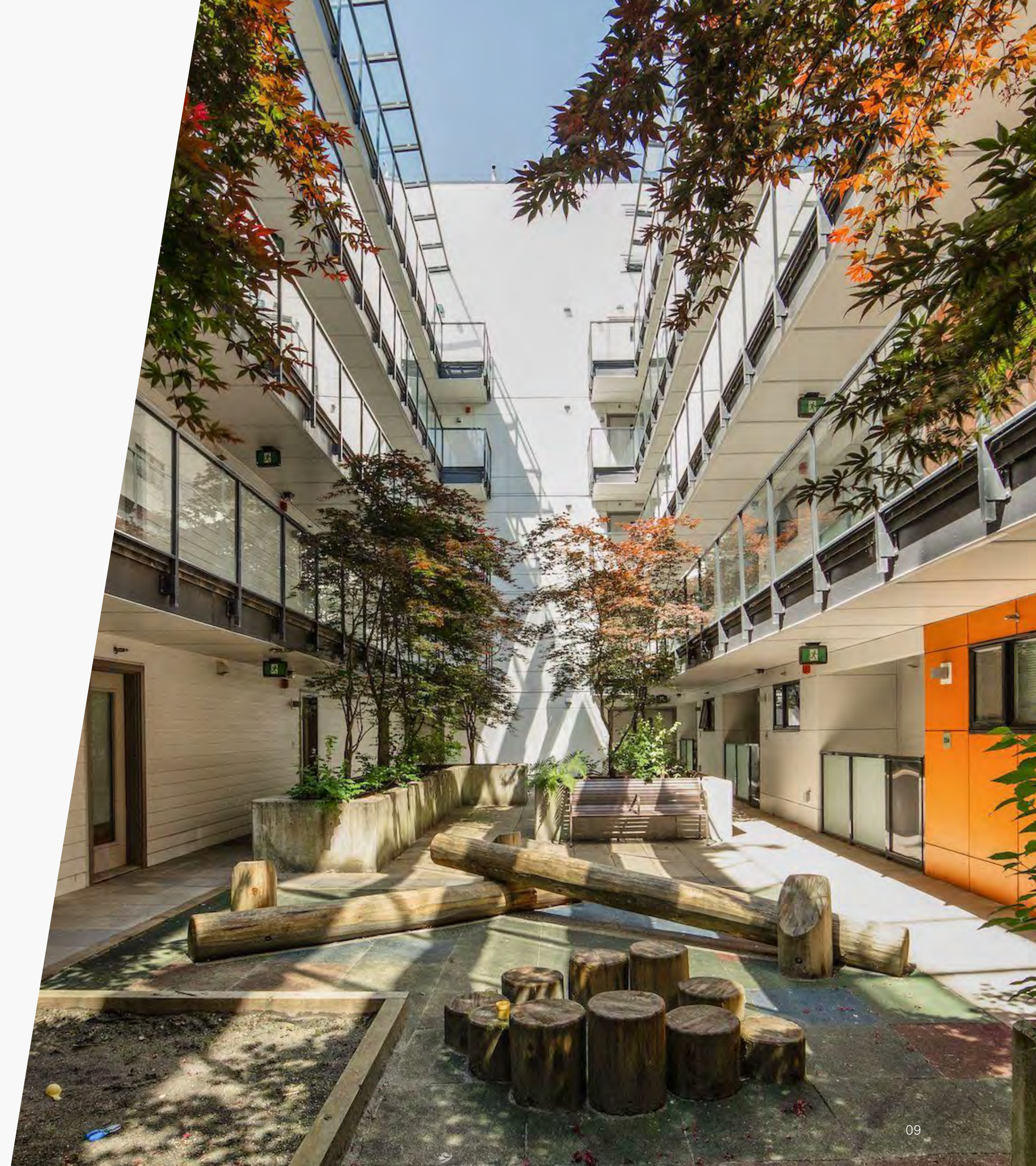
Climate Change Mitigation

As climate change increasingly impacts global economies and communities, the real estate sector plays a crucial role in mitigating these effects. As a leading property management firm in the province and with 95% of our managed properties located in Metro Vancouver, we are uniquely positioned to advance decarbonization efforts within our industry and community.

The City of Vancouver is leading the way by setting ambitious carbon pollution limits for large commercial and multifamily buildings, signaling the importance of reducing emissions from the built environment.

Investing in energy-efficient, low-carbon technologies, water conservation strategies, and effective waste management practices leads to cost savings, reduced environmental impact, enhanced property value, regulatory compliance, and improved tenant satisfaction. These sustainable practices provide a competitive advantage and ensure long-term value and resilience in an evolving market focused on sustainability.

We are collaborating with our clients to develop and implement economically feasible decarbonization plans for each building, balancing tenant cost affordability with long-term value for our clients' assets.



2023 Impact Stories



Data Collection

Robust data collection, tracking, and analysis are the backbone of our ESG strategy, and we have made significant strides in this area in 2023.

Last year, we uploaded 100% of the energy and water data from our managed properties into Energy Star Portfolio Manager (ESPM). By the end of 2024, we are working towards collecting greenhouse gas (GHG) emissions data for our entire 17 million square foot of assets under management. Currently, 7.9 million square feet of our properties utilize the STREAM utility monitoring and analysis system for advanced energy usage data, providing real-time, whole-building energy information. We are also tracking waste costs, increasing the number of waste audits completed across our managed portfolio, and incorporating green lease clauses to capture tenant waste, water, and energy data for better sustainability reporting.



Decarbonization Planning

We are creating a decarbonization plan for our entire managed portfolio to reduce emissions at each property. Collaborating with our clients and tenants, we leverage local government and utility incentives to assess building-level energy efficiency and emissions reduction opportunities. Based on these assessments, we will develop customized, phased decarbonization plans and work with clients and tenants to implement retrofit projects to enhance energy efficiency and electrify equipment wherever possible.

Currently, close to 3.2 million square feet of our managed portfolio is undergoing decarbonization assessments, with a goal to complete assessments for the entire managed portfolio by the end of 2026. Four of our managed buildings on West Broadway, totaling nearly 800,000 square feet, exemplify this approach. Detailed assessments have led to comprehensive decarbonization plans to reduce emissions intensity by 100% by 2040, with interim targets for each location.



Validating our Actions with Certification Programs

At WPM, we leverage third-party verification programs such as BOMA BEST, LEED and GRESB to validate our ESG efforts and benchmark against industry best practices. These certifications underscore our commitment to ESG, attract environmentally and socially conscious tenants, and ensure alignment with regulatory standards, ultimately enhancing our properties' value and marketability.

In 2023, we proudly certified six new buildings under the BOMA BEST certification system, bringing WPM's total to 7.5 million square feet of certified building space. Looking ahead to 2024, we are targeting an additional eight BOMA BEST certifications and one Zero Carbon Building (ZCB) certification.



Rendering post-redevelopment/late 2025

Emissions Reduction Success

The benefits of our focus on environmental sustainability are exemplified by our work at Royal Centre, one of downtown Vancouver’s iconic buildings. Since taking over management of the property in 2016, we have optimized many aspects of Royal Centre’s heating and cooling systems, incorporating multiple technologies to reduce energy and water use, and implementing a comprehensive waste diversion program.

These efforts transformed Royal Centre into an award-winning, best-in-class office space, earning multiple accolades including LEED Building Operations and Maintenance Gold in 2020, CaGBC Zero Carbon Building Certification in 2022, and BOMA BEST Gold certification in 2023.



39 %

reduction in energy
consumption



31 %

reduction in eCO2
emissions



36 %

reduction in water
consumption



86 %

reduction in waste sent
to landfill



Our Priority Actions

Category

2024 / 25 Priority
Action Items

 Climate Change Mitigation

Data Collection + Assessment

- Produce asset registry to understand and inventory existing building systems portfolio-wide.
- Determine portfolio-wide GHG baseline and reduction target.
- Identify low-cost carbon reduction measures across our managed portfolio.

Planning

- Develop decarbonization plans for every property.
- Develop business cases and budgets for low-carbon equipment retrofits identified within the next five years.

 Waste Reduction

Data Collection + Assessment

- Conduct Waste Audits to determine baseline rates.

Policies and Programs

- Develop and implement waste reduction strategies from gaps and opportunities identified in audits.
- Create zero-waste program and policy for tenants and implement at select properties.

Tenant Improvements

- Update WPM tenant construction manuals to include mandatory waste diversion strategies.

Hazardous Materials

- Update hazardous chemicals and materials inventories across our managed portfolio.
- Update hazardous chemicals, materials and waste handling and storage policies and program.

 Water Management

Data Collection, Assessment + Implementation

- Load every property onto a utility platform and set water use benchmarks.
- Budget for water audits, where appropriate.
- Implement water management strategies identified in audits in relevant buildings.

Climate Resilience

Assessing climate risk is crucial for creating long-term sustainable value for our clients. By identifying and mitigating these risks, we ensure the sustainability and resilience of the buildings we manage. Improving building resilience is vital as climate change presents increasing risks, such as extreme weather events (flooding, heat domes), geological events (earthquakes), and long-term changes (rising sea levels). Strengthening our managed buildings' resilience not only protects the assets but also ensures the safety and well-being of our tenants.

We will continue to refine our risk management practices, identifying and mitigating potential ESG-related risks. This proactive approach enhances property value, protects our reputation, and ensures long-term success, ultimately contributing to a more resilient real estate sector.



2023 Impact Stories



Understanding and Managing Risk

Understanding climate and other ESG risks is critical for managing our clients' properties and making informed risk management and insurance decisions. In 2023, we initiated a comprehensive risk assessment of our managed portfolio to identify and mitigate potential vulnerabilities related to climate change and other ESG factors.

Our approach includes thorough assessments of energy efficiency, emissions, water usage, and other environmental impacts. These assessments provide us with the data needed to develop targeted action plans that enhance building performance, improve resilience, and ensure adequate insurance coverage. By the end of 2024, we aim to complete risk assessments for 30 buildings within our managed portfolio, in partnership with a leading insurance broker and risk management firm.



Our Priority Actions

Category

 Portfolio-wide Integrity and Vulnerability

2024 / 25 Priority
Action Items

- Determine appropriate portfolio integrity, vulnerability and catastrophe modeling products and conduct assessment.
- Conduct building condition reports for ‘at risk’ properties and later for all properties, to identify climate change, extreme weather and seismic risks and to develop measures to manage risks.
- Implement risk management measures and retrofits to address risks at all properties.
- Develop business continuity plans to address climate-related weather risks.
- Investigate insurance offerings relating to resilience and catastrophe modelling.

Social

We are building an equitable workplace, together.
We understand our responsibility to make a positive
impact in the communities in which we operate.



Employees + Workplace

At WPM, we prioritize engagement, career advancement, diversity, equity, and inclusion (DEI), and health and safety at the core of our employee experience. These elements are crucial for individual growth and essential for fostering a supportive and inclusive workplace culture.

Our focus on engagement cultivates a positive workplace environment, reduces turnover, and attracts top talent. By promoting career advancement, we provide opportunities and resources for employees to reach their full potential. Our DEI initiatives ensure everyone feels valued and respected, celebrating diverse perspectives and enhancing creativity and problem-solving capabilities. Additionally, our commitment to health and safety underscores our dedication to employee well-being. By maintaining rigorous health and safety standards, we create a secure and supportive environment where our team can perform at their best.

Supporting an engaged, diverse workplace at WPM is integral to our success. It strengthens our organizational culture, drives innovation, and ensures that we remain a leader in the property management industry.



2023 Impact Stories



Career Advancement and Leadership Training

Each year, we invest in employee career development, and 2023 was no exception, with \$176,000 dedicated to employee training and licensing.

In 2023, seven employees (four women and three men) advanced to key leadership roles, including directors of property management and divisional and corporate controllers. Recognizing that many were new to people management, we invested in their professional development by hiring an external HR consulting firm to provide comprehensive leadership and management training. This initiative underscores our dedication to nurturing talent and ensuring our leaders are equipped with the skills necessary to excel in their new roles and drive success at WPM.



A Space Designed for Collaboration

We moved into our new head office space in early 2023. Designed to enhance the employee experience, it creates a welcoming space for collaboration with clients, consultants, and contractors, and supports the delivery of exceptional real estate management services.

The office features a new kitchen and gathering space, state-of-the-art hybrid meeting technology in all meeting rooms, and an office layout that promotes teamwork and efficient service delivery. Additionally, the new space includes soundproof meeting pods for confidential conversations.

This thoughtfully designed environment not only fosters a sense of community but also demonstrates our commitment to environmental sustainability. To improve our diversion rates as a part of our office upgrade, we installed a new centralized waste system in the kitchen and copy rooms, developed updated waste signage and launched a Zero Waste campaign to engage employees in using the new system.



A Commitment to Health and Safety

In 2023, we completed an update to our occupational health and safety program, originally developed in collaboration with a leading environmental, engineering, building science, and health and safety consulting firm in 2018, demonstrating our steadfast commitment to employee well-being. Covering a broad spectrum of safety protocols, from safe equipment usage to confined space work, we prioritize safety at every turn. Throughout the year, we provided in-person and online training on various safety scenarios including working at heights, Genie Lift certification and WHMIS to reinforce the skills and knowledge of our building operators. The recent certification/recertification of 25 employees as Occupational Health and Safety officers further solidifies our dedication to maintaining a safe work environment. These officers, stationed across our properties, will play a crucial role in upholding and reinforcing our safety standards.





Our Priority Actions

Category

 Employee Engagement + Advancement

2024 / 25 Priority Action Items

- Refresh and implement WPM’s employee engagement strategy.
- Review employee benefits for comparison vs. industry best practices.
- Develop an employee training and advancement strategy.
- Embed employee education/credentials assessments into annual performance reviews to identify training and education needs.

 Diversity, Equity and Inclusion

- Develop and implement a DEI policy and strategy to recruit and retain a workforce that is representative of the communities in which WPM’s operates.
- Refresh and communicate protocol for Human Resource complaints.

 Health, Safety and Security

- Ensure all Health and Safety policies and crisis management standard operating procedures are updated and communicated to properties and contractors.
- Develop a program to conduct regular site audits to identify, document and address Health and Safety concerns.
- Enhance tracking of health, safety and security incidents.

Clients, Tenants + Community

Tenant, client, and community engagement are the cornerstones of our success. Enhancing our communication activities and reporting on our ESG progress fosters transparency and builds trust. Regular engagement with tenants and clients helps us understand their needs, cultivate strong relationships, and create vibrant, sustainable spaces to work and live.

We also recognize our role in supporting the communities in which we operate. By contributing to local charitable causes and organizations, and by volunteering our time, we enhance the resilience of the neighborhoods where our buildings are located. These efforts underscore our dedication to making a positive social impact and fostering thriving communities.



2023 Impact Stories



Tenant and Client Satisfaction

We are developing a system to regularly assess tenant and client satisfaction. Monitoring customer service feedback is vital for understanding their needs and concerns, allowing us to make informed improvements to our services.

A proactive approach ensures that we consistently meet or exceed expectations, leading to higher client satisfaction and tenant retention rates. In 2023, we surveyed 970 residential tenants and received an overall average satisfaction score of 81% from respondents. Contributing to this high score, residential tenants reported high satisfaction with communication, responsiveness, location and cleanliness of our managed properties.



Supporting our Communities

Over the years, we have volunteered our time and supported numerous charities and community groups, organizing over 50 community events since 2018.

In 2023, we established a Community Engagement Committee to oversee our charitable contributions, with members from all business lines ensuring a diverse and inclusive approach. Guided by our Employee Survey, the committee aligns efforts with team values and interests.

Last year, we volunteered more than 200 hours and supported numerous community events and initiatives, reflecting our ongoing commitment to social responsibility. Among these initiatives, we supported Girls Club, a non-profit organization dedicated to celebrating and connecting girls with neurodevelopmental differences. We also donated our time and resources to Backpack Buddies, a local charity ensuring food security for many children across the province, and CityReach, contributing to their Boxes of Love Christmas hamper campaign.



Celebrating Women in Business at Royal Centre

We celebrated International Women's Day 2023 by organizing a market for women-founded, owned, and operated businesses. Held at one of our managed properties, Royal Centre, the event aimed to raise awareness of local entrepreneurs and help them reach new markets. The market featured 20 businesses, providing a platform for them to showcase their products and services to a broader audience.



Our Priority Actions

Category

 Communications

2024 / 25 Priority
Action Items

- Develop social media presence and embed posts with ESG content.
- Publish an annual ESG report and share with all employees, tenants and clients.

 Client and Tenant Satisfaction

- Connect with WPM tenants to gather feedback on our tenant services.
- Engage with WPM clients regularly to ensure we continue to provide exceptional real estate management services.
- Initiate customer service training for WPM employees, where relevant.

 Community Impact

- Create an annual community volunteer plan based on Community Engagement Committee guidance and employee survey input.
- Work with underrepresented/marginalized groups who are re-entering the workforce.

Governance

Robust and effective governance is the cornerstone of our commitment to ethical business operations.



Management Standards

Our sound management practices ensure effective oversight for advancing ESG priority actions and mitigating financial, legal, and reputational risks.

We continue to implement systems to measure and evaluate ESG performance, develop targets and plans to demonstrate our commitment, and take action to track and enhance our ESG performance across our managed portfolio and company.

We also actively monitor and manage risks at both the corporate and operational levels. We promote fair competition and prevent corruption through code of conduct signoffs and have implemented stringent measures to protect client and tenant data, comply with privacy regulations, and collaborate with cybersecurity experts to proactively address potential threats, ensuring the resilience of our IT systems.

Adhering to ethical standards builds trust with clients, tenants, and the community, fostering long-term relationships. Our ESG strategic priorities align with public interest obligations, safeguarding our reputation and the interests of our employees, tenants, and clients.



2023 Impact Story

Strengthening IT Security and Data Protection


We recognize the importance of protecting confidential information, including customer data, against breaches of confidentiality and cyber threats. In 2023, we enhanced our IT security measures and ensured compliance with regulations. We engaged an independent third-party firm to conduct comprehensive IT system risk exposure testing, providing actionable insights to strengthen our defenses. We also updated our residential and commercial leasing policies to further ensure compliance with the Personal Information Protection Act (PIPA). These policies safeguard personal information, enhance data privacy, and maintain client and tenant trust. By proactively addressing IT security and data protection, we demonstrate our commitment to confidentiality and the protection of our clients, tenants, and corporate information.






Our Priority Actions

Category

 Business Ethics

2024 / 25 Priority
Action Items

- Enhance and disburse responsible contracting policy to employees and contractors and amend contracts as needed.
- Annual employee sign off of code of conduct.

 Cybersecurity and Customer Privacy

- Ensure HR and Finance confidentiality policies are documented and checks and balances are in place to confirm compliance.
- Review business continuity plans at the organizational and operational level to address system risks or potential vulnerabilities.
- Implement recommendations from the independent third-party IT assessment.

Looking Forward

Our commitment to sustainability and excellence guides our vision for the future. As we navigate the evolving landscape of commercial real estate, we remain committed to collaborating with our employees and clients to adopt innovative, sustainable practices that enhance environmental stewardship, social responsibility, and economic resilience.

We are dedicated to deepening our focus on Environmental, Social, and Governance (ESG) principles and embedding them into every aspect of our business strategy. This includes transparent reporting, setting measurable targets, and continuously improving ESG performance to meet the expectations of our employees, tenants, and clients, and positively contribute to the community.

Looking to the future, we recognize the challenges ahead, but we remain optimistic. By embracing innovation, cultivating strong relationships and delivering on our ESG commitments, we are building a future where our properties, our clients, our communities and our planet thrive together.





Contact

We welcome and encourage your feedback on our 2023 Sustainability Report.

Please direct any questions or comments regarding the content of this report to:
sustainability@warringtonpci.com