

# PROREIT 2024 SUSTAINABILITY REPORT



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JULY 2025

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# ABOUT THIS REPORT

PRO Real Estate Investment Trust's (PROREIT) 2024 Sustainability Report highlights the ongoing commitments, strategy and accomplishments made to advance the environmental, social and governance (ESG) aspects of the organization. It is intended to inform all stakeholders of our progress and direction.

The report was prepared with reference to recognized sustainability disclosure frameworks, including the International Sustainability Standards Board's (ISSB) inaugural standards—IFRS S1 and IFRS S2—as well as the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), now integrated into the ISSB framework. It also draws on the Sustainability Accounting Standards Board (SASB) Standards for the real estate sector and incorporates relevant industry benchmarks to ensure alignment with leading ESG practices.

Unless otherwise specified, the information presented in this report covers the period from January 1 to December 31, 2024 (FY2024).

# MESSAGE FROM OUR PRESIDENT AND CEO

To Our Valued Stakeholders,

I am pleased to present PROREIT's 2024 Sustainability Report, which highlights our ongoing commitment to environmental, social, and governance (ESG) principles and our efforts to further integrate sustainability into our operations, while remaining focused on creating long-term value for our stakeholders.

Throughout the year, we made meaningful progress in advancing our ESG priorities. Notably, this year marks the first time we are disclosing our Scope 1 and Scope 2 greenhouse gas emissions, with 2023 as our baseline year. While most of our properties are tenant-controlled—limiting our direct control into energy use—this progress reflects our commitment to responsible real estate ownership and represents an important step toward broader data coverage over time.

We also strengthened our climate-related disclosures by aligning more closely with the recommendations of the Task Force on Climate-related Financial Disclosures. These efforts improve our ability to provide stakeholders with relevant information on how we manage climate risks and pursue opportunities for long-term, sustainable growth.

Our people are at the core of our success, and we remain committed to building strong, transparent relationships with our employees, tenants, and stakeholders. We strive to foster a safe, healthy and inclusive work environment—one that is supported by professional development opportunities, competitive benefits and a culture of meaningful engagement. This same dedication extends to our tenants, as reflected in the launch of our first tenant satisfaction survey, which will help guide our ongoing efforts to enhance their experience.

Our Board of Trustees continues to play a key role in providing oversight and ensuring sustainability considerations are embedded into our overall business strategy.

Looking ahead, we will continue to enhance data transparency, improve our environmental impact, engage our team and reinforce strong governance practices.

With the continued support of our employees, tenants, management and Trustees, I am confident in our ability to drive sustainable performance and resilient growth.

Sincerely,

**Gordon G. Lawlor, CPA**  
President and CEO, PROREIT





# BUILDING SUSTAINABLE VALUE

## OUR MISSION

To invest in high-quality commercial real estate and manage properties to high standards, while contributing to the local communities in which we operate through our dedication to economic, social and environmental sustainability.

## OUR VISION

To be a best-in-class pure-play Canadian light industrial REIT driven by sustainable growth and value creation.

## OUR VALUES

### Integrity

Operating our business in a responsible and ethical manner to build trust with our stakeholders



### Teamwork

Working effectively as one team to drive performance for both our tenants and investors



### Service Excellence

Delivering quality service to our tenants, while setting best-in-class standards within our industry



### Entrepreneurial

Growth driven with an institutional mindset, while maintaining an environment of respect, agility and accountability



### Community

Support for the regions where we operate and work



# CORPORATE OVERVIEW

HIGH QUALITY CANADIAN PORTFOLIO WITH A STRONG INDUSTRIAL FOCUS<sup>1</sup>

115

Properties<sup>2</sup> across Canada with a focus on Central and Eastern Canada

+80

Employees at PROREIT (including Compass Commercial Realty)

6.1M

Gross leasable area ("GLA") (sq. ft.)

\$1.0B

Total assets

## GLA by Region<sup>3</sup>

53%

Atlantic Canada

22%

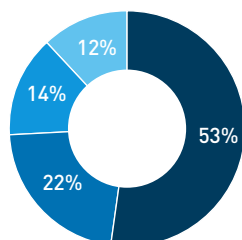
Ontario

14%

Western Canada

12%

Quebec



## GLA by Asset Class<sup>3</sup>

86%

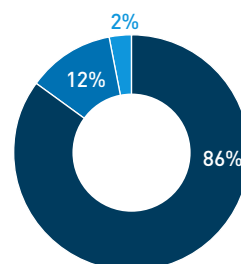
Industrial

12%

Retail

2%

Office



→ In first half of 2025, PROREIT acquired six industrial properties and disposed of three non-core properties, bringing total portfolio to 118 properties (approx. 6.7M sq. ft. GLA).

1. As of December 31, 2024.

2. As of December 31, 2024. Of the 115 properties, 73 are 100% owned and 42 are 50% owned. For properties that are 50% owned, GLA numbers reported herein represent 50% of the total GLA of such properties.

3. Includes committed space of approximately 74,218 square feet, as at December 31, 2024.

## OUR PROPERTY MANAGEMENT DIVISION

Compass Commercial Realty is our internalized wholly-owned property management division, operating autonomously from its headquarters in Dartmouth, Nova Scotia, with offices in Moncton, Montréal, Ottawa and Toronto.

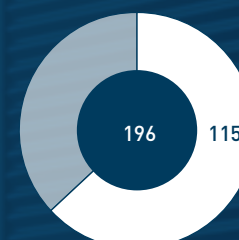
## Portfolio Overview (at Dec.31,2024)

196

Managed properties including

115

PROREIT properties



Note: 194 managed properties, including 112 PROREIT properties at March 31, 2025.

# 2024 HIGHLIGHTS

## ENVIRONMENT



**2.97%**  
decrease in Scope 1 and Scope 2 combined  
GHG emissions from the 2023 baseline.



**35.5 tonnes**  
of business travel CO<sub>2</sub> emissions offset via our partner  
CHOOOSE, nearly six times more than in 2023.



**65%**  
of portfolio is tracked in ENERGY STAR®  
Portfolio Manager, up from 49% in 2023.



**100%**  
of all new leases and lease renewals  
include a sustainability clause.



**26%**  
of portfolio is BOMA certified  
compared to 21% in 2023.



**61%**  
of portfolio's common areas have been  
converted to LED lighting, compared  
to 48% in 2023.



**Five**  
new EV charging stations installed, for a  
total of 13 EV charging stations spanning  
7 properties across the portfolio.



**16**  
properties had building condition reports  
completed in 2024.

## SOCIAL



**438**  
tenants were included in our first tenant  
satisfaction survey, providing actionable insights  
into tenant needs, growth plans and service  
enhancement opportunities.



**5.5%**  
employee turnover rate achieved, surpassing  
target of 10% or less.



**Zero**  
lost-time incidents and 5 near-misses  
recorded, maintaining a strong safety record.



**50%**  
of all management positions are held by  
women, highlighting our commitment to  
inclusive leadership.



**65%**  
of employees volunteered in 2024,  
contributing over 2,020 hours.



**13%**  
of the annual donations supported  
environmental initiatives, up 6% from 2023.

## GOVERNANCE



**TCFD**  
framework published in 2024 for the  
first time, underscoring our commitment  
to transparent climate reporting and  
continuous improvement.



**75%**  
independent Trustees as of December 31, 2024,  
reflecting our goal to have a Board comprised  
of a majority of independent Trustees.\*



**37.5%**  
of Board of Trustees are women, exceeding our  
goal to have at least 30% female representation  
(as at Dec. 31, 2024).



**Over 77%**  
of employees completed an annual  
company-wide online cybersecurity training  
on best practices to safeguard PROREIT,  
its assets and unitholders.

\* As of June 3<sup>rd</sup>, 2025, Chair of the Board is independent.

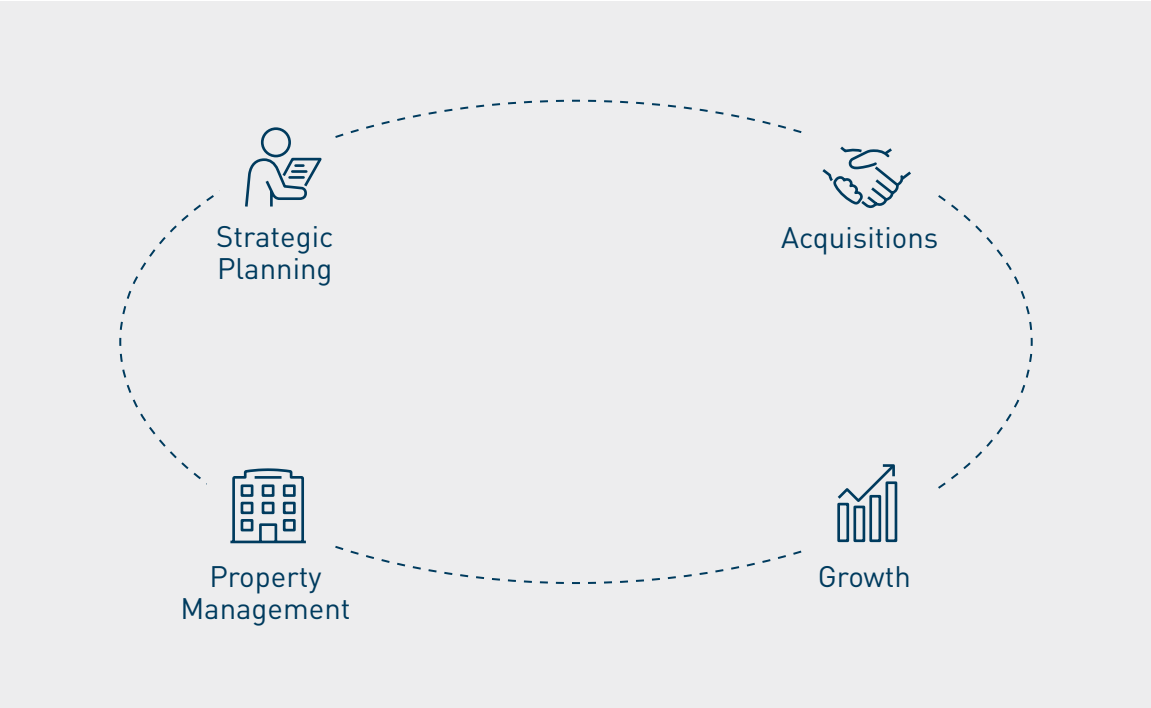


# APPROACH AND PRIORITIES

At PROREIT, our ESG strategy is designed to create meaningful impact by addressing the most material issues affecting our organization and stakeholders.

It is built on a foundation of transparency, accountability, and continuous improvement, and is embedded across our business—from strategic planning and acquisitions to asset and property management.

Although the net lease environment limits our direct control over most properties, we are improving our oversight through proactive tenant engagement. This includes gathering utility data and collaborating with tenants to promote sustainable operations within our properties.



## MATERIALITY ASSESSMENT

Our materiality matrix includes 12 material ESG topics that were determined following an assessment led by our team in 2021, and which continue to be deemed relevant focus areas.

ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"><li>&gt; Utility optimization</li><li>&gt; GHG emissions</li><li>&gt; Physical impacts of climate change</li><li>&gt; Building design and lifecycle management</li></ul>	<ul style="list-style-type: none"><li>&gt; Employee engagement</li><li>&gt; Fair opportunity &amp; talent inclusion</li><li>&gt; Community giving</li><li>&gt; Building quality and safety</li><li>&gt; Tenant welfare and relations</li></ul>	<ul style="list-style-type: none"><li>&gt; Strong corporate governance practices</li><li>&gt; Business ethics</li><li>&gt; Risk management &amp; business model resilience</li></ul>

We revisit and update our materiality assessment as needed to ensure our priorities remain aligned with evolving risks, regulations and stakeholder expectations.

## TRACKING OUR GOALS & TARGETS

Our ESG strategy is dynamic and evolves as we improve our data collection capabilities and deepen our understanding of key sustainability impacts. A major step forward in 2024 is the inclusion of Scope 1 and Scope 2 greenhouse gas (GHG) emissions in this report, with 2023 established as our baseline year. This foundational data enables us to better assess emissions performance and to identify reduction opportunities going forward.

We use performance indicators to monitor progress, identify gaps and assess where we can drive the most meaningful change. In this year’s report, we continue to track our performance, while also providing a clear view of advances made and areas requiring further focus.

# ENVIRONMENT



# UTILITY OPTIMIZATION

As a property owner, manager, and operator, we are committed to minimizing the environmental impact of our operations. We take a proactive approach to managing these impacts within our control through targeted initiatives and by working collaboratively with our tenants to promote sustainability and enhance building performance.

## DATA COVERAGE AND TRACKING

Data coverage is fundamental to understanding, managing and improving our environmental footprint.

We continue to leverage ENERGYSTAR® Portfolio Manager and similar platforms to track utility consumption, enabling us to collect and evaluate data from our properties and to identify opportunities to improve performance, year-over-year.

At the end of 2024,  
65% (3,949,875 sq. ft.  
across 73 properties.)  
of our portfolio is tracked in  
ENERGY STAR® Portfolio Manager.

This supports performance monitoring and helps identify high-consumption tenants, enabling joint efforts to reduce usage and pursue further building certifications.

The net lease environment in which we operate generally provides limited oversight or control over the vast majority of our portfolio properties, except at the time of acquisition and during tenant turnover.

Through proactive tenant engagement and the inclusion of sustainability clauses in all new leases, we have strengthened collaboration and improved visibility into utility consumption.

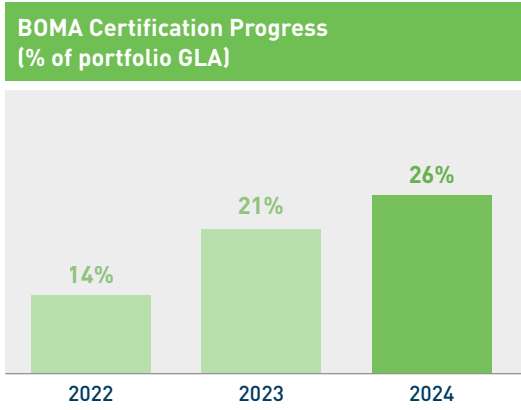


UTILITY OPTIMIZATION  
[CONT'D]

SUSTAINABLE BUILDING  
CERTIFICATIONS

We uphold high sustainability standards by pursuing certifications through internationally recognized programs such as BOMA BEST. Despite the limitations inherent in a net leasing environment, these certifications reinforce our commitment to best-in-class building operations and environmental performance.

In 2024, we achieved new BOMA certifications for two additional properties, representing 243,366 sq. ft. and we strategically divested four BOMA certified properties, totalling 296,598 sq. ft. A total of 25 properties in our portfolio are BOMA certified (Level Best and higher), covering 1,585,771 sq. ft. of GLA. This represents 26% of our total portfolio.



BOMA RECERTIFICATION  
PROCESS & RENEWAL

BOMA (Building Owners and Managers Association) is an international federation focused on optimizing building operations and sustainability. Through its BOMA BEST Portfolio Stream platform, BOMA provides a rigorous certification process for multi-property portfolios, encouraging landlords to adopt best practices across their assets. Properties enrolled in this program require recertification every five years. This process is equivalent to initial certification in terms of resources and effort, but ensures a superior return on investment by enhancing operational efficiency, streamlining management oversight, and reducing annual operating costs.

In 2024, PROREIT successfully recertified five properties under the BOMA program, totaling 443,223 sq. ft., and obtained first-time BOMA certifications for two additional properties.



BOMA EMERGING  
LEADERS

BOMA's Emerging Leaders initiative is aimed at identifying and developing the next generation of leaders in the commercial real estate industry. This program equips young professionals with the skills, networks, and knowledge necessary to succeed and ascend in the industry.

A member of our property management branch, Brittany Stephens, was honoured with the BOMA Ottawa Emerging Leader Award. This prestigious accolade recognizes individuals 35 years of age or younger who have demonstrated exceptional leadership, initiative and significant contributions to their organization within the commercial real estate industry. It underscores our commitment to fostering young talent and promoting leadership development within our team, aligning with our goal of nurturing an inclusive work environment while securing our organization's long-term resilience through robust succession strategies.





WASTE MANAGEMENT

Across our properties and own offices, we continue to prioritize sustainable waste management by reducing paper and plastic use, reusing building materials where it is deemed safe and responsible, and through waste diversion. While tenants manage their own waste at most of the properties, we support sustainability by supplying communal recycling and composting bins, in addition to providing educational resources and workshops in collaboration with local municipal waste authorities.

At our Nova Scotia-based offices and properties, we recycle paper, glass, cardboard, and we compost organics. Our easy recycling system, reusable dishware and purified drinking water stations help minimize single-use items. We maintain our efforts to cut paper waste by optimizing supplier invoicing and reducing the use of printed cheques. We further divert unnecessary waste from landfills by reusing and repurposing building materials.

Our dedication to sustainability is reinforced by our ongoing membership in the Canadian Green Building Council and our active participation in local BOMA chapters.



TENANT & STAFF ELECTRONIC RECYCLING POP-UP

As part of our commitment to sustainability, we partnered with the non-profit organization Electronic Recycling Association (ERA) and organized a free electronic recycling event to ensure responsible e-waste management within our properties and offices. This pop-up allowed our tenants and team members to recycle electronic equipment free of charge, in an efficient and impactful way.

E-waste poses a significant environmental challenge, with discarded electronics contributing to pollution and resource depletion. Many organizations lack a secure and sustainable way to dispose of outdated technology while ensuring data security. ERA collects electronic equipment, securely wipes all data, refurbishes usable devices, and donates them to registered community organizations, including schools, nursing homes, job centres and assisted living facilities. This process not only diverts electronic equipment from landfills, but also extends the lifespan of valuable resources, supporting digital inclusion efforts, and contributing to environmental sustainability. It also empowers our stakeholders to support local communities by bringing valuable technology to those in need.

Through our collaboration with ERA, we helped bridge the gap between responsible e-waste disposal and community support, aligning with our core values.



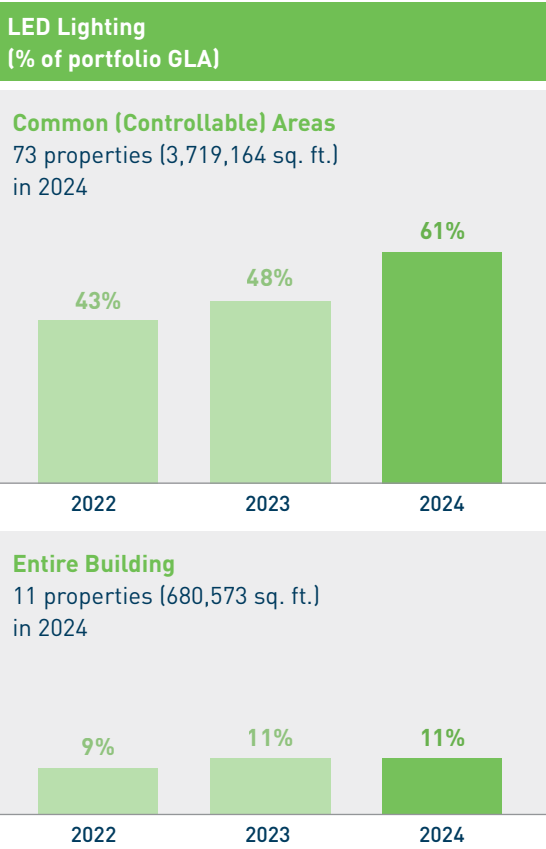


ENERGY-EFFICIENT  
FIXTURES

Retrofitting our properties to use more energy-efficient fixtures, including lighting, heat pumps, roofing and power sources, is a core component of our portfolio management strategy. Whenever possible, we partner with regional organizations to reduce conversion costs, while maximizing energy savings.

LED Lighting

In controllable areas of our portfolio, we convert to LED lighting whenever replacements are required. In non-controllable areas, we upgrade to LED lighting when the premises is vacant prior to the commencement of a new lease, or we work with tenants to facilitate and even cost-share LED lighting conversions as the opportunity arises. Both partial and full LED lighting conversions are incorporated into many lease renewals. When relevant, we work with partners such as Efficiency Nova Scotia and NB Power to reduce conversion costs for our properties located in the Nova Scotia and New Brunswick markets. At the end of 2024, approximately 61% of properties had LED lighting in controllable areas (3,719,164 sq. ft.). Additionally, we replaced more than 2,200 exterior building lights with LED, and converted more than 76,522 sq. ft. of tenant space to LED lighting.



The Impact of Upgrading to High-Efficiency  
Rooftop Heat Pump Units

In 2024, we replaced 20 aging, inefficient HVAC rooftop units that had exceeded their serviceable lifespan. The 20 new units are high-efficiency models that offer substantial benefits by significantly reducing energy waste, lowering utility costs and decreasing the property’s carbon footprint.

Enhanced efficiency also improves climate control, ensuring optimal tenant comfort while minimizing operational strain on building systems. With cutting-edge technology, the new units require fewer repairs and less maintenance while offering greater reliability. This upgrade not only strengthens the building’s sustainability profile, but also elevates operational performance, delivering a compelling return on investment through energy savings and improved asset longevity.

Roof Replacements, Upgrades &  
Reflective Coatings

In our ongoing commitment to sustainability, we replaced approximately 382,663 sq. ft. of roofing across 13 properties within our portfolio. This strategic upgrade enhances sustainability of the asset by incorporating energy-efficient materials, such as white silicone top-coating and modern design, reducing long-term environmental impact through improved insulation and increasing resilience against extreme weather conditions through durability. This recoverable capital investment also improves the property’s operational efficiency and tenant retention, in addition to extending the serviceable lifespan of other elements of the building envelope and systems. These efforts reflect our proactive approach to integrating sustainable priorities into our business strategy, ensuring our portfolio remains competitive and future-ready while contributing to a lower carbon footprint.

From Oil to Natural Gas

Due to our ongoing efforts, we have almost completely eliminated the base building oil-fuelled heat sources in our properties. This year, we converted a further five furnaces from oil to natural gas, representing a heating square footage of 24,364 sq. ft. This work underscores our dedication to responsible asset management, driving long-term value creation through sustainable practices that balance profitability with environmental stewardship.



# GREENHOUSE GAS EMISSIONS

In 2024, we began formally reporting Scope 1 and Scope 2 GHG emissions, establishing 2023 as our baseline. Scope 1 emissions reflect on-site fuel use (i.e. natural gas and heating oil), while Scope 2 emissions relate to electricity consumption.

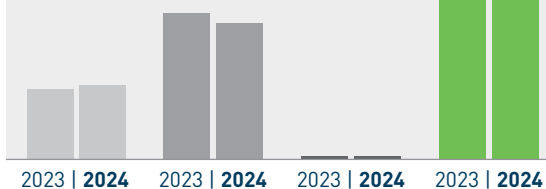
We engaged KPMG LLP (KPMG) to assist with the calculations for our Scope 1 and Scope 2 emissions for 2023 and 2024. PROREIT follows GHG protocol for classification of emission scopes and uses the equity share approach, which provides a more representative view of emissions relative to PROREIT's ownership structure by reporting on total building emissions, versus landlord-controlled consumption-only, which would be minimal. The emissions data currently draws from PROREIT-controlled meters and voluntary tenant reporting. Due to the nature of our leased portfolio, a majority of utility consumption is tenant-controlled, resulting in significant data access limitations. Where source data was unavailable, the emissions estimates use proxy data prepared by KPMG, in line with accepted industry-standard best practices.

While most of PROREIT's properties have 100% tenant-controlled utilities, we work directly with our tenants to obtain and track utility data where feasible, with the goal of enhancing data accuracy and transparency. This collaboration is facilitated thanks to our relationship with tenants, and supported by the sustainability clause included in 100% of new leases, which provides PROREIT with access to key utility data from tenant-controlled meters. We actively seek innovative ways

to collaborate with tenants on improving utility data tracking, aiming to develop a clearer understanding of the total emissions impact of our properties, and to help in identifying ways we can strengthen building efficiencies and sustainable measures to support our tenants and the building's lifespan.

## Annual GHG Emissions (tCO<sub>2</sub>e)

2.97% decrease in Scope 1 and Scope 2 combined GHG emissions from the 2023 baseline.



2023 (Baseline year):

- Scope 1 (Natural Gas, Heating Oil): 16,181 tCO<sub>2</sub>e
- Scope 2 (Electricity): 33,686 tCO<sub>2</sub>e
- Scope 1 (Fugitive Emissions): 449 tCO<sub>2</sub>e
- Total Emissions: 50,388 tCO<sub>2</sub>e

2024:

- Scope 1 (Natural Gas, Heating Oil): 17,058 tCO<sub>2</sub>e
- Scope 2 (Electricity): 31,359 tCO<sub>2</sub>e
- Scope 1 (Fugitive Emissions): 449 tCO<sub>2</sub>e
- Total Emissions: 48,889 tCO<sub>2</sub>e

For context, 1,499 tCO<sub>2</sub>e reduced in 2024 from the prior year is the approximate equivalent to:

1,665,112 lbs of coal burned



Electricity for 312 homes for a year



530 tonnes of waste recycled instead of landfilled



Carbon sequestered by 24,786 tree seedlings grown for 10 years





SUSTAINABLE  
TRAVEL

We have implemented a travel policy requiring employees to purchase carbon credits to offset emissions from business travel whenever feasible. In 2024, we offset approximately 35.5 tonnes of CO<sub>2</sub> emissions through our partner CH000SE, a leading platform to integrate climate action solutions.

≈ 35.5 tonnes  
of CO<sub>2</sub> offset in 2024,  
almost six times  
more than the  
previous year



ELECTRIC VEHICLE  
CHARGING STATIONS

In 2024, we added five new charging stations to our portfolio. To date, seven properties in our portfolio are equipped with a combined total of 13 electric vehicle (EV) charging stations. While we increased our overall EV charging stations, one of the properties we divested in 2024 housed two EV chargers. PROREIT also encourages tenant-driven initiatives to provide charging stations by facilitating the approval process, including support with the feasibility studies, as well as construction and implementation of the equipment.

Five  
new EV charging  
stations installed  
in 2024





# PHYSICAL IMPACTS OF CLIMATE CHANGE

## MONITORING AND DISCLOSURE OF CLIMATE RISKS

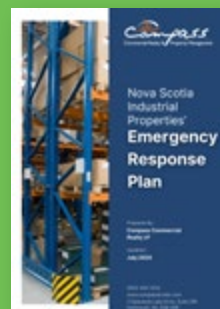
We understand that physical and transitional climate risks to our portfolio may increase due to climate change and extreme weather events. To mitigate these impacts, we have developed a comprehensive risk matrix to address traditional financial risks inherent to our business, and since 2022, we have progressively expanded our climate-related disclosures within our Continuous Disclosure Documents.

In 2024, we advanced our climate risk governance by initiating implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework. This step marks a significant enhancement in the transparency and accountability of our climate-related financial reporting. For the first time, this report includes a detailed table outlining both physical and transitional risks, corresponding opportunities, and mitigation measures.

This detailed information, which forms a key part of our risk management process, can be found on pages 30 to 32 of this report.

## EMERGENCY RESPONSE PLAN

In our commitment to sustainability and operational resilience, we developed and implemented a comprehensive Emergency Response Plan (ERP) for our commercial properties in Nova Scotia. This plan was created through a collaborative effort involving local occupational health and safety (OH&S) and emergency response consultants, property management, insurance representatives and safety experts. We conducted risk assessments to identify potential hazards such as extreme weather conditions, utility leaks, emergency evacuations, shelter-in-place scenarios, and cybersecurity threats. It is structured around three key components:



**Preparation:** Equipping property management teams with ERP training, supporting tenant awareness, maintaining and monitoring of emergency equipment and life safety systems, conducting ongoing resilience assessments and measuring implementation on-site at the property-level.

**Response:** Defining clear protocols for a variety of emergency scenarios, including communication strategies for coordination with tenants and stakeholders.

**Recovery:** Outlining post-event recovery actions such as business continuity planning and timely property repairs to support a swift return to operations.

By continuously enhancing our emergency response protocols, we reduce risk exposure and protect the long-term value of our assets while prioritizing the safety of tenants, staff, contractors and communities. The ERP is a dynamic document—regularly reviewed and updated to reflect emerging risks, regulatory changes, and evolving site conditions. In 2025, we plan to adapt and expand the ERP framework across our broader portfolio outside of Nova Scotia.

# BUILDING DESIGN AND LIFECYCLE MANAGEMENT

## STRICT ACQUISITION CRITERIA

We apply a rigorous due diligence process to uphold asset quality and ensure environmental compliance. All PROREIT-owned properties are subject to a comprehensive review of environmental and capital components prior to acquisition. In 2024, we acquired one new property, for which a comprehensive Environmental Site Assessment was completed by a third party prior to acquisition. Building condition reports were also completed for 16 existing properties in 2024 to reflect the sale or potential sale of properties within our portfolio completed in 2024 and to validate that the information included in these reports was up to date.

Climate resilience is a key consideration in our acquisition process. We incorporate climate-related risk factors and mitigation measures into our due diligence to help ensure long-term asset performance and environmental stewardship.

This includes, but is not limited to, the following practices:

### Third-party environmental and capital assessments

We engage a nationally recognized provider to conduct comprehensive environmental and capital item audits for each property prior to acquisition. This includes evaluating potential contaminants, building systems (such as HVAC, windows, and fuel sources), and engineering components to identify operational efficiencies and reduce environmental impact.

### Annual insurance risk assessments

We partner closely with our insurance broker to conduct annual audits across the portfolio. These assessments re-evaluate flood and fire risk exposure and identify opportunities for cost-effective risk mitigation.

### Roofing system efficiency evaluations

We work with a specialized roofing consultant to perform infrared scans that detect potential water infiltration risks and assess overall thermal efficiency. These evaluations support proactive maintenance planning and contribute to improved energy performance across the portfolio.

# SOCIAL



# EMPLOYEE ENGAGEMENT

We remain committed to an employee-first approach and strive to provide our team with the conditions, benefits and support they need to thrive. This includes fostering inclusive, development-focused work environments where well-being, health and safety are top priorities.

## EMPLOYEE SATISFACTION

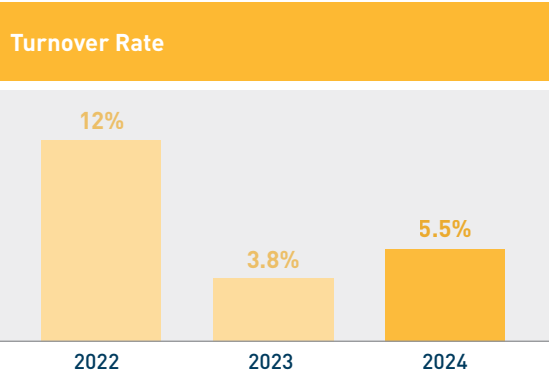
Employee satisfaction continues to be a key focus at PROREIT.

We calculated a 5.5% employee turnover rate\* for full-time employees in 2024, representing an increase of 169 basis points from 2023 and a decrease of 652 basis points from our 2022 baseline year.

Our turnover rate has shown dynamic shifts, reflecting both our organizational stability and responsiveness to a changing landscape.

In 2022, our turnover rate was 12%, a figure consistent with industry norms during a period of economic uncertainty. By 2023, we achieved an impressively low turnover rate of 3.8%, demonstrating our strong employee engagement and supportive workplace culture during a time of corporate growth and stabilization. In 2024, the turnover rate slightly increased to 5.5%, which represents five employees out of 83. This low turnover, even with a slight uptick, underscores our ongoing commitment to fostering a resilient and inclusive environment, where employees feel valued and empowered to pursue their professional goals.

\* Excluding positions not replaced or replaced at a later time.

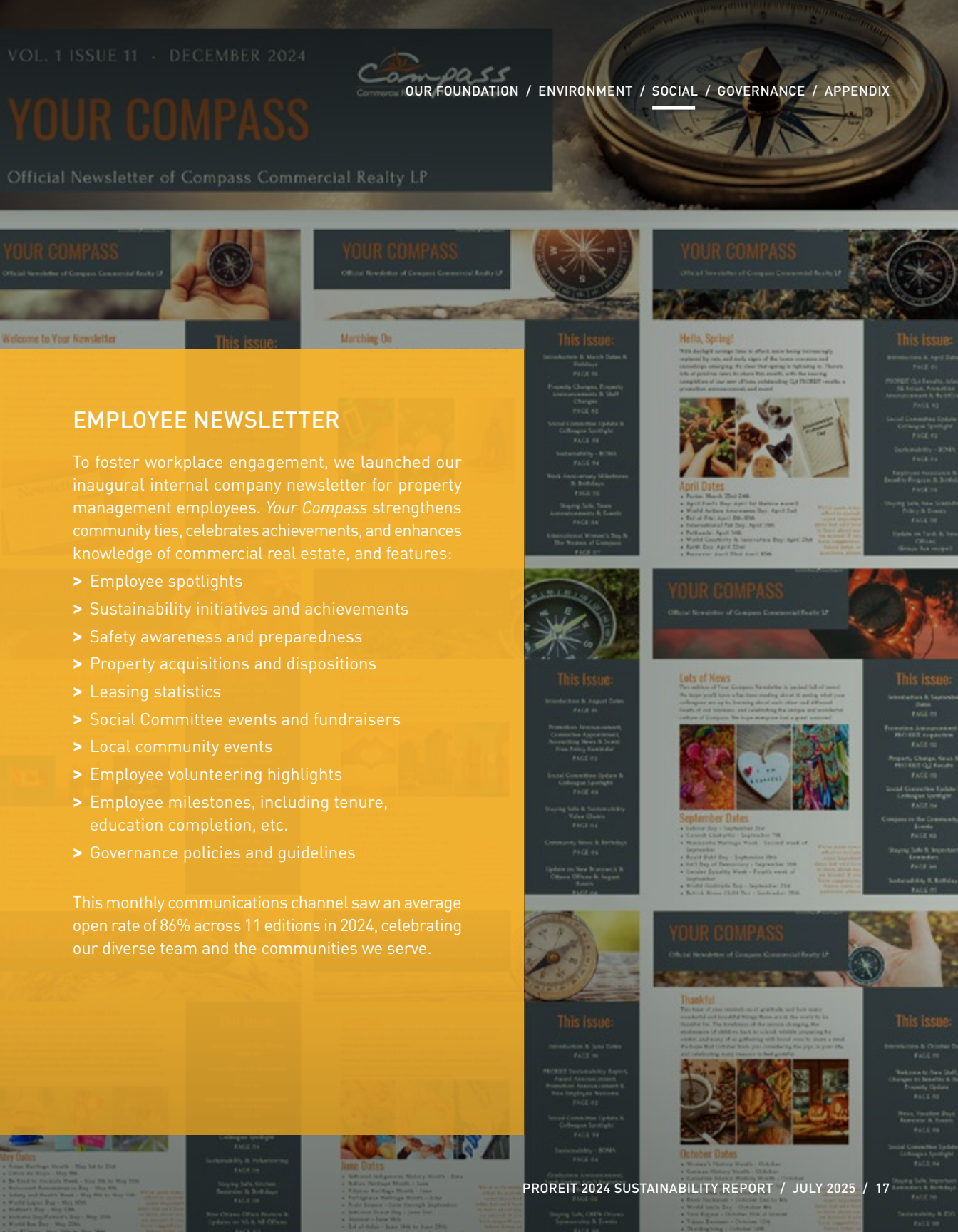


## EMPLOYEE SURVEY

In 2023, our property management division launched its first employee engagement survey, which provided valuable insights that guided actions across several key areas. The results indicated that employees felt valued, respected in the workplace, and viewed our culture favourably.

Based on this feedback, we launched targeted initiatives in 2024 aimed at strengthening internal communication, expanding training opportunities across the organization, and reinforcing our commitment to employee recognition. Also in 2024, we took deliberate steps to reassess and refine the survey's scope and objectives. This reflects our commitment to aligning our engagement efforts with the evolving needs of our workforce, our business strategy, and the broader global context.

A redesigned survey will be launched in 2025 to ensure it remains a relevant and impactful tool for fostering an inclusive, engaging, and high-performing workplace.



## EMPLOYEE NEWSLETTER

To foster workplace engagement, we launched our inaugural internal company newsletter for property management employees. *Your Compass* strengthens community ties, celebrates achievements, and enhances knowledge of commercial real estate, and features:

- Employee spotlights
- Sustainability initiatives and achievements
- Safety awareness and preparedness
- Property acquisitions and dispositions
- Leasing statistics
- Social Committee events and fundraisers
- Local community events
- Employee volunteering highlights
- Employee milestones, including tenure, education completion, etc.
- Governance policies and guidelines

This monthly communications channel saw an average open rate of 86% across 11 editions in 2024, celebrating our diverse team and the communities we serve.



EMPLOYEE  
ENGAGEMENT  
[CONT'D]

INVESTING IN OUR PEOPLE

As part of our ongoing talent strategy, we continue to invest in employee development to support professional growth and career objectives. In 2024, we allocated resources toward training, continuing education, and professional development, while also providing security, occupational health and safety (OH&S) and systems training across our workforce.

Our development programs include, but are not limited to:

- > Project management certification
- > Risk management
- > Safety training
- > Accounting credentials upgrades
- > Leadership support for managers
- > Corporate training for a new accounting and management platform
- > Internal mentorship program

Additionally, from April to December 2024, new accounting training modules were rolled out to relevant teams at PROREIT to support the transition to a more efficient and comprehensive accounting platform.

OVERVIEW OF EMPLOYEE  
ENGAGEMENT INITIATIVES

- > Pedal for Kids bicycle ride
- > Summer staff event
- > Annual holiday staff event
- > Holiday Toy Drive
- > Annual Winter Food Drive
- > Build Green Atlantic welcome event
- > Litter pick-up
- > International Women's Day
- > Staff Social Committee:
  - Silent auction
  - 50/50
  - Survivor 46 & 47
  - Getting To Know You
  - Krispy Kreme Donuts for Make-a-Wish
  - National Hot Dog Day BBQ
  - Orange Shirt Day
  - Stanley Cup Fundraiser
  - Super Bowl Fundraiser
  - Make-a-Wish volunteering
  - International Coffee Day
  - Movember
  - Laser tag
  - Multiple staff potlucks celebrating employee heritage
  - Holiday cards for Seniors
- BOMEX 2024
- CREW events in Halifax and Ottawa (paddle boarding, Adopt a Family, wreath making)





EMPLOYEE HEALTH,  
SAFETY AND WELLNESS

Safety remains a top priority at PROREIT. Our employee-led Occupational Health and Safety (OH&S) Committee, established at the property management level, meets monthly to promote awareness of best practices in health and safety protocols, techniques, and procedures. The Committee also provides a formal reporting structure, allowing employees to raise safety concerns in collaboration with Human Resources and department managers.

To ensure ongoing accountability, an independent third-party firm conducts an annual audit of our workplace health and safety procedures, including policy compliance:

In 2024, PROREIT achieved a score of 94% on its annual OH&S audit—a two-point increase from our 2022 baseline.

Over the year, approximately 133,784 hours of work were recorded, with just five reportable incidents—all requiring no first aid or medical attention—resulting in zero lost-time hours.

NEW CONSTRUCTION SITE SAFETY  
SIGNAGE PROGRAM

In 2024, we designed and implemented an enhanced safety signage program at our construction sites. The goal is to bolster safety measures and educate all site visitors about potential hazards, thereby ensuring their safety and well-being. These clearly visible, easy-to-understand and informative signs provide critical information on how to stay safe on an active construction sites, including safety protocols and personal protective equipment. This initiative reflects our ongoing commitment to maintaining high safety standards and fostering an environment of awareness, prevention and proactive action.



FLU SHOT DRIVE

To support employee well-being and minimize seasonal illness, our property management division hosted a voluntary flu vaccination clinic in October and November 2024. The clinic was thoughtfully designed for convenience—eliminating the need for travel or scheduling disruptions—and was offered at no cost to employees, with full coverage provided by the organization. Over 31% of our workforce took part, contributing to a healthier workplace and helping reduce absenteeism during the height of flu season.

POLICIES AND BEST PRACTICES  
TO ENSURE SAFETY

PROREIT regularly implements new policies to ensure that all team members, suppliers and partners follow best industry practices to protect, serve and benefit our stakeholders, including landlords, tenants and contractors. We also update existing policies to address industry needs and ensure that all employees are familiar with the policies in place through clear procedures.

Several new policies were implemented over the course of 2024, including:

- Enhanced Scent-Free Policy
- Enhanced Workplace Harassment Policy
- Enhanced Construction Site Inspection Procedures
- Visitors & Contractors Policy
- Preventing Slips, Trips and Falls
- Use of Fire Extinguishers
- Manual Lifting
- Equipment Lockout
- Workplace Housekeeping
- Hand Safety
- Electrical Safety in the Office
- Hearing Protection
- Step Ladders
- Managing Defective Equipment
- Flammable Liquid Storage
- Medical Emergency Response
- Manual Material Handling
- Securing Work Areas
- Eye Safety
- Detecting Cold & Flu Symptoms
- Black Ice Awareness

CONTRACTOR  
SUSTAINABILITY POLICY

In 2024, we introduced a formal Contractor Sustainability Policy to align the practices of contractors and subcontractors with PROREIT’s sustainability commitments. The policy outlines clear guidelines to ensure environmental, social, and economic accountability across all projects.

As part of this policy, contractors agree to recycle, reuse or responsibly dispose of materials and to operate as sustainably as possible throughout the duration of their work. The policy is signed by all contractors before project commencement, reinforcing our commitment to responsible and sustainable property management.





# FAIR OPPORTUNITY AND TALENT INCLUSION

## PROMOTING VARIED PERSPECTIVES AND INCLUSION

We believe that a wide range of perspectives strengthens our ability to innovate and succeed. We promote fairness and inclusion across our workforce to ensure we reflect the communities in which we operate.

Our team brings a mix of backgrounds, experiences, and identities—including a variety of ages, origins, genders, and orientations. In our recruitment efforts, we prioritize skills, experience and the unique value each candidate contributes. We aim to cultivate an environment where all team members feel supported, engaged, and positioned to thrive.

50% of PROREIT's  
management roles  
are held by women,  
highlighting our commitment  
to inclusive leadership.

## REAFFIRMING OUR ENGAGEMENT WITH CREW

We continue to proudly support CREW (Commercial Real Estate Women), a global organization dedicated to advancing women in commercial real estate. This year, three of our team members participated in networking events and educational speaker sessions to stay at the forefront of industry trends and best practices. Our involvement also extended to community engagement, with team members taking part in activities such as paddle boarding, sponsoring a local family during the holiday season, and supporting other initiatives that give back to local communities. Additionally, our team actively advocated for the expansion of CREW Ottawa's reach and impact.





# COMMUNITY GIVING

## VOLUNTEERING WITHIN THE COMMUNITY

At PROREIT, community involvement has always been part of our DNA. Our team is actively engaged in the communities where we operate, driven by a shared desire to make a meaningful impact.

This commitment is reflected in the thousands of volunteer hours dedicated to a variety of community initiatives. From organizing food drives and fundraising events for local and national charities, to participating in environmental efforts like community clean-ups and electronics recycling, our teams are passionate about creating positive change.

To further encourage engagement and volunteerism, we offer our employees Volunteer Time Off of up to 10 hours per year.

65% of employees participated in the corporate volunteer program

2,020 volunteer hours were donated

## EMPLOYEE VOLUNTEERING

*"I've been coaching minor hockey for 10 years now and absolutely love giving back to the association that has given me so much! A significant percentage of my friendships are a direct result of playing minor hockey and coaching minor hockey... My mantra in coaching is 'I'm here to make your child a better player, but more importantly a better person'. There are so many life lessons to be learned through sport and as a coach I'm fortunate enough to play a positive role in young persons' life and development."*

- Cory Richardson  
Senior Property Manager  
Compass Commercial Realty



### Volunteer Hours Across Priority Areas

1,848 hours Community Enrichment	14 hours Environment Protection
103 hours Social Inclusion	55 hours Health & Wellness

## DONATIONS AND SPONSORSHIPS

Supporting the communities where we operate is central to our values. Guided by our Charitable Giving Policy, our contributions are directed toward key priority areas that align with our mission and impact goals.

### Donations and Sponsorships by Focus Areas

24% Community Enrichment	13% Environment Protection
32% Social Inclusion	31% Health & Wellness

In 2024, we supported 60 community and industry initiatives through charitable partnerships, including direct donations, sponsorships and employee volunteering.

## CHARITY SPOTLIGHT: CATAPULT

For several years, we have been sponsoring the Catapult Leadership Society of Nova Scotia, a charity dedicated to empowering youth to reach their full potential. Catapult's program supports high school students who demonstrate natural leadership qualities but face barriers to accessing key opportunities.

Each year, 50 students are nominated by local educators to take part in an enriching experience that blends academics, extracurriculars and community service. Through this unique approach, Catapult equips young leaders with the tools, confidence and support they need to create meaningful change in their communities and shape their futures.

Like Catapult, we believe that every young person has greatness within them—regardless of circumstance—and we're proud to help them grow, lead and shine.





# BUILDING QUALITY AND SAFETY

## SAFETY FIRST

In addition to ongoing site reviews conducted by our property management teams to identify and mitigate risks, we engage qualified third-party professionals to perform regular evaluations of key building systems. These assessments cover critical components such as life safety systems, fire protection, HVAC, plumbing, electrical infrastructure and roofing.

All evaluations are conducted in accordance with required and industry-recommended inspection frequencies. Detailed records, including inspection reports and follow-up actions, are securely stored both in individual property files and centrally within our tenant management platform, the MRI Angus® Portal.

## ENHANCING FIRE SAFETY: A CASE STUDY

As part of our ongoing commitment to tenant safety and operational resilience, we identified a critical need to improve existing fire safety measures at one of our two-storey, multi-tenant, mixed-use commercial buildings located in Nova Scotia. This led us to undertake a comprehensive upgrade of the building's life safety systems and the development and integration of a professional fire safety plan, which included the following actions:

**Upgrading Building Life Safety Systems:** Modernized fire detection and emergency evacuation infrastructure. All upgrades complied with or exceeded local fire codes and standards.

**Professional Fire Safety Plan:** Partnered with a certified fire safety consultant to create a tailored fire safety plan detailing evacuation procedures, fire prevention measures and roles and responsibilities in an emergency. The plan was distributed to tenants in digital and hard copy form.

**Tenant and Site Staff Training:** Partnered with a certified fire safety professional to conduct a hands-on training session to promote safety, awareness and preparedness.

These upgrades improved property safety, built tenant confidence and ensured regulatory compliance. This overhaul exemplifies our commitment to creating resilient, sustainable and safe commercial spaces through expert planning, technology, tenant education and staff training to mitigate risks and contribute to the long-term well-being of our tenants.



# TENANT WELFARE AND RELATIONS

## TENANT COMMUNICATION AND ENGAGEMENT

We truly value our tenant relationships and we pride ourselves on being a trustworthy business partner.

In 2024, we launched our first tenant satisfaction survey to gain deeper insight into the needs, priorities and expectations of our tenants. The comprehensive survey covered 438 tenants across our 42 joint venture properties, with the goal of strengthening tenant retention, fostering partnerships for mutual growth and success, and identifying opportunities to improve the services we provide as a landlord.

The survey received an impressive 185 responses and was validated by the third-party consulting firm with a 95% confidence level and a ±6% margin of error. These results have provided us with reliable, actionable insights that will guide our efforts to continually enhance the tenant experience.

**Key insights include:**

**55** respondents advised their business is growing and that they are seeking expansion of their existing physical footprint.

**71%** of respondents said reducing their operations' carbon footprint was important to them.

**52%** value electric vehicle chargers on-site.

**12%** have ESG policies.

**+90%** indicated satisfaction with the building quality. More than 50% of respondents agree that the rent is equal to the value they receive.

**89%** of respondents preferred LED lighting, with 42% of that number prioritizing it as essential.

**21%** of respondents have heat pumps providing supplemental heating and cooling.

**11%** have net zero mandates.

We continue to prioritize clear communication, transparent decision-making and proactive management to ensure our properties consistently meet and exceed tenant needs.

Tenants benefit from 24/7, year-round support, with access to on-call, locally based property management staff. Timely, accurate and thorough responses to tenant requests are a cornerstone of our service model. Our proactive approach includes robust preventative maintenance programs, in-depth capital planning strategy and quick response times, all of which contribute to the efficient operation of our properties and the protection and growth of asset value.

We also work closely with tenants to reduce environmental impact through targeted enhancements to base building systems, such as LED lighting conversions, building envelope improvements, roof replacements, green space management and HVAC upgrades. In collaboration with service providers, we also implement programs to reduce waste, increase recycling and optimize utility usage.



While we actively support sustainability initiatives, we respect each tenant's autonomy and their right to operate within the terms of their lease. Our collaborative approach is tailored to the unique needs and priorities of each tenant. Ultimately, our responsibility is to ensure our buildings operate safely and sustainably and to support our tenants in advancing their own environmental goals wherever possible.



# GOVERNANCE



# GOVERNANCE

## BOARD COMPOSITION AND ESG GOVERNANCE

At PROREIT, our core values guide our corporate governance, ensuring integrity, accountability and ethical decision-making at all levels of our organization. The Board, composed of highly qualified Trustees, is responsible for the stewardship of PROREIT, overseeing business conduct of governance practices that align with the best interests of the REIT and its investors, as outlined in our Board policies, the charter of the Board and committee charters.

The independence of the Board is central to ensuring objective, efficient and transparent decision-making. Currently, 75% of the Board is comprised of independent Trustees.\*

The Governance, Nominating and Compensation, and Audit committees are chaired by independent Trustees.

As of December 31, 2024, our Board’s average tenure is eight years, reflecting both stability and deep industry expertise. We also recognize that a skilled and diverse Board enhances decision-making and strengthens accountability.

With 37.5% female representation on our Board of Trustees at Dec.31,2024, our Trustees possess a diverse mix of experience, skills, and backgrounds necessary for effective oversight of our ESG and climate-related disclosures. The Governance, Nominating and Compensation Committee of the Board is responsible for recommending Trustee candidates to the Board based on merit, skill set, background, experience, knowledge, and personal characteristics and in line with PROREIT’s Board Diversity policy, which was adopted in 2019 and revised in 2024.

### ESG GOVERNANCE STRUCTURE

Recognizing the significance of applying environmental and social lenses to a comprehensive risk management framework, PROREIT has established a multilayered approach to the management of sustainability initiatives to ensure integration of best practices throughout the organization.

BOARD OF TRUSTEES

PRESIDENT AND CEO

ESG STEERING COMMITTEE

ESG TASKFORCE

\* As of June 3<sup>rd</sup>, 2025, Chair of the Board is independent.

### BOARD OF TRUSTEES

The Board of Trustees is responsible for the oversight of PROREIT’s approach to environmental, social, ethical, and governance (ESG) matters, including the development and implementation of related plans, practices, and initiatives. In addition, the Board oversees the REIT’s ESG-related disclosure obligations and is responsible for approving all material public reporting pertaining to ESG performance and commitments.

#### Governance, Nominating and Compensation Committee:

Reviews, oversees and evaluates the governance, nominating and compensation policies of the REIT.

#### Audit Committee:

Fulfills applicable public issuer obligations relating to audit committees and assists the Board in fulfilling its oversight responsibilities with respect to financial reporting.

#### Investment Committee:

Approves proposed acquisitions and dispositions of investments by the REIT, authorizes proposed transactions and approves all financing arrangements and the assumption or granting of any mortgage other than the renewal of any existing mortgage by any of our subsidiaries.

### PRESIDENT AND CEO

Acts as ESG program sponsor and is responsible for setting the ESG strategy with the support of the ESG Steering Committee.

### ESG STEERING COMMITTEE

Comprised of the President and CEO, the CFO, vice presidents, directors and managers from corporate, asset and property management functions, the ESG Steering Committee is responsible for the daily management of ESG priorities in addition to overseeing the successful implementation of KPIs and policies. ESG matters are presented to and reviewed by the Board of Trustees.



**Gordon G. Lawlor, CPA**  
Co-Founder, President and Chief Executive Officer



**Alison Schafer, CPA**  
Chief Financial Officer and Secretary



**Isabelle Monté**  
Senior Manager, Human Resources and Administration



**Christus Lutaladio**  
Controller



**Josh McKenzie**  
Vice President, Property Management, Compass Commercial Realty



**Chris Andrea**  
President, Compass Commercial Realty  
Senior Vice President, Property Management, PROREIT



**Alexandra Kelter**  
Property Manager and Sustainability Coordinator, Compass Commercial Realty  
*Alexandra completed the Leading Sustainable Corporations Programme from Oxford University in February 2024*

### ESG TASKFORCE

Implemented at the property management level to bolster strategies and actions on the sustainability front, the taskforce provides a multifaceted approach to executing directives and encourage ideas from all levels of our business.



# DISCLOSURE AND TRANSPARENCY

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PROREIT strives to be transparent across all levels of the business, ensuring that disclosure is available to all stakeholders through regular and comprehensive updates on performance, achievements and goals.

In 2024, we published our initial TCFD-aligned framework disclosure, representing our commitment to transparent climate reporting and continuous improvement. Please refer to pages 30 to 32 of the report for the TCFD disclosure.

This is accomplished in accordance with the REIT's policies and ethical practices, outlined in the following section and available in more detail on our website, [www.proreit.com/en/about/governance](http://www.proreit.com/en/about/governance).

## COMPLIANCE & ETHICS

At PROREIT, our commitment to excellence is grounded in strong ethical principles and a robust governance framework. We are guided by high standards of integrity, transparency, and accountability, which are embedded in our day-to-day operations through a series of corporate policies that are reviewed annually. These include:

**Code of Conduct:** Applicable to all employees, members of management and the Board, it provides guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the REIT. It also addresses proper business conduct, including compliance with laws, rules and regulations and reporting of illegal or unethical behaviour.

**Whistleblower Policy:** It allows any person who believes that a violation of the Code of Conduct has occurred to report the relevant information confidentially.

**Disclosure Policy:** It ensures that communications to the investing public are timely, factual, accurate and broadly disseminated, in accordance with all applicable legal and regulatory requirements.



# RISK MANAGEMENT & BUSINESS MODEL RESILIENCE

## RISK MANAGEMENT MATRIX

One of the main responsibilities of the Board is to oversee the REIT's major risks and opportunities in the short, medium and long term, which include physical and transitional risks. PROREIT has an extensive risk matrix that addresses the traditional financial and operational risks inherent to the business, in addition to climate change risks, which are mentioned as part of our continuous disclosure documents. The matrix is updated regularly, with the last revision taking place in 2024.

Climate change also poses a significant risk to the global economy, and PROREIT is aware that its stakeholders and investors take these factors

into consideration as they build their portfolio. By disclosing climate-related information in accordance with the Task Force on Climate-related Financial Disclosures (TCFD), setting our GHG emissions baseline and starting to track them annually, PROREIT aims to ensure greater transparency with respect to its ESG performance.

Sustainability, social responsibility and good governance have always guided PROREIT's actions and decisions. On an annual basis, as the Board reviews the long-term strategy presented by management, ESG factors are considered, along with new developments in technology that may impact these factors and the evolving nature of the industry on the organization's business model.

*For complete information on our governance policies and practices, please review our continuous disclosure documents available at [www.sedarplus.ca](http://www.sedarplus.ca) under our profile, or on our website at [www.proreit.com/en/about/governance](http://www.proreit.com/en/about/governance).*



## CYBERSECURITY & DATA PRIVACY

PROREIT is committed to maintaining the robust security, confidentiality and accuracy of all personal information pertaining to our stakeholders, including tenants, employees, partners and suppliers. Based on the legal obligations applicable to the Personal Information Protection and Electronic Documents Act (Canada) and the Act respecting the protection of personal information in the private sector (Quebec), we also perform frequent reviews of our privacy procedures and policies to ensure rapid responses to evolving issues and regulatory compliance requirements.

PROREIT also continues to strengthen its ability to mitigate cybersecurity risks with the support of external providers.

In 2024, over 77% of employees completed annual company-wide online cybersecurity training aimed at providing employees and management with directions on best practices to safeguard PROREIT, its assets and unitholders, and obtained an average score of 92%.

ENVIRONMENTAL SCORECARD

MATERIAL TOPICS	INITIATIVES	GOALS	PROGRESS	STATUS
UTILITY OPTIMIZATION	Utility data coverage and tracking	Onboard 85% of properties onto ENERGY STAR® Portfolio Manager	65% of properties are tracked on ENERGY STAR® Portfolio Manager (3,949,875 sq. ft.)	ONGOING
	Sustainable building certifications	Certify 50% of portfolio through an accredited building program (BOMA, ENERGY STAR®)	26% of portfolio is BOMA certified (1,585,771 sq. ft.)	ONGOING
	Sustainability clause in leases	100% of portfolio leases contain sustainability clause	100% of all new leases and renewals contain a sustainability clause	ONGOING
	Waste management	Implement sustainable practices at PROREIT offices	We continue to implement key sustainability initiatives across our offices and properties	ONGOING
	Energy-efficient fixtures	100% LED lighting in common (controllable) areas	61% of portfolio common area has been converted to LED lighting	ONGOING
		Increase use of more energy efficient materials	Replaced 20 inefficient rooftop heat pumps  Replaced approx. 382,663 sq. ft. of roofing	

MATERIAL TOPICS	INITIATIVES	GOALS	PROGRESS	STATUS
GHG EMISSIONS	GHG emissions reporting	Establish GHG emissions tracking	Established FY2023 as baseline and tracked FY2024 for Scope 1 and Scope 2 GHG emissions	NEW
	Sustainable travel	100% of business travel offset by purchase of carbon credits	Offset approximately 35.5 tonnes of CO <sub>2</sub> emissions via our partner, CHOOOSE, and progressing towards tracking of total business travel	ONGOING
	Electric vehicle (EV) charging stations	Install one EV charging station per year	Five new charging stations installed in 2024, 13 total across portfolio (2 more were on a property sold in 2024)	ONGOING
PHYSICAL IMPACTS OF CLIMATE CHANGE	Monitoring and disclosure of climate risks	Awareness of climate risk to properties at acquisition	1 property was acquired in 2024 for which a comprehensive environmental site assessment was completed	ONGOING
		Continued disclosure of risks	Climate change risks included in continuous disclosure documents and initiated implementation of the TCFD framework	ONGOING
BUILDING DESIGN AND LIFECYCLE MANAGEMENT	Strict acquisition criteria to maintain high-quality portfolio	100% of properties subject to thorough assessment of all environmental and capital item components prior to acquisition and at various points during lifecycle	Environmental and building condition reports were completed for 16 existing properties	ONGOING



SOCIAL SCORECARD

MATERIAL TOPICS	INITIATIVES	GOALS	PROGRESS	STATUS
EMPLOYEE ENGAGEMENT	Employee satisfaction	Conduct employee engagement survey	Working on a revised version of annual employee survey at property management level	ONGOING
		Record 10% employee turnover rate or less	Recorded a 5.5% employee turnover rate	ACHIEVED
	Employee health, safety and wellness	Zero accidents and incidents with zero lost work hours	Recorded 5 near-misses and zero lost work hours	ONGOING
FAIR OPPORTUNITY & TALENT INCLUSION	Promoting diverse perspectives and inclusion	Inclusive leadership	50% of PROREIT's management are women	ACHIEVED
		Initiate a poll to understand diversity within the organization	Working on a revised version of annual employee survey at property management level	ONGOING
COMMUNITY GIVING	Volunteering within the community	Minimum of 60% of employee participation	65% of employees volunteered within the community, and donated over 2,020 hours of time (almost 200% increase from 2023)	ACHIEVED
	Philanthropy and sponsorships	Increase engagement towards organizations that promote a sustainable future	13% of annual donations went to organizations that support environmental initiatives, a 6-point increase from 2023	ONGOING
BUILDING QUALITY AND SAFETY	Ensuring building quality and safety	Continuing regular review of properties to assess safety	This is a standard measure of our property operations	ONGOING
TENANT WELFARE AND RELATIONS	Tenant communication and engagement	Annual tenant satisfaction survey	The first tenant satisfaction survey was issued in 2024	ACHIEVED

GOVERNANCE SCORECARD

MATERIAL TOPICS	INITIATIVES	GOALS	PROGRESS	STATUS
STRONG CORPORATE GOVERNANCE PRACTICES	Board Independence	Maintain a Board comprised of a majority of independent Trustees	75% of Trustees are independent at Dec. 31, 2024	ACHIEVED
	Board Diversity	At least 30% of Board of Trustees comprised of women	37.5% female representation at Dec. 31,2024	ACHIEVED
BUSINESS ETHICS	Code of Conduct	Establish and annually review Code of Conduct	Completed for 2024	ACHIEVED
	Whistleblower and Disclosure Policies	Establish and annually review Whistleblower and Disclosure Policies	Completed for 2024	ACHIEVED
RISK MANAGEMENT & BUSINESS MODEL RESILIENCE	Risk Management Matrix	Review and update risk matrix annually	Completed for 2024	ACHIEVED
	Cybersecurity	100% participation in cybersecurity training programs	77.3% of employees completed the cybersecurity training in 2024, and obtained an average score of 92.2%	ONGOING
	Data Privacy	Annual review of privacy procedures and policies to ensure rapid responses to evolving issues and regulatory compliance requirements	Annual review and report produced at both the property management level and PROREIT head office	ONGOING
	ESG Incorporated in Long-term Business Planning Process	Annual review of long-term strategy to ensure ESG factors are considered	Planning towards IFRS S1 and S2 mandatory disclosure and completion of TCFD framework to provide greater transparency	ACHIEVED

CLIMATE-RELATED RISKS - FINANCIAL DISCLOSURES

PROREIT completed its assessment aligned with the Task Force on Climate-related Financial Disclosures (TCFD). This initiative reflects our commitment to identifying, evaluating and managing climate-related risks and opportunities as we continue to strengthen our ESG practices. We remain focused on monitoring evolving best practices and regulatory developments related to climate change disclosure.

GOVERNANCE	
Describe the Board’s oversight of climate-related risks and opportunities.	The Board of Trustees is responsible for the oversight of PROREIT’s approach to ESG matters, including climate-related risks and opportunities.
	The Board of Trustees is responsible for the oversight of PROREIT’s ESG disclosure obligations and approves the REIT’s material public disclosure and reporting related to ESG matters.
	More particularly, the Governance, Nominating and Compensation Committee of the Board is responsible for ESG governance oversight, providing leadership on policies and practices related to environmental and social matters.
	PROREIT’s management provides regular updates to the Board and the Governance, Nominating and Compensation Committee with respect to ESG activities.
Describe management’s role in assessing and managing climate-related risks and opportunities.	The President and CEO serves as the ESG program sponsor and is responsible for setting the ESG strategy, with the support of the ESG Steering Committee.
	<p>Created in 2021, the ESG Steering Committee is comprised of the President and CEO, the CFO, vice presidents, directors and managers from corporate, asset and property management functions. The ESG Steering Committee meets regularly and is responsible for:</p> <ul style="list-style-type: none"><li>➤ Recommending and executing the ESG general strategy.</li><li>➤ Developing, implementing and monitoring initiatives and policies based on PROREIT’s ESG strategy, including policies related to operational controls of environment, social and health and safety risks.</li><li>➤ Staying informed of the evolution of key industry frameworks, technology and formal guidelines/requirements, and maintaining a firsthand understanding of each asset’s physical and geographical vulnerabilities.</li><li>➤ Preparing information related to communications with employees, investors and other stakeholders, as required, related to ESG matters.</li><li>➤ Monitoring and assessing the development and improvement of the REIT’s understanding of ESG matters.</li></ul>
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	<b>Climate-related risks</b> to the REIT include both physical risks and transitional risks. The REIT defines short-term risks as those that are applicable to the next 3 years, medium-term risks as those that are applicable to the next 4-10 years and long-term risks as those that are applicable in more than 10 years.
	<b>Physical risks</b> are those risks caused by changing climate, including both extreme weather events such as floods, wildfires, extreme heat and storms as well as chronic events that include rising sea levels and the changing of average temperatures.
	<b>Transitional risks</b> include responses to climate change, such as changes to regulations and building efficiency standards, utility costs and the economy. Other transitional risks include matters related to policy and legal affairs, technology, market shifts and reputational issues, and we continue to monitor the evolving regulatory landscape in assessing the potential impact of these risks.



CLIMATE-RELATED RISKS - FINANCIAL DISCLOSURES

STRATEGY (CONT'D)	
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Physical and transitional risks may result in damage to the REIT's investment properties, decreased property values and reduced rental revenue.
	Climate change, to the extent it causes changes in weather patterns, could have effects on the REIT's business by: <ul style="list-style-type: none"><li>➤ Increasing the cost of recovering and repairing the REIT's investment properties.</li><li>➤ Increasing costs to insure an investment property against natural disasters and severe weather events and/or by increasing energy costs. Insurance premiums can also rise due to increased climate risk or the need for specialized insurance products for climate-related events.</li><li>➤ Disrupting supply chains for materials needed for ongoing maintenance or construction at properties, affecting project timelines and costs, and property operations.</li><li>➤ Increasing expenses required to make properties climate-resilient through infrastructure improvements, having a significant impact on capital expenditures and budget planning.</li></ul>
	Increased frequency of extreme weather conditions can also call for the implementation of new health and safety measures and impact the REIT's asset management and location strategy.
	These risks may also impact the REIT's tenants, which would ultimately impact the REIT's occupancy and cash flow.
	As a result, the consequences of natural disasters, severe weather and climate change could increase the REIT's costs and reduce the REIT's cash flow.
	As part of the REIT's financial planning, the REIT considers proactive sustainable upgrades across the portfolio and implements policies to reduce energy costs, where feasible, and considers sustainable practices at all stages of the decision-making process.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	PROREIT follows a thorough due diligence process to ensure the quality of its assets and 100% of PROREIT-owned properties are subject to an in-depth assessment of all environmental and capital item components prior to acquisition.
	The REIT also engages trusted third-party suppliers to help protect assets in areas with higher climate-related risks.
RISK MANAGEMENT	
Describe the organization's processes for identifying and assessing climate-related risks.	Climate-related risks have been identified as environmental risks, and the REIT strives to further develop physical and transitional risk-related assessment and management processes, on a continuous basis.
	The REIT has an extensive risk matrix that addresses the traditional financial and operational risks inherent to the business, in addition to climate change risks, which are mentioned as part of our continuous disclosure documents. The matrix is updated regularly, with the last revision taking place in 2024.

CLIMATE-RELATED RISKS - FINANCIAL DISCLOSURES

RISK MANAGEMENT (CONT'D)	
Describe the organization's processes for managing climate-related risks.	To manage and mitigate the financial impact of climate-related risks, the REIT strives to proactively make sustainable improvements to its portfolio of investment properties.
	The REIT's improvement initiatives focus on tracking energy usage, considering proactive sustainable upgrades across the portfolio, implementing policies to reduce energy costs, where feasible, and considering sustainable practices at all stages of the decision-making process.
	As part of the due-diligence process when the REIT acquires a new investment property, the REIT conducts environmental and building assessments to help identify any risks prior to the acquisition and implement a plan to resolve if required.
	The REIT strives to obtain sustainable building certifications such as BOMA and ENERGY STAR® within its portfolio whenever feasible, which ensure key climate-related metrics are tracked and achieved on an annual basis.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	These are identified as part of the REIT's extensive risk matrix, which addresses traditional financial and operational risks inherent to the business, in addition to climate change risks.
METRICS AND TARGETS	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	The REIT leverages ENERGY STAR® Portfolio Manager, which enables it to collect and assess data from its properties.
	The REIT has published ESG reports since 2021, which include the REIT's initiatives, goals and the related progress. These include metrics relative to water and energy use, and waste management where relevant and applicable.
	In 2024, the REIT engaged KPMG LLC (KPMG) to monitor and measure Scope 1 and Scope 2 greenhouse gas emissions, setting FY2023 as the baseline year for GHG emissions tracking moving forward.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<div>Annual GHG Emissions (tCO<sub>2</sub>e)</div> <div><div>2023 (Baseline year): Scope 1 (Natural Gas, Heating Oil): 16,181 tCO<sub>2</sub>e Scope 2 (Electricity): 33,686 tCO<sub>2</sub>e Scope 1 (Fugitive Emissions): 449 tCO<sub>2</sub>e Total Emissions: 50,388 tCO<sub>2</sub>e</div><div>2024: Scope 1 (Natural Gas, Heating Oil): 17,058 tCO<sub>2</sub>e Scope 2 (Electricity): 31,359 tCO<sub>2</sub>e Scope 1 (Fugitive Emissions): 449 tCO<sub>2</sub>e Total Emissions: 48,889 tCO<sub>2</sub>e</div></div> <div>Scope 3 emissions are not included in this report.</div>
Describe targets used by the organization to manage climate-related risks and opportunities and performance against targets.	PROREIT is tracking data where it has control. Since 2022, the REIT has set several goals and progress is communicated in its annual Sustainability report that are tracked and measured with the support of Steering Committee.



