



Impact Report 2023



About this Report

Reporting Scope and Boundary

This report presents the material issues and impacts of First Capital's:

- **Environmental initiatives, including decarbonization;**
- **Social policies and actions; and**
- **Governance Framework**

during the year ending December 31, 2023. Reports from previous years are available online: www.fcr.ca/esg.

Throughout this report, "FCR", "First Capital" or the "REIT" refers to First Capital REIT. All currency is in Canadian dollars unless otherwise noted. Any restatements or significant changes from the previously published reports are referenced in the performance data footnotes.

Reporting Frameworks

FCR has adhered to Global Reporting Initiative (GRI) Sustainability Reporting Standards since 2010. This report has been prepared in accordance with the GRI Standards: core option. In addition to GRI, we have incorporated the reporting principles of the Sustainability Accounting Standards Board (SASB) Real Estate Standard and the Task Force for Climate Related Financial Disclosures (TCFD) Recommendations.

External Assurance Reports

FCR has obtained limited assurance on selected sustainability performance indicators since 2010. For details, see our Independent Practitioner's Assurance Report on page 55.

✓ This symbol identifies figures for which EY provided a limited level of assurance.

How to Reach Us

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Report

Message to Our Stakeholders

From Adam Paul

Throughout 2023, we continued to advance our environmental and social priorities while maintaining a governance framework that reflects our values and ensures effective corporate governance principles are embedded into our business and culture.

Advancing Our Commitment to Climate Action

First Capital has committed to ambitious science-based greenhouse gas (GHG) reduction targets of 46% by 2030 and net-zero by 2050. These targets were approved by the Science Based Target Initiative (SBTi) in November 2022. Throughout 2023, our focus was to lay the groundwork to ensure successful delivery on these targets by creating net-zero plans for our assets. To achieve this, FCR became an early adopter of a first-of-its kind decarbonization planning software that has enabled us to create net-zero pathways for our assets with speed, scale and cost efficiency. We now have dynamic, net-zero pathways laid out for over 95% of our applicable assets (by GLA), which will provide powerful insights as we move into the next phase of our greenhouse gas reduction planning.

We know getting to net-zero cannot be done in isolation. We require collaboration and partnership with our national tenants and industry peers to achieve our common goal of net-zero. Extending the important work that commenced in the prior year (through our November 2022 Collaboration for Climate Action initiative), in 2023 we continued to foster this collaboration through a more formalized Collaboration for Climate Action Working Group, which is focused on creating solutions to some of the common barriers to decarbonizing open air retail real estate.

Everyone is Welcome

FCR is enormously proud of the work that our team members do to advance our mission of creating an inclusive culture of belonging, where all employees have an equal opportunity to thrive, love what they do and grow their careers. We pay particular attention to spotlighting employees and panels of employees who share their lived experiences and foster authentic discussions so that we can collectively learn and grow together.

Helping our Neighbourhoods Thrive

As we have done in prior years, during 2023 we once again encouraged our employees to volunteer at least one day towards a charity that matters to them in a neighbourhood in which we operate. Our ambitious 2023 target was for 85% participation, and our team demonstrated their passion by eclipsing that goal with a participation rate of 93%. This equated to more than 1,700 hours volunteered as well as an exceptional level of employee engagement in supporting the local communities where we operate.

And finally, in addition to our noteworthy volunteering efforts, the FCR Thriving Neighbourhoods Foundation team raised more than \$535,000 in support of Kids Help Phone over the past two years. I would like to personally thank our employees, Board members and corporate friends who continue to support our Foundation.

I am very proud of what we have accomplished over this past year. It could not have been done without the tremendous efforts of the entire First Capital team. I look forward to updating you again next year as we continue to execute several significant initiatives outlined in our Environmental, Social & Governance Roadmap and Everyone is Welcome at First Capital Action Plan.

Adam Paul, President & CEO





2023 Environmental, Social, & Governance Highlights

Environmental



19% reduction in Scope 1 & 2 absolute GHG emissions since 2019



>300 electric vehicle charging stations



18M square feet BOMA BEST certified



4.4M square feet LEED certified



>1,100 bike racks across the portfolio



46% average waste diversion rate across the portfolio



84 average Walk Score of our portfolio, "very walkable"

2023 Environmental, Social, & Governance Highlights

Social



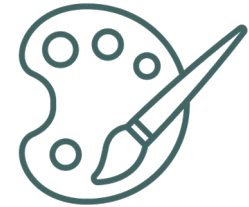
FCR Thriving Neighbourhoods Foundation raised over \$925,000 since 2020 through employee-led charitable giving

>55%

Of management positions are held by females



82% employee engagement score in our 2023 employee survey



33 public art installations across our portfolio



7.1M sf achieved the WELL Health-Safety Rating



Named one of Canada's 2022 Greenest Employers by the Globe and Mail



Named one of Greater Toronto's 2024 Top 100 Employers



Named one of Canada's 2024 Top Small & Medium Employers

2023 Environmental, Social, & Governance Highlights

Governance

TOP 30

Listed as a top 30 Canadian company in Sustainalytics 'Road to Net Zero' Ranking for our strong low carbon transition rating management score



Received validation from the Science Based Targets Initiative (SBTi) for our 2030 GHG reduction target of 46% in November 2022



Scored a B in our 2023 CDP Disclosure, which is higher than the North American average of C



'AAA' rating, in the Morgan Stanley Capital International (MSCI) ESG Ratings assessment in 2023



Awarded Gold 2024 Green Lease Leader Recognition by the Institute for Market Transformation (IMT) and the U.S. Department of Energy's Better Building Alliance



Received Sector Leader Status in the 2023 GRESB Real Estate Development Benchmark with a score of 90



Awarded prime status for corporate ESG performance by Institutional Shareholder Services in 2023

About First Capital

Our Business

First Capital Real Estate Investment Trust, with \$9.2 billion* in assets, owns, operates and develops grocery-anchored, open-air centres in neighbourhoods with the strongest demographics in Canada.

Our Purpose

Through the expertise and collaboration of our team, we create thriving properties which generate value for businesses, investors and our neighbourhoods. Thriving properties...thriving neighbourhoods.

Our grocery-anchored, open-air centres are designed to be vibrant places that meet the needs of everyday life and they bring together people, retail shops and services, as well as public art, with the benefit of close proximity to public transit.

Our Operations



*As of December 2023



Liberty Village, Toronto, ON

Creating Thriving Properties for Everyday Urban Life

Currently, over 90% of our revenues come from retail tenants who provide the essential products and services consumers need everyday, including grocery stores, pharmacies, liquor stores, banks, restaurants, cafés, fitness centres, medical services, childcare facilities and other professional and personal services. In each of our properties, we strive to assemble the right mix of complementary uses to best serve the local community and contribute to thriving urban and top-tier suburban neighbourhoods.

99%

Currently, over 99% of our properties are located within a 5-minute walk to public transit.

84

Our portfolio has a “Walk Score” of 84. It is considered “Very Walkable”, which is the second highest level achievable, where most errands can be accomplished on foot.

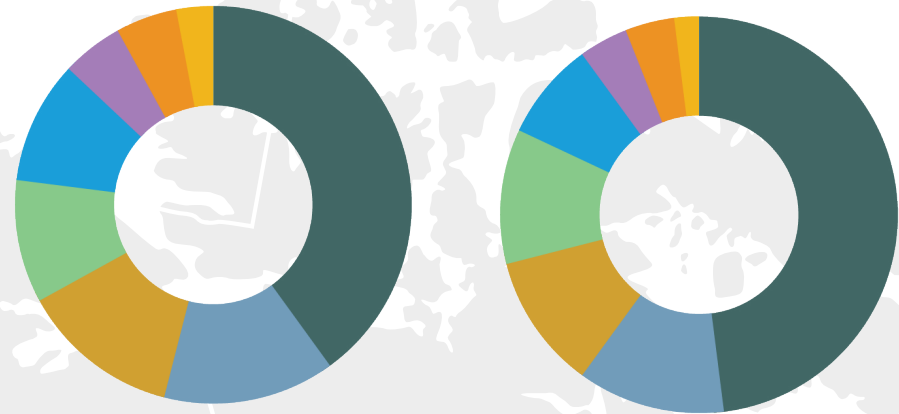
295,000

Average population density within a five-kilometre radius of each of our properties, up 90,000 or 44% from December 2016 making us a leader amongst our North American peers on this metric.

Urban Markets

% of Annual Minimum Rent*

% of Portfolio Value*



% of Annual Minimum Rent*

% of Portfolio Value

Greater Toronto Area	40%	48%
Greater Montreal Area	14%	12%
Greater Calgary Area	13%	11%
Greater Vancouver Area	10%	12%
Greater Edmonton Area	10%	7%
Greater Ottawa Area	5%	4%
Kitchener/Waterloo/Guelph Area	5%	4%
Other	3%	2%

Total 100% 100%

*As at December 31, 2023

Our Target Markets

FCR targets specific urban and top-tier suburban neighbourhoods within Canada's largest and fastest growing cities. These neighbourhoods are located in Toronto, Montreal, Calgary, Vancouver, Edmonton, and Ottawa. We have achieved critical mass in each of our target markets, which helps generate economies of scale and operating synergies, as well as deep local knowledge of our properties, tenants, neighbourhoods, and markets in which we operate.

Within each of these markets, we own some of the best located properties in neighbourhoods with strong demographics that we expect will continue to get stronger over time, thereby attracting the most desirable tenants with the highest rent growth potential and the most compelling opportunities for value creation.



Our Approach

Our Sustainability Strategy

Sustainability at FCR encompasses all aspects of our environmental, social and governance (ESG) practices. Sustainability has always been integral to the responsible management of every aspect of our business and the mitigation of various risks. FCR has a track record of pursuing ESG strategies and initiatives since 2006 and has been recognized through numerous ESG rankings as a leader in Canada for our comprehensive reporting.

We believe that progressive sustainability management results in improved decision making and risk management, which in turn lead to improved operational efficiencies and cost savings, better customer satisfaction, and increased property values. Evolving stakeholder expectations are driving the requirement to proactively assess and future-proof our portfolio. In alignment with our corporate strategy, we developed a 5-year ESG 2020-2024 Roadmap to advance and expand our ESG efforts and accountabilities across the organization. This report is aligned with the priority topics identified in the ESG Roadmap and details our progress up to the end of 2023.

Our Values

FCR's core values and long-standing sustainability program guides our actions and supports our strategy of creating thriving properties to generate value for businesses, residents, communities, and our investors.

View our 5-Year ESG Roadmap at fcr.ca/esg-roadmap



United Nations Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. FCR is committed to contributing towards a better future for everyone and continues to focus on aligning our ESG strategy, initiatives, and commitments to meet the underlying actions and priorities of the SDGs. The following provides a summary of FCR commitments to support those SDGs that we have identified as fitting with our core business and targeted impacts. Further details of our progress and actions related to these SDGs are published throughout this report.



No Poverty

End poverty in all its forms everywhere

UNSDG Target

1.2 By 2030, reduce at least by half the proportion of men, women, and children of all ages living in poverty in all its dimensions according to national definitions.

FCR Impact

Combating food insecurity and poverty in our neighbourhoods and surrounding communities is a key pillar of the FCR Thriving Neighbourhoods Foundation. More about our efforts can be found on page 29.



Zero Hunger

End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

UNSDG Target

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round.

FCR Impact

Combating food insecurity and poverty in our neighbourhoods and surrounding communities is a key pillar of the FCR Thriving Neighbourhoods Foundation. More about our efforts can be found on page 29.



Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

UNSDG Target

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

FCR Impact

Initiatives to support youth education, literacy, and wellness in our neighbourhoods and surrounding communities is a pillar of the FCR Thriving Neighbourhoods Foundation. More about our efforts can be found on page 29.



Gender Equality

Achieve gender equality and empower all women and girls

UNSDG Target

5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

FCR Impact

As a Canadian industry leader in gender diversity metrics, our Equity, Diversity & Inclusion program ensures equal opportunity, recognition, respect, and well-being for all employees. More about our efforts can be found on page 37.



Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable, and modern energy for all

UNSDG Target

7.3 By 2030, double the global rate of improvement in energy efficiency.

FCR Impact

We continue to improve the energy efficiency across our portfolio and are committed to increasing our use of renewable energy over the next few years in both our existing assets and new developments. More about our efforts can be found on page 21.



Industry, Innovation, and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

UNSDG Target

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

FCR Impact

Since 2006, FCR has constructed all new buildings to Leadership in Energy and Environmental Design (LEED) standards. We currently have 129 LEED certified buildings (4.4 million sq. ft.). More about our efforts can be found on page 27.



Galeries des Chesnayes, Lachenaie , QC



Reduced Inequalities

Reduce inequality within and among countries

UNSDG Target

10.2 By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic, or other status.

FCR Impact

Our Equity, Diversity & Inclusion program ensures equal opportunity, recognition, respect, and promotion of the well-being of all employees. More about our efforts can be found on page 37.



Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient, and sustainable

UNSDG Target

11.2 By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities, and older persons.

11.7 By 2030, provide universal access to safe, inclusive, and accessible green and public spaces, in particular for women and children, older persons, and persons with disabilities.

FCR Impact

We are committed to ensuring that our properties are located within close proximity to public transit and that they promote the use of a range of healthy, low carbon transportation options. We are actively expanding our EV charging facilities, improving pedestrian connectivity, cycling amenities, and access to public transportation. More about our efforts can be found on page 25.

We recognize the importance of green space, outdoor amenities, parks and playgrounds, and privately owned public spaces and incorporate these criteria in our planning and development projects. More about our efforts can be found on page 27.



Responsible Consumption and Production

Ensure sustainable consumption and production patterns

UNSDG Target

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

FCR Impact

We continue to improve waste reduction and recycling at our properties through a variety of programs including tenant engagement and customer education. More about our efforts can be found on page 24.





Climate Action

Take urgent action to combat climate change and its impacts

UNSDG Target

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

13.2 Integrate climate change measures into national policies, strategies, and planning.

FCR Impact

We are taking action to assess and understand the risk that climate change poses to our assets and to develop a framework to continue to strengthen and build resilience. We have a science-based 2030 emissions reduction target and a long-term target of net zero carbon in our portfolio. More about our efforts can be found on page 15.



Life On Land

Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss

UNSDG Target

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

FCR Impact

We recognize the value that nature brings to our communities and are developing strategies to enhance biodiversity and protect surrounding ecosystems. More about our efforts can be found on page 26.





Partnering with our Stakeholders

We believe stakeholder engagement and input is critical to the success of our company. With this view at hand, FCR has multiple two-way channels to effectively communicate with our stakeholders, including our investors, joint venture partners, tenants, employees and the public. This deepens our understanding of topics most important to our stakeholders, offers diverse perspectives and helps inform future strategy and risk management. The chart on the following page summarizes our mechanisms for stakeholder engagement.

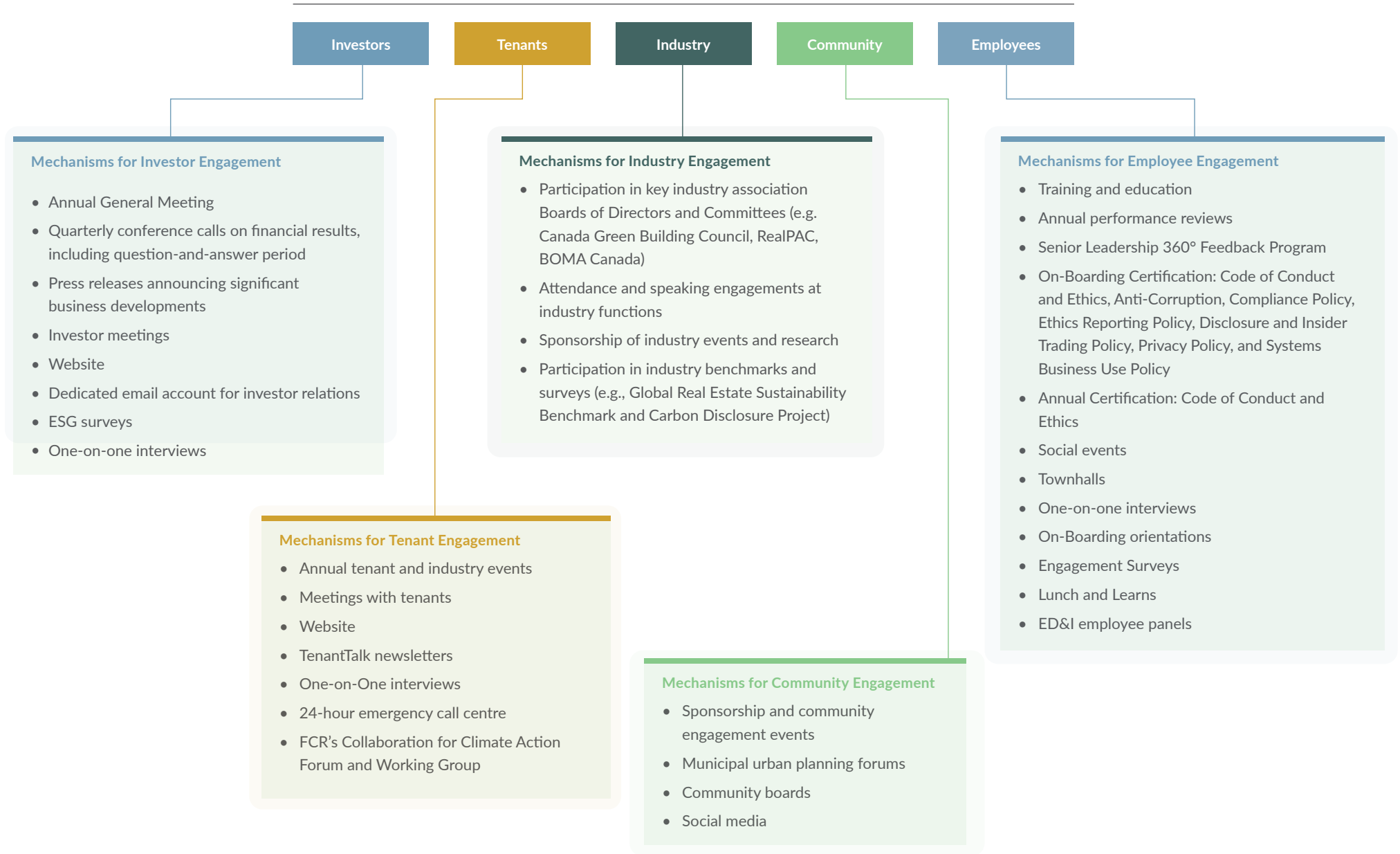


College Square, Ottawa, ON



Mechanisms for Stakeholder Engagement

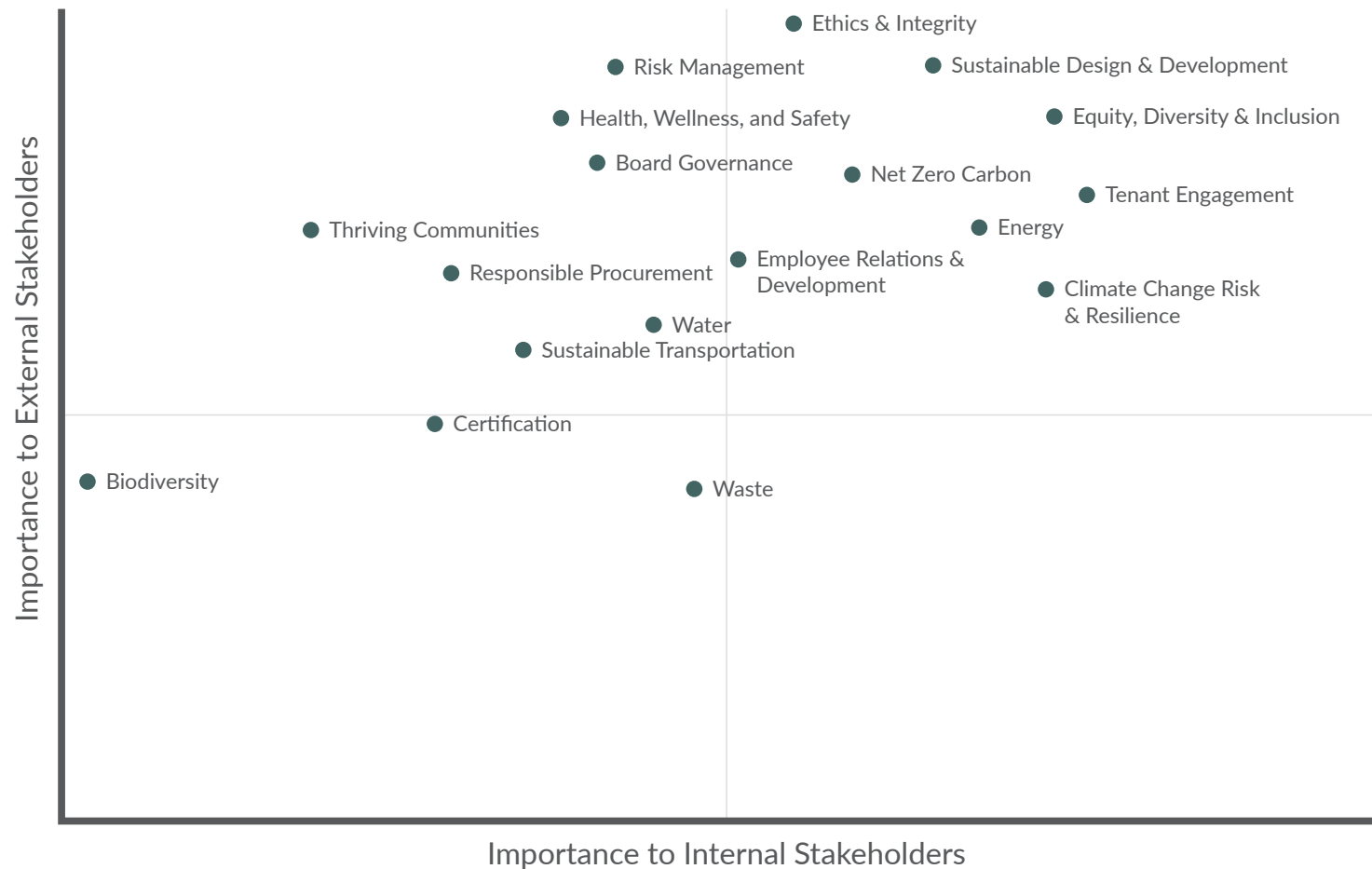
Stakeholders



FCR ESG Prioritization Matrix

In 2021, FCR conducted a focused exercise aimed at updating our materiality assessment and confirming which ESG risks and opportunities are most important to our stakeholders and to ensure that our reporting and initiatives align with their expectations and perspectives. The assessment was conducted through an online survey with participation from 20 external stakeholders representing board members, tenants, investors and joint venture partners

and 26 internal stakeholders representing executive and senior leadership team members from various departments. Stakeholders were asked to rank the importance of 18 sustainability aspects, organized in the categories of Environment, Social and Governance. The results of this stakeholder engagement process are plotted below. We expect to update our materiality assessment in 2024.





Environment

Climate Change

We recognize that climate change is one of the most significant issues facing the planet and we are committed to best-in-class climate governance and risk management to ensure our long-term resilience to a changing climate.

Report on the Task Force on Climate-Related Financial Disclosures

Climate-Related Governance

FCR has established an Environmental, Social, Governance (ESG) governance structure that includes the Board of Trustees, members of the Executive Leadership Team, dedicated full-time employees, an ESG Task Force and most recently, a Carbon Council.

Governance of ESG, including climate-related issues, occurs at the Board level. The Chair of the Governance & Sustainability Committee is directly responsible for oversight of ESG matters. The Board receives updates and presentations on ESG matters as required from the FCR ESG team, annually at a minimum, and reviews environmental risks quarterly. We also engage external experts to provide climate-related education to the Board. Since 2020, the Board and Management team has received several educational opportunities with respect to ESG matters, including presentations from the Canadian Climate Law Initiative to improve climate knowledge, the Canada Green Building Council, EY Canada and from First Capital's Vice President, ESG.



Carrefour du Versant Est, Gatineau, QC

The Board reviews our FCR Risk Management Dashboard quarterly, which identifies climate change as a risk and includes risk mitigation activities. The Board monitors and oversees progress against goals and targets for addressing ESG initiatives, including climate-related initiatives, through annual progress updates on FCR’s 5-year ESG Roadmap.

The Senior Vice President (SVP), General Counsel and Corporate Secretary is the highest-level management position responsible for operational level ESG management at FCR. The SVP, General Counsel and Corporate Secretary is a member of the Executive Leadership Team and reports to the President & Chief Executive Officer (CEO).

Since 2010, FCR has maintained a full-time senior leadership position responsible for the oversight of its ESG program. The Vice President, ESG reports to the SVP, General Counsel and Corporate Secretary. This leadership role is responsible for directing sustainability reporting initiatives and driving continuous ESG engagement and improvement at FCR. This role is supported by a Manager, Energy & Sustainability and an ESG Programs Coordinator.

Ongoing oversight of ESG and climate-related issues is carried out by the ESG Task Force, co-chaired by FCR’s Chief Operating Officer and Vice President, ESG and attended by executive and senior leadership from all areas of the business. The Task Force meets quarterly and is the senior leadership forum for developing and implementing ESG strategy and commitments, assessing and managing climate-related risks and opportunities, reviewing performance and integrating ESG practices and initiatives across the organization.

In late 2023, FCR took steps to convene a Carbon Council made up of Executive and Senior Leadership Team members from across business functions. The Council’s mandate is to proactively lead FCR in our net-zero commitment by overseeing our strategy to reduce carbon emissions. The Council will focus on developing and guiding the implementation of plans to achieve short-term and long-term science-based carbon reduction goals, and ensuring they are properly resourced through integration in business and capital planning. The Council’s first meeting took place in early Q1 2024.





Climate-Related Strategy

In 2021, we performed a climate scenario analysis to assess the magnitude of the financial impacts associated with climate-related risks and opportunities over medium and long-term time horizons, in 2035 and 2050, respectively. The horizons were defined to allow for significant time for climate-related risks and opportunities to manifest and to consider FCR's long-term growth strategy and building lifecycles.

Physical risks will likely impact our portfolio and business in the medium-term and increase in severity in the long-term regardless of whether aggressive climate action is collectively taken. Specifically, the severity of the impacts on our portfolio due to extreme precipitation and flooding, extreme wind, heat/freezing stress and wildfires could continue to increase in the future. Damages to assets and surrounding infrastructure, operational disruptions and impacts on tenants and occupancy could all result from changes in overall climate conditions and extreme events exacerbated by climate change. The impacts of these physical risks could result in increased costs, significant capital requirements and revenue losses.

If aggressive climate action accelerates, we could be exposed to risks resulting from the transition impacts to a low-carbon economy. Risks resulting from policy and regulatory changes could impact FCR's business and development strategy as emerging requirements and standards are mandated. Increases in development spend, resources required to comply with mandatory reporting and utilities and energy consumption are considered likely in a future where climate action is expedited. These projected business implications could result in increased costs and long-term capital needs. Additional risks that could arise from the transition to a low-carbon economy could include reputational risks if GHG emissions reduction targets are not met and risks from obsolescence of existing technologies.



Place du Commerce, Montréal, QC



In 2022, we developed a Climate Action Plan with the objective to reduce the impact of physical and transitional climate-related risks to our business and assets, and to position us favorably to secure climate-related opportunities in the future. Climate-related initiatives were incorporated into the performance metrics for all employees in 2022 as well as the long-term incentive performance adjustment factor for members of the Executive Leadership Team that receive performance trust units (PTUs) as part of their compensation.

Climate-Related Risk Management

In 2021, FCR convened a TCFD Working Group made up of Executive and Senior Leadership Team members from across business functions, to undertake a facilitated process of conducting a scenario analysis to assess the potential impacts of climate-related risks and opportunities on our business and portfolio. The objectives were to build foundational knowledge as it relates to the interconnectedness of GHG emissions reductions, climate risk management and scenario analysis, to assess the magnitude of climate-related risks and opportunities in two possible climate futures, and to evaluate the risks and opportunities that could potentially impact FCR's business and financial performance.

Climate-related risks and opportunities relevant for FCR were identified from established climate literature and guidance, including the TCFD recommendations. Physical risks were validated using regionally specific climate projections published in Canada's Changing Climate Report (2019), whereas transition risks considered Canada's current climate policy commitments (i.e., carbon pricing policy plans, municipal building requirements), and relevant climate literature. The FCR TCFD Working Group selected two well-established climate scenarios (IEA Sustainable Development Scenario and IPCC RCP 8.5) representing divergent futures; one where aggressive climate action limits warming to 2°C, and the second based on a "business-as-usual" scenario where climate change is unabated and warming increases by over 4°C by the end of the century.



Carrefour du Plateau, Gatineau, QC

The Working Group rationalized their selections and envisioned what the future might look like for FCR and our portfolio in each scenario. For both scenarios, the Working Group assessed the consequence and likelihood of climate-related risks and opportunities in the medium and long-term (2035 and 2050) and how these might impact their respective business functions including but not limited to financial impacts on revenue, costs, tenant operations, capital needs and asset valuation. The results of the workshop series included a matrix based on the two scenarios which provides a reference baseline for considering strategies to prepare the business for future climate scenarios to ensure our future-readiness.

In 2020, we completed an assessment of physical climate risks for our national portfolio, including new development projects, using a third-party science-driven risk analytics software. This allowed us to apply and model physical risk scenarios focused on extreme weather impacts for each of our assets. The analysis included detailed climate hazard projections to 2040 that measure the relative degree of change in extreme events such as intensity and frequency of rainfall, high temperatures, historical cyclone activity, coastal flooding, drought and water stress, and wildfire potential.

From the results of this analytics platform, flooding was identified as the climate hazard that posed the highest risk to many of our assets. Since 2020 we have been taking steps to manage this risk. As a first step, the Operations Team completed a flood resilience survey for each asset identified as high risk, relative to the FCR portfolio, to audit and identify current physical building and equipment conditions and areas of potential focus to proactively improve our resilience (e.g. moving equipment above grade, onsite stormwater management, etc). The Operations Team has also completed a flood resilience action plan and a flood emergency response plan for FCR’s limited number of ‘high risk’ properties. The purpose of the action plan is to guide the implementation of resiliency measures over the next several years. The flood emergency response plan outlines who to contact in a flood emergency and includes an inventory of any critical equipment that would require shutdown, and how to restore property operations after a major flooding event, and more.

The FCR enterprise risk management dashboard identifies all material risks to the REIT, including climate change (specifically the risk to our assets and revenue streams from extreme weather events) and includes: 1) a heat map that plots the individual risks probability and impact rating and 2) a risk prioritization and mitigation report that prioritizes the risk rating from high to low depending on the rating value (as determined by a Probability x Impact formula). The risk prioritization exercise occurs annually or when a significant event occurs that impacts multiple risks. On a quarterly basis, input is received from various levels of management to reassess and validate for risk trending, and potential increases or decreases of risk prioritization, based on events that may have occurred through the quarter. The CEO and CFO review the quarterly Risk Management Report prior to submission to the Governance Committee and the Board.



Steeple Hill Shopping Centre, Pickering, ON



Climate-Related Metrics & Targets

Our commitment to advance ESG initiatives and address climate-related issues is embedded across the business and is a key metric in our annual Corporate Objectives. The performance against these ESG accountabilities is linked to the remuneration and performance evaluation of all employees, including the Executive Leadership Team, aiming to incentivize progress against our ESG commitments.

In 2023, 35% of the Corporate Objectives portion of FCR's bonus metrics were aligned with specific ESG-related initiatives, including a goal to complete net-zero plans for at least 80% of our assets (by GLA) and increasing employee awareness and understanding of climate change considerations for FCR through mandatory training. In addition to short-term incentive compensation linked to annual ESG metrics, from 2021 to 2023, 12.5% of the performance adjustment factor for the REIT's long-term incentive program (LTIP) was linked directly to planning activities for GHG emissions reduction goals over the three-year vesting period for performance trust units (PTUs) granted to the Executive Leadership Team.

This allocation towards the LTIP performance factor emphasizes the importance of the one-time task of developing net-zero plans for each property to ensure FCR is positioned to achieve its short-term and long-term science-based carbon reduction goals, and is properly resourced through integration in business and capital planning activities. Upon completion of the property-level net-zero pathways and implementation plans, the People and Compensation Committee determined that annual GHG reduction goals should be aligned with short-term incentive compensation. Therefore, in 2024 PTU grants were no longer linked to carbon reduction planning goals, which are expected to be complete by year-end 2025.

In 2022, First Capital set a 2030 GHG reduction target that has been validated and approved by the Science Based Targets Initiative (SBTi). First Capital's science-based emissions target is to achieve a reduction of 46% in Scope 1 & 2 emissions by 2030. As part of our GHG reduction plan, we have also committed to reduce our Scope 3 tenant emissions by 28% by 2030, and we have set a long-term emissions reduction target of reaching net-zero across all

Scopes

by 2050. First Capital's targets are consistent with the primary goal of the Paris Agreement – to limit the rise in global temperature this century to 1.5° Celsius.

First Capital's science-based emissions target is to achieve a reduction of 46% in Scope 1 & 2 emissions by 2030. As part of our GHG reduction plan, we have also committed to reduce our Scope 3 emissions by 28% by 2030, and we have set a long-term emissions reduction target of reaching net-zero across all Scopes by 2050.

To reach these ambitious targets, in 2023 FCR set a goal to create asset level net-zero plans for at least 80% of its properties. To accomplish this, FCR became an early adopter of a first-of-its-kind decarbonization planning software to create proactive, multi-decade decarbonization pathways for our assets with speed, scale and cost-effectiveness, resulting in the creation of net-zero pathways for 95% of our applicable assets, by GLA.

In 2024, we will leverage these insights to create an actionable 5-year (2025-2030) portfolio plan to achieve our 2030 target of 46% reduction (Scope 1 & 2). The 5-year plan will identify the specific carbon reduction projects that will be implemented and include spend by year by property, to be presented to the Board for approval as part of our 2025 Business Plan.



Performance Excellence at Existing Properties

We strive for performance excellence at our existing properties targeting reductions in greenhouse gas, energy, water, and waste by investing in resource efficiency projects, tenant engagement and setting long-term targets for net-zero emissions.

Energy Conservation & GHG Emissions

The buildings sector is a leading contributor of GHG emissions, accounting for approximately 18% of Canada’s total GHG emissions in the country¹. Most of these emissions relate to lighting, heating and cooling of premises and heating of water.

FCR recognizes the impact our properties have on the environment. We are committed to monitoring and minimizing this impact, while at the same time reducing operating costs, engaging tenants, and managing market and regulatory risks such as future utility cost increases and mandatory energy reporting.

To foster a culture of operational efficiency within our property management teams, we have ongoing programming and training that is focused on energy efficiency and identifying actions to improve operational efficiencies. Reductions are achieved through operational best practices, energy efficiency assessments, and equipment retrofits & upgrades.

To ensure we continue reducing impacts across our portfolio, our science-based emissions target and performance is a bonus metric that is linked to the remuneration of all employees. In addition, the annual accountability objectives of each Property Management team include a metric to complete energy efficiency walk-throughs of at least 2 properties per year.

¹Environment and Climate Change Canada, “A HEALTHY ENVIRONMENT AND A HEALTHY ECONOMY” at: <https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/climate-plan-overview/healthy-environment-healthy-economy.htm>

Detailed data can be found in our supplementary Data Pack at fcr.ca/esg-2023data

In 2022, we set a 2030 GHG reduction target that has been validated and approved by the Science Based Targets Initiative (SBTi). First Capital’s science-based emissions target is to achieve a reduction of 46% in Scope 1 & 2 emissions by 2030. The SBTi categorizes FCR as a Small Medium Enterprise (SME). The SBTi SME pathway prescribes a base year of 2018, 2019, 2020. We established 2019 as our base year because it was the most recent year, without being impacted by the COVID-19 pandemic, resulting in a more accurate reflection of energy use. As per the SBTi, the predefined target options represent a clean representation of the linear annual reduction rates used by the initiative to classify targets against temperature goals and are in line with keeping global temperature increase below 1.5°C.

To align with our science-based target, we report on absolute energy consumption and GHG emissions of our portfolio using both a year-over-year and baseline year comparison.

Highlights for this year are

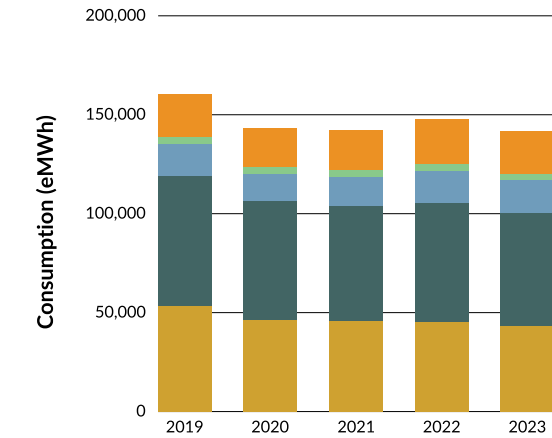
- Compared to our 2019 baseline, FCR achieved a 12% decrease in energy consumption and a 19% decrease in Scope 1 & 2 GHG emissions (2019-2023).
- Our year-over-year results show a 4% decrease in 2023 energy consumption, and 5% decrease in 2023 Scope 1 & 2 GHG emissions relative to 2022.
- We experienced a year-over-year increase in energy costs of 6%, relative to 2022, despite a decrease in consumption. This is due to an increase in energy rates in many jurisdictions.

Since the validation of our science-based targets, our efforts have been largely focused on planning for the successful achievement of these targets. In 2023, we developed net-zero pathways for 95% of our applicable assets, by GLA. In 2024, we will leverage these pathways to create an actionable 5-year (2025-2030) portfolio plan to achieve our 2030 target of 46% reduction (Scope 1 & 2). The 5-year plan will identify the specific carbon reduction projects that will be implemented and include spend by year by property, to be presented to the Board for approval as part of our 2025 Business Plan.

Because our portfolio is comprised primarily of open-air shopping centres, most of our energy consumption is attributed to powering exterior common areas and parking lot lighting. In most cases, tenants are separately metered for natural gas and electricity consumption and therefore, their energy use and associated GHG emissions are not included in this report.

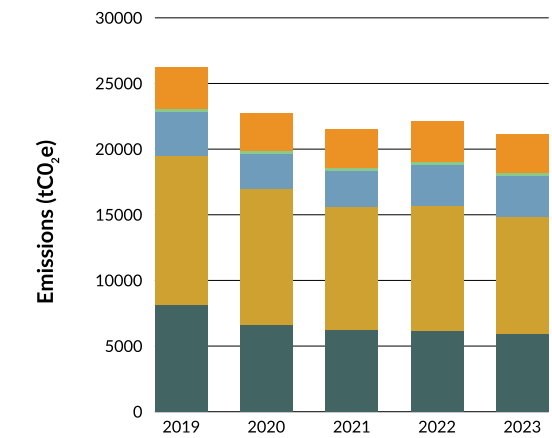
Although access to Scope 3 data is currently limited, we have estimated that our Scope 3 emissions make up over 90% of our GHG footprint, with over 50% of that being attributed to emissions from tenant energy use. The SBTi SEM Pathway does not provide validation of Scope 3 targets. However, we strive to be a leader in climate action and have also set a 2030 Scope 3 target that is aligned with SBTi guidance for larger companies: our Scope 3 target is to achieve a 28% reduction in tenant emissions by 2030 (using a 2019 base year). The Scope 3 baseline was established largely using estimated data. Our focus over the next several years will be to gain better access to our Scope 3 tenant emissions so that we can more accurately track and report on those emissions, as well as engage with our tenants on energy conservation and GHG reduction measures.

Energy Consumption by Asset Class



■ Open-air shopping centres
 ■ Enclosed shopping centres
■ Retail, High Street
 ■ Office buildings
■ Mixed Use

GHG Emissions by Asset Class



■ Open-air shopping centres
 ■ Enclosed shopping centres
■ Retail, High Street
 ■ Office buildings
■ Mixed Use

Water

The availability of freshwater supplies is an increasing concern around the world. In Canada, water conservation efforts are becoming more important as climate change begins to impact regional supplies and the cost of water continues to rise in many municipalities.

Our properties primarily use water to supply drinking water, support maintenance and cleaning activities, supply landscape irrigation, and provide sewage conveyance. At many properties, there is one water meter installed by the utility and tenants are not separately metered. As a result, the water consumption and costs associated with many of our tenants' business operations are included in this report, meaning usage can be impacted and varied year over year by changes in property occupancy levels and tenant uses (e.g., fitness clubs and restaurants use a lot more water than some other tenant types). In Quebec, which represents approximately 10% of our portfolio (based on IFRS Fair Values), water consumption is not metered by the municipalities or utility companies. Therefore, water consumption and costs for our Quebec properties are not included in this report. However, select municipalities in Quebec have initiated the process of installing water meters at commercial properties and we anticipate that we will be able to expand our water consumption data reporting in the upcoming years.

FCR continues to implement water conservation measures across our portfolio such as the installation and retrofit of efficient washroom fixtures and smart irrigation systems, as well as improving tenant awareness and engagement in the importance of their role in water conservation. In 2023, we saw our year-over-year water consumption increase by 1%. However, our results since 2019 show significant progress, with a 15% reduction in water use.

Moving forward, our focus will be on developing a submetering plan for common area water so that we can obtain the data on the water use that is within our control, enabling us to set targets and track our progress.

Water Consumption by Asset Class



For additional data, view our supplementary Data Pack at fcr.ca/esg-2023data.

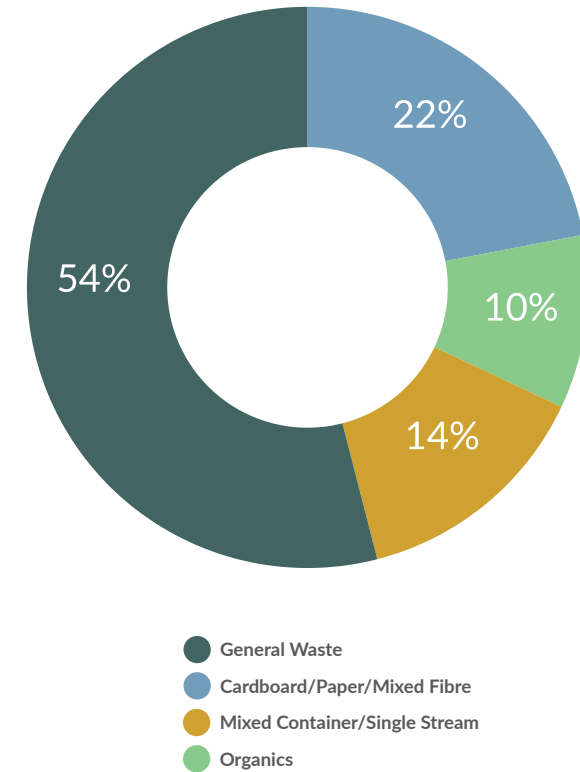
Waste

Minimizing waste output across our portfolio is important to reduce our contribution to the reduction of global GHG emissions, pollution, and environmental degradation, while also saving on waste management costs.

Our waste management program aims to improve efficiency, increase waste diversion, reduce the costs related to the waste and recycling programs at our properties and provide consistency in our waste reporting and monitoring. To support our goals and target improvements across the portfolio, we have partnered with a third-party national waste consultant with a focus on increasing waste diversion, streamlining data collection and generating expense savings.

In 2020, we set a three-year target to achieve a 50% average waste diversion rate (2021-2023). Our 2023 waste diversion rate for properties that report on waste is 46% (reporting includes data for 88% of our portfolio, or 19.6 million square feet of GLA). Our diversion rate improved by 1% year-over-year and our target was not achieved by year end 2023, largely due to a significant shift in the operations of our third-party national waste consultant as well as competing priorities at our properties. To improve focus on waste diversion, in early 2023 all properties were asked to create a waste reduction work plan and diversion targets have been set at the individual property level that will roll up to the national diversion target of 50%. Plans are now being implemented to achieve these targets that include waste audits, additional recycling streams and tenant engagement.

2023 Waste Profile of Non-Hazardous Waste



Sustainable Transportation

We ensure that our properties provide a range of healthy, low carbon transportation options.

Canada’s transportation sector is the second-largest contributor to overall GHG emissions. According to data from the 2021 National Inventory Report, emissions from transportation accounted for 25% of total emissions in Canada. At FCR, we are committed to providing the infrastructure to support healthy, low-carbon transportation options such as walking, cycling, electric vehicles (EV), carpooling and public transportation. By ensuring our tenants and their employees and customers have convenient access to sustainable transportation options at our properties, we can decrease dependence on vehicle use, thereby reducing traffic congestion, air pollution and GHG emissions.

As EV technology continues to evolve with improved charging capabilities and more electric vehicle options becoming available, the demand for better infrastructure will continue to increase. FCR supports the expansion of EV infrastructure in Canada and we continue to annually increase the network of EV charging stations at our properties. We have invested in the installation of more than 300 Level 2 EV stations across our portfolio. Beginning in 2024, we will partner with leaders in the industry to expand availability of fast charging infrastructure across the country by providing these infrastructure partners with access to our prime urban and suburban retail sites.

A key component of our urban strategy is to create an amenity of a connected walkable neighbourhood. Our portfolio has an average Walk Score of 84 which is considered “Very Walkable”, where most errands can be accomplished on foot. We are continually assessing our properties for opportunities to improve connectivity to make them more welcoming and safer as well as identifying expanded natural pedestrian access routes.

Accessibility to public transit is also inherently important to our strategy and during the acquisition and development process we evaluate potential sites for transit access and future planned transit expansion. Currently over 99% of our properties are within a 5-minute walk to public transit. We also work closely

with local governments to provide feedback and develop plans to improve public transit and create new transit hubs to support our urban development projects and the surrounding local communities.

We currently have over 300 Level 2 EV stations installed across our portfolio. Beginning in 2024, we will partner with leaders in the industry to expand availability of fast charging infrastructure across the country by providing access to our prime urban and suburban retail sites.

Cycling is a healthy, low carbon transportation option and we want to ensure that cyclists have the amenities they need when visiting our properties and our tenants. In 2021, we completed an audit of our properties to assess our current bike rack amenities and to identify opportunities and locations to expand these facilities. From the results of this audit, our Operations Team has installed 264 additional new bike racks which brings the total number of bike rack facilities across our portfolio to over 1,100.



Liberty Village, Toronto, ON



Biodiversity

We create attractively landscaped areas that serve as valuable habitats for native species while improving walkability and infusing unique character into our vibrant, super urban neighbourhoods.

Biodiversity supports everything in nature that we need to survive: food, clean water, medicine, and shelter. Habitat loss created from deforestation, large-scale agriculture, urban sprawl, and industrial development is a significant threat to biodiversity in Canada. Wildlife and habitats that were once abundant are becoming threatened or have disappeared altogether because of larger ecosystem changes.

FCR recognizes that we can contribute to improving biodiversity in our urban neighbourhoods while reducing the impact that we have on surrounding ecosystems. Focusing on biodiversity allows us to create places where nature can thrive while adding a vibrancy and unique character that can be enjoyed by the people who live, work, and shop in our neighbourhoods.

Natural pollinators such as bees promote healthy biodiversity and are crucial to human survival. FCR is committed to supporting the infrastructure environment to promote bee populations within our neighbourhoods. As of December 31, 2023 we had beehives at 8 properties across the country. We also prioritize native plants and pollinator species for landscaping when developing landscape replacement projects as well as for new developments.

Another opportunity for FCR to have a positive impact on surrounding ecosystems is the implementation of urban farming initiatives at our properties. These initiatives contribute to the greening of spaces, creates local, ecological, and resilient food systems, helps support our local community, and encourages biodiversity in urban areas. In 2022 & 2023, we partnered with an urban farming company to successfully deliver our first urban farm at our head office in Toronto. We're proud to share that to date, our urban farm has harvested over 400 lbs of vegetables, edible flowers, and herbs. All were donated to Second Harvest (Canada's largest food rescue organization) and redistributed to local food banks to help combat food insecurity in our

neighbourhoods. We will continue to report on our progress in this area, as we continue to explore unique opportunities to further enhance the biodiversity in our neighbourhoods in ways that also engage or give back to our communities and protect the environment.



The impact of FCR's urban farming initiative extends beyond this one garden. We leverage the initiative to engage our employees in the concept of urban agriculture and aim to inspire them to grow their own food at home.

The garden is accessible to employees at our head office, and each week they can meet and interact with our dedicated farmer as they visit to tend to the garden, learning about the benefits of urban agriculture.

Throughout the growing season we organize webinars and in-person events, including a virtual 'Introduction to Urban Agriculture' workshop. This hour-long virtual workshop provided an overview of the importance of urban agriculture and taught attendees how they can do it in their own homes. Over 100 people attended, and everyone who participated received a 5-gallon growing kit and a mixed greens seed packet.

Sustainable Design & Development

We ensure that all our new developments are future-fit and designed to protect asset values over the long-term with competitive tenant operating costs.

Across the country, urban development is occurring at a rapid pace and has a direct impact on the environment and surrounding community. Developers have a responsibility to consider how they can reduce their impact on the environment and create places that are livable, comfortable, safe, and productive.

Sustainable design and development align with FCR's strategy of creating thriving properties and neighbourhoods where the public can easily access daily necessities. Our development and redevelopment activities are focused primarily on well-located properties in dense urban neighbourhoods where land use intensification is a priority. We are actively expanding our urban neighbourhood portfolio, with a balanced strategy of mixed-use density comprised of retail, office, and residential.

Urban development in pedestrian-based, high-density communities can have positive social, economic, and environmental impacts such as more engaged and connected communities, less economic burden on municipalities to deliver services such as utilities and public transit, and the avoidance of consuming prime agricultural or forested land. By remediating contaminated urban lands, the environment is improved, land values are increased, and the potential for abandoned neighbourhoods or districts is reduced.

In 2006, FCR was an early adopter in its commitment to sustainability by constructing new buildings to Leadership in Energy and Environmental Design (LEED) standards. As of December 31, 2023, 129 projects have been certified to LEED totaling 4.4 million square feet.

With the evolution of our development activity towards urban, mixed-use communities, we recognized the need to formalize a more holistic approach to sustainable development beyond our commitment to LEED certification.

In 2020, FCR created a Sustainable Development Framework that uses a holistic approach to sustainable development and sets the FCR standard that would be incorporated in all future projects, regardless of whether a LEED certification is being pursued. The framework encompasses 12 key ESG impact areas that align with our 2020-2024 ESG Roadmap, including climate resilience, carbon, biodiversity, sustainable transportation, placemaking, health & wellness and diversity & inclusion. The FCR Sustainable Development Framework has been incorporated early in the development process to ensure that ESG considerations are embedded in each project from the outset.



Bayside Village, Toronto, ON



Yonge & Roselawn: A Low Carbon Case Study

Yonge & Roselawn is a 2.1-acre mixed-use development project in midtown Toronto, Ontario. This project is slated to deliver over 500 purpose built residential rental units and over 65,000 sq ft of prime retail over a two-storey retail podium fronting on Yonge Street, a prominent street in midtown Toronto. The property is designed to meet high levels of energy efficiency and environmental performance in accordance with Tier 2 of the Toronto Green Standard (TGS). This project is also expecting to achieve LEED Gold, at a minimum, and Zero Carbon Building Design (ZCB-D) v3 Certification. In pursuit of these ambitious objectives, FCR, and our partner Woodbourne, have developed a sustainable design strategy. Although specific initiatives may continue to evolve, our core objective remains consistent: to develop a property that embodies high efficiency, sustainability, and a strong focus on ESG principles.

Currently Planned Sustainable Design Features:

- Designed to achieve 35% energy savings and 60% operational carbon savings relative to a “business-as-usual” base case.
- Geexchange (geothermal) heating and cooling systems & air-source heat pumps.
- Stormwater collection and retention system, and a greywater reuse system.
- Specification of low carbon concrete.
- In-depth local biodiversity planning incorporated into the design.
- Variety of transportation options including electric vehicle (EV) parking, bicycle parking, public transportation, and high walkability and connectivity to local amenities.



Yonge and Roselawn, Toronto, ON



Social

Thriving Communities

We act as community builders, which means leading by example, forming strong relationships with community members and giving back in ways that reflect and promote the vibrancy of each community.

As one of Canada's largest owners, developers and operators of grocery anchored open air centres we have a direct impact on the current and future prosperity of the neighbourhoods in which we operate, not only in economic terms, but social and environmental as well. We recognize this responsibility and have centred FCR's purpose statement around a goal of helping our neighbourhoods thrive.

FCR Thriving Neighbourhoods Foundation

FCR and its employees have a long history of volunteering and giving back to the local communities in which we live and work. In 2020, we proudly launched our own employee-led registered charitable foundation called the FCR Thriving Neighbourhoods Foundation. Aligned with our purpose and brand – with people and community at the centre of our business, the Foundation's mandate is to support charitable initiatives that are making an impact in the neighbourhoods where we operate. The Foundation is a natural complement to FCR's business – as we continue to make a long-term sustainable commitment to the communities we serve – to generate and enhance value for all stakeholders.



Yorkville Village, Toronto, ON



The Foundation empowers FCR employees to work together as ‘one team with one purpose’, to engage in a common goal of helping neighbourhoods thrive.

The structure of the Foundation is comprised of two components:

- **FCR Thriving Neighbourhood Foundation**, where monetary donations are made to registered charities.
- **FCR Initiatives**, where employees support non-charity events and causes in Arts & Culture, Innovation and Sustainability.

The Foundation aligns with charitable organizations that focus on the well-being of the communities in which we operate and neighbouring communities, under the four guiding pillars: Social Justice, Mental Health, Youth Initiatives, and Food Insecurity & Poverty. In 2020-21, the Foundation focused their successful initiatives on Food Insecurity & Poverty. For 2022-23, the Foundation’s initiatives are focused on the Foundation pillar of Mental Health.

Since launching, the Foundation has raised over \$940,000 in donations through employee-led charitable giving and volunteer programs focused on community support.

- In 2020-21 raised over \$400,000 to fight food insecurity, including \$338,000 donated to Second Harvest and \$66,000 to food banks.
- In 2022-23 raised over \$535,000 for Kids Help Phone through multiple staff led initiatives and events, including the FCR Thriving Neighbourhoods Foundation’s annual Commercial Real Estate Softball Classic tournament.

In 2024-25, based on employee survey results, the Foundation will once again focus its efforts on Food Insecurity & Poverty. Community Food Centres Canada (CFCC) will be the signature partner for this pillar. The Foundation’s initiatives will be supporting CFCC’s mission of building health, belonging and social justice in low-income communities across Canada through the power of food. In addition to company-run volunteer and fundraising initiatives all full-time FCR employees are entitled to one paid day off each year to volunteer for a charity of their choice. In 2023, 93% of FCR staff utilized their volunteer day to support local charities in our communities.

2022-23 Focus

Mental Health

Focusing on issues such as:
Community Support Programs
Mental Health Awareness Initiatives

Social Justice

Focusing on issues such as:
Equality
Anti-racism
Unemployment
Gender
Human Rights

Food Insecurity & Poverty

Focusing on issues such as:
Homelessness
Supporting Meal Programs
Food Banks

Youth Initiatives

Focusing on issues such as:
Literacy
Education
Youth Wellness
Mentorship Programs

Learn more about our Foundation at thrivingneighbourhoods.ca



Let's Play Ball for Charity

In September 2023, the FCR Thriving Neighbourhoods Foundation held the Second Annual Commercial Real Estate Softball Classic! Located at Toronto's Coronation Park, we hosted our industry peers and partners for day of friendly competition, fueled by softball, lunch, a beer garden, and more! This charitable event saw the commercial real estate community come together to raise an incredible \$220,000+ for Kids Help Phone, more than doubling the fundraising results of the inaugural edition.



Arts & Culture

For over fifteen years, FCR has been supporting artists and art education while investing in the communities we serve. We host public and student art competitions and partner with renowned art institutions across the country. These memorable public art pieces create a gathering place for the people in our communities as well as add aesthetic appeal and enhance the visitor experience at our properties. FCR currently has 33 art installations located in public common areas of select properties. Through collaborations with Ontario College of Art and Design University (OCAD), Emily Carr University of Art and Design and Concordia University, FCR has sponsored several competitions giving students and emerging artists an opportunity to showcase their talent.

33

public art installations across
our portfolio

"Biindigen"
Que Rock
Shops at King Liberty

Tenant Engagement

We build strong, trusting and collaborative relationships with our tenants through engaging programming and superior customer service.

Engaging our tenants as our partners in sustainability is a critical partnership in our sustainability journey. The carbon footprint of FCR's property operations is just a fraction compared to what is generated through our own tenants' operations at each of our properties. Our goal through tenant engagement is to work closely with our tenants to promote collaboration, drive down carbon emissions in our portfolio and improve resource use.

Highlights from our tenant engagement initiatives include:

- Hosted our inaugural Collaboration for Climate Action Forum, bringing together major national retail tenants and prominent retail property owners for a solutions-focused discussion around the decarbonization of retail buildings in Canada.
- Awarded Gold Green Lease Leader Recognition by the Institute for Market Transformation (IMT) and the U.S. Department of Energy's Better Building Alliance, recognizing our efforts to incorporate green leasing to drive high-performance, collaboration and healthy buildings.
- Published our Tenant Guide to Sustainable Operations, comprised of actions and quick easy to use suggestions that can help a tenant's day-to-day operation become more sustainable.
- Continue to publish our Tenant Green Talk e-newsletter to share sustainability related topics and events.
- Issued our first tenant satisfaction survey in November 2021; we received over 800 responses with an overall satisfaction rate of 77%.



Centre Commercial Maisonneuve, Montréal, QC

Collaboration for Climate Action: A Landlord and Tenant Engagement Forum

In November 2022, FCR, in partnership with Choice Properties REIT, hosted its inaugural Collaboration for Climate Action forum. The forum brought together major national retail tenants and prominent retail property owners for a solutions-focused discussion around the decarbonization of retail buildings in Canada. Recognizing that property owners and tenants must align their interests to meet the ambitious emissions reduction targets required to combat climate change, the forum provided an important platform to build partnerships, foster collaboration, pool resources and expedite property owners' and tenants' collective progress as we tackle some of the unique challenges of owning, leasing and operating retail buildings.

The forum was attended by over 25 senior representatives from 9 Canadian retail tenants and 4 real estate property owners – together making up a significant amount of Canadian retail space with joint annual Scope 1 & 2 GHG emissions totaling over 2 million tons of carbon dioxide.

Participants left the forum energized, and having a consensus view that the event should form a starting point for continuing engagement and collaboration. The Collaboration for Climate Action Working Group was established in 2023 as an opportunity emerging from the Forum. The Working Group is a structured industry initiative to action three collaboration opportunities to drive decarbonization in retail buildings:

1. Creating industry tools to better integrate climate considerations into tenant-landlord standard business processes and contractual obligations.
2. Advancing low-carbon technology literacy by implementing technology pilots and sharing insights.
3. Communicating with regulators regarding key regulatory barriers to achieving decarbonization.

To learn more about the Collaboration for Climate Action Forum, view our summary report [here](#).



Employee Relations & Development

We are recognized as a great place to work that delivers a rewarding, stimulating, and fun experience for our employees.

At FCR, our people are our strength. Our corporate culture reflects our shared commitment to building community and excellence in everything we do. FCR is committed to investing in our people and providing them with the right tools and resources to succeed while contributing to healthy employee retention and productivity.

We believe that engaged employees are productive employees. We strive to deliver a rewarding, stimulating, and fun place to work, where individuals are treated with respect and dignity. FCR provides employees with competitive remuneration, generous benefits, training, educational opportunities, and career advancement. We provide a comprehensive benefits package to full-time employees, including a wellness subsidy.

We strive to deliver a rewarding, stimulating, and fun place to work.

FCR conducts a comprehensive employee engagement survey every two years. Our latest employee survey was conducted in 2023. We had a very strong response rate of 95%, exceeding our goal of 90%. Our overall engagement score was 82%, which is 10% above the Canadian average (as stated by our third-party partner). Managers are required to conduct annual formal performance reviews of their employees and ensure that expectations are understood, and performance is acknowledged and rewarded. All permanent, full-time employees participate in the Performance Review and Year-End Compensation review process which includes the creation of a Development Plan for the coming year.



Celebrating Our People: FCR's Best & Brightest Awards Program

In 2022 we introduced our Best & Brightest Awards Program (or "Besties" for short) that celebrates our employees who demonstrate and embody our five core values: Collaboration, Innovation, Excellence, Accountability, and Passion. Each of the five winners receive \$2,500 worth of FCR units, an official certificate, and 5 additional vacation days.

Now an annual program, all employees are given the opportunity to nominate their colleagues and the winners are chosen by our carefully appointed selection committee. The five winners are announced at our annual 'Celebrating Our People' Townhall that takes place in late November.

The Besties came as an expansion of our longstanding Values Awards Program where we historically focused on one value for the year and awarded a single individual who showcased that value best. Here at FCR, we don't let hard work go unnoticed and the goal of this expansion is to improve upon and grow our efforts in recognizing our best and brightest people.

In addition to mandatory annual training on equity, diversity and inclusion, sexual harassment, discrimination, cyber-security, and health and safety, FCR offers training focused on building the skills and capabilities of employees. We offer several in-house training programs including annual mandatory training for all people managers and Microsoft Office skills training.

We continually look for opportunities to educate and engage employees in ESG by providing training, presentations and special events. In 2023, as part of our Corporate Objectives, all employees completed mandatory training with modules to build foundational knowledge of climate change, as well as details of FCR's climate commitments. This training was complemented by

an engagement campaign we called the FCR Green from Home Challenge, hosted by Project Neutral, an environmental charity. Through this campaign, employees learned the basics of climate change, measured their own carbon footprint, learned ways to reduce their climate impact, and competed for some great eco prizes!

To reinforce our climate training, throughout Fall 2023 representatives from our ESG team met in-person with each of our Property Management teams across the country to conduct a workshop focused on decarbonization strategies for our portfolio of buildings. These workshops will continue in 2024 to include teams from other areas of our business such as Leasing, Construction and Asset Strategy.



Recognized as one of Greater Toronto's Top Employers for the fourth time in 5 years (2020 – 2022 & 2024)



Named one of Canada's Top Small and Medium Employers for the fourth time in 5 years (2020 – 2022 & 2024)



Named one of Canada's 2022 Greenest Employers by the Globe and Mail



Selected for inclusion in "The Career Directory" as one of Canada's best employers for recent graduates

What Our People Think*

94% of our employees feel like their manager really cares about their well-being

91% of our employees feel they are provided with adequate opportunities for learning and development

88% of our employees are proud to work for First Capital

*Based on results of our 2023 employee engagement survey



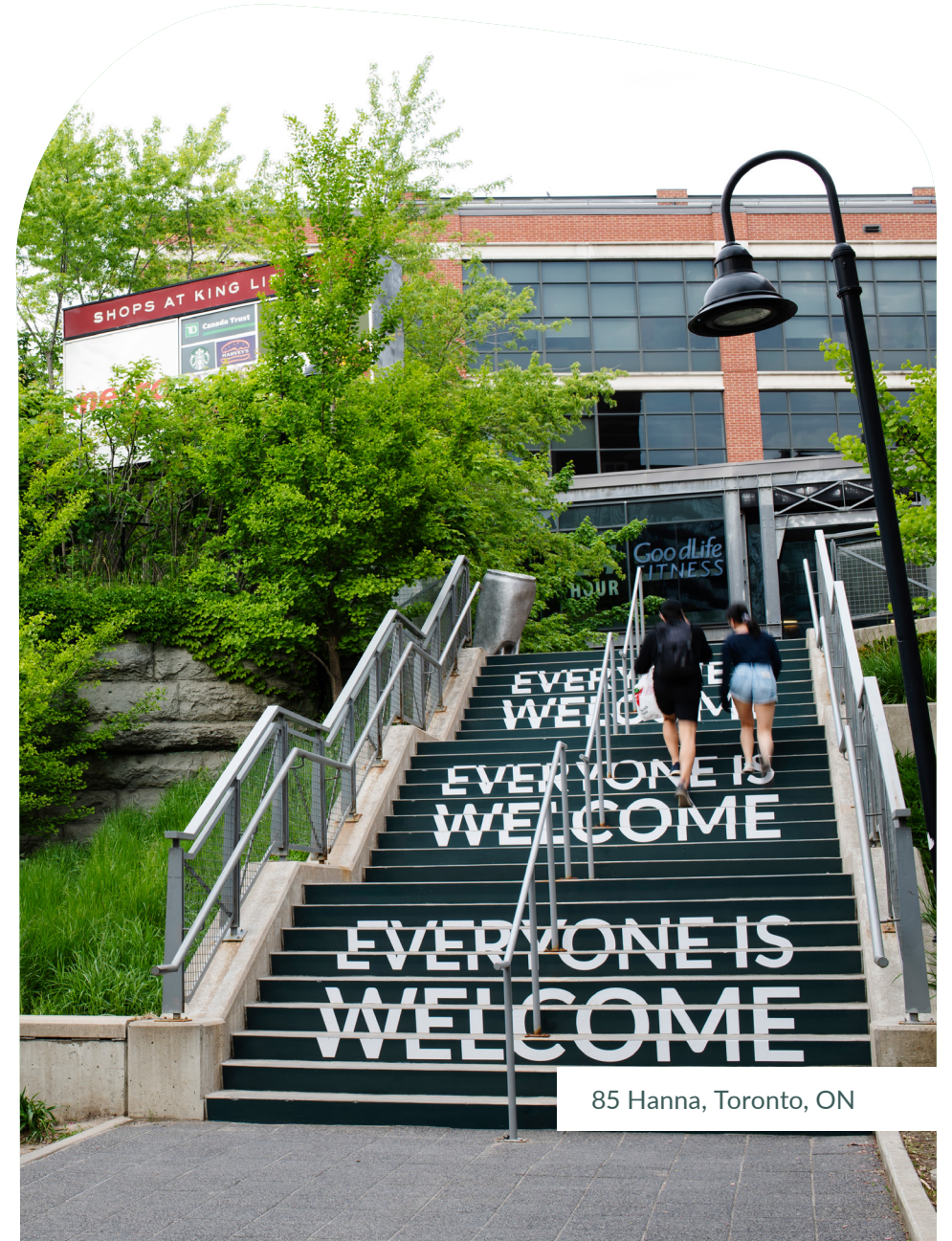
Everyone is Welcome

We encourage and embrace diverse populations both within our workforce and our communities.

At FCR, equity, diversity and inclusion (ED&I) is at the core of our values. As a leader in the Canadian real estate industry, we have a responsibility to proactively address and eliminate acts of bigotry, discrimination, and prejudice to create a safe and trusted environment that will elevate opportunities, outcomes, and experiences for our employees and the communities where we live and work. We have zero tolerance for racism or discrimination against any group, in any form in our workplace or our broader communities. We acknowledge, support, and desire that everyone at FCR brings different lived experiences.

In 2020, we established an ED&I Council that is the engine that drives these matters forward. Part of the ED&I Council’s mandate is to create meaningful actions that fosters awareness and advocacy for all employees. Our employee-led Council has identified the following four key pillars to guide our mission:

- **Foundation:** Strategically prioritize our ED&I initiatives and activities over a defined period to ensure progress and incorporate ED&I accountabilities and policies across FCR.
- **Education:** Focus and align our ED&I learning initiatives, leadership development, mentorship, and business practices to advance employee experiences across the organization.
- **Awareness:** Foster a vibrant and inclusive culture that demonstrates and ensures equal opportunity, recognition, respect and the promotion of the well-being for all employees – where everyone feels included based solely on their merit and skills.
- **Community Outreach:** In our mission of creating thriving urban neighbourhoods, we will strive to contribute and engage our employees, tenants, vendors, and community stakeholders to influence the equity, diversity, and inclusiveness of the neighbourhoods in which we operate.



85 Hanna, Toronto, ON

These pillars are the foundation on which we continue to build on our ED&I initiatives to have an influential impact on our organization. In 2021, the ED&I Council developed and implemented the Building an FCR for Everyone - 2021-2023 ED&I Action Plan. This action plan is the framework for building a diverse and inclusive environment for everyone. Several initiatives have been implemented including mandatory Diversity in the Workplace training for all employees, inclusive leadership training for senior and executive leaders, completed an employee demographic survey, reviewed FCR's policies, forms, and practices for unconscious bias, and promoting employee engagement with our employee spotlight series and ED&I speaker series. In 2023, standout events include employee-led panel discussions on mental health and men's health, generating conversations and diverse perspectives across our employee base that continue to bring us together and make us better. The next iteration of our Everyone Is Welcome at FCR Action Plan is currently under development by the Council and will be finalized in early 2024.

*Honouree in the Globe and Mail's
"Women Lead Here" list for 2024, 2021
and 2020*

*Strong gender diversity metrics achieved
through all levels of the organization;
over 55% of management positions are
held by females*



Health & Wellness

We foster a culture of health & wellness for our employees and within our communities.

Employee Health & Wellness

Employees who are healthy – both mentally and physically – are more productive and engaged and are less likely to be absent due to illness. We have developed a robust wellness program that incorporates 100% employer paid group health benefits, a wellness subsidy, employee education sessions and ongoing engagement. We have established a Wellness Workdays program to support employees for each of the different pillars of wellness including physical, social, financial, but most specifically, mental wellness. With this program, we are reducing the stigma of mental health issues within the company culture and are driving the awareness that FCR provides a safe, supportive, and mentally healthy work culture.

In addition to FCR’s wellness program, our hybrid work model and flexible hours are designed to provide flexibility for employees to manage work and personal time. FCR provides the following paid time off:

- **Three** personal days each year, that can be used for planned or unplanned time off
- Up to **five** bereavement leave days each year
- All full-time employees start with **three** weeks of vacation allowance moving to four weeks after just four years with the organization
- **One** paid day off to volunteer for a charity of their choice
- Up to **three** additional paid days off during the winter holidays (corporate offices are closed from Christmas Day through New Year’s Day)
- **18-week** pregnancy and parental leave top-up benefit for all employees who are bringing a child into their care

Health & Safety

FCR is committed to promoting a safe and healthy workplace for all employees, tenants, contractors, and customers. In pursuit of our commitment, we develop, implement, and enforce such policies and procedures that promote and provide a healthier, safer work environment. FCR is ultimately responsible for worker health and safety and will take every reasonable precaution possible for the protection of our employees and act in compliance with all applicable workplace health and safety legislation.

Health and safety general awareness training and specific compliance training is mandatory for all employees. All new employees receive this training during their first week of employment as part of our onboarding program. FCR has established joint health and safety representatives and committees nationally. These representatives conduct monthly workplace inspections and meet on a quarterly basis.

During 2023 there were no fatalities as a result of FCR's activities. In 2023, there was 1 Workers' Compensation claim that resulted in lost time of 0 days.



Appleby Village, Burlington, ON



Health & Wellness at our Properties

At FCR we recognize the importance of always ensuring health, safety & wellness at our properties, even more so as this became prominent in 2020 in response to the COVID-19 pandemic.

In June 2021, FCR successfully achieved the WELL Health-Safety Rating at 35 of our enclosed shopping centres, offices and mixed-use properties. Informed by the WELL Building Standard and more than 600 experts from the Task Force on COVID-19, the WELL Health-Safety Rating for Facility Operations and Management establishes protocols and validates the operations standards focused on the health, safety and well-being of the people who work in and visit our buildings. The rating criteria is focused on operational policies, maintenance protocols and emergency preparedness plans and includes strategies to keep building spaces clean and sanitized, evidence of support of employee essential health benefits and services, execution of communication programs of our health and safety efforts, engagement with occupants to prepare for an emergency, and assessment of processes of air and water quality. The WELL Health-Safety Rating requires an annual recertification, which we successfully achieved at all 35 properties in 2023.





Governance

Ethics & Integrity

Ethical business is a part of our culture.

Code of Conduct and Ethics

FCR has clearly defined its expectations of employees, officers and trustees in its Code of Conduct and Ethics, Anti-Corruption Compliance Policy, Ethics Reporting Policy, and Disclosure and Insider Trading Policy. Employees, officers and trustees are required to acknowledge having read these documents and agree to comply with these policies upon joining the organization and annually thereafter.

We have adopted a Supplier Code of Conduct and Ethics (the “Supplier Code”) which was designed to ensure that third-party suppliers have a clear understanding of how FCR expects to conduct our business with suppliers.

Whistleblower Mechanism

Every trustee, officer and employee has an ongoing responsibility to report any activity of which they may have knowledge relating to the integrity of our financial reporting or which might otherwise be sensitive in preserving the reputation of FCR. Our Ethics Reporting Policy defines these expectations. Any non-compliance incidents with FCR’s policy documents are handled in accordance with the directives identified in the policies.

FCR also retains Clear View Connects™, an independent provider of specialized ethics reporting services. It provides our employees and third-party suppliers with an independent and anonymous method for reporting any concerns regarding unethical behaviour or actual/perceived breaches with FCR’s Code of Conduct or Supplier Code. The Audit Committee receives a report outlining any complaints on a quarterly basis.

Learn more at fcr.ca/governance



Meadowlark Shopping Centre, Edmonton, AB

Corporate Governance

We strive to be a governance leader by making it a priority to continuously adopt new and improved governance practices, including ESG oversight and execution, and follow recommendations as governance standards evolve.

Board Governance

FCR and our Board of Trustees (the “Board”) believe that sound corporate governance practices are the essential foundation to the well-being of FCR and the promotion and protection of our stakeholders’ interests. FCR is led by the President and CEO and overseen by the Board. As at December 31, 2023, the Board was comprised of ten trustees, nine of whom, including the Chair, were “independent” as defined by the National Instrument 52-110.

The Board carries out its responsibilities directly through the Audit Committee, the Compensation Committee, the Corporate Governance Committee, the Investment Committee, and such other committees as it may establish from time to time. For more information on the Board Committees, you can view the Committee Charters at fcr.ca/governance.

Board & Executive Diversity

FCR strives to maintain a diverse Board and Management Team, as we believe it will result in enhanced decision-making abilities, lead to improved oversight, and promote better overall corporate governance by utilizing differences in skills, experience and background, gender, ethnicity, age, geographical and industry experience, length of service, and other distinguishing qualities.

We have established a Board Diversity Policy to ensure that diversity criteria are assessed during the trustee recruitment process. Although we do not have specific targets, we annually review the structure and diversity of the Board and set diversity aspirations including gender diversity relating to the Board’s optimum composition as part of the recruitment process.

In 2023, FCR surveyed the Board and executive and senior management to determine the number and proportion of individuals that self-identified as belonging to one or more of designated minority groups. The results of this survey can be found in our 2023 Management Information Circular at fcr.ca/unitholders. We annually review the structure and diversity of the Board and set diversity aspirations including gender diversity relating to the Board’s optimum composition as part of the recruitment process.



Meadowvale Town Centre, Mississauga, ON

Risk Management

We proactively identify and effectively mitigate risk throughout all areas of our business.

FCR has a structured risk assessment process to identify and manage risks. We identify and prioritize risks based on the likelihood of an event happening and economic impacts resulting from this event. Risks are classified as strategic, financial, operational, or regulatory. A Risk Management Dashboard is used to compile the top risks of the organization.

FCR undertakes a review and re-prioritization of risks based on its annual assessment process. During the review and re-prioritization process, management will also identify any emerging risks that may need to be assessed. On a quarterly basis, we reassess risks for trends and receive updates on risk mitigation activities undertaken during the previous quarter. The Executive Leadership Team updates the Risk Dashboard and provides it to the Audit Committee and the Board quarterly.

FCR undertakes a review and re-prioritization of risks based on its annual assessment process.

To discourage management from taking excessive or inappropriate risk, several measures within FCR’s compensation structure have been implemented. For example, the risk oversight function involves the Board and its Committees, and a substantial portion of the senior Executive Officers’ compensation is “at-risk” with variable vesting periods which serves to align their interests with those of shareholders as a substantial portion of their compensation is directly affected by FCR’s performance over time.

Our ESG Roadmap identifies several areas of potential risk where we will be focusing significant effort over the next several years, including climate risk, data privacy, cyber security, and updates to pandemic planning policies.

Risk Mitigation of Contaminated Lands

FCR’s philosophy of risk mitigation applies to the acquisition and management of land. Comprehensive environmental assessments are conducted to evaluate possible environmental contamination prior to acquiring a property. If contamination is identified, we liaise with the vendor to remediate the site prior to acquisition or to develop a remediation plan.

Further, we require comprehensive environmental liability insurance on all of our properties and new acquisitions. This approach minimizes potential financial liability if historical contamination is discovered on a property after acquisition (e.g., soil contamination underneath an existing building) or if off-site contamination migrates onto a property.

Our Senior Director, Environmental Programs and General Counsel tracks and reports on remediation activities quarterly to the Audit Committee.





Responsible Procurement

We aspire to transform the market by extending our influence and impact through our supply chain.

Integrity and a high standard of ethics are fundamental to our beliefs. FCR is committed to doing what is right and deterring wrongdoing and we expect our suppliers to operate in accordance with values comparable to ours and in a manner which is consistent with prudent business practices.

We have adopted a Supplier Code of Conduct and Ethics (the “Supplier Code”) which was designed to ensure that third-party suppliers have a clear understanding of how FCR expects to conduct our business with suppliers.

The Supplier Code holds all suppliers and contractors accountable to maintaining a safe, healthy, and secure work environment. If there is an actual or suspected violation of the Supplier Code, suppliers are encouraged to report it to our confidential, third-party, FCR ethics hotline.

We ensure that health and safety compliance is maintained by all our contractors, trades, and suppliers. FCR standard third-party service agreements and contracts include standard terms to ensure that the provincially legislated roles and responsibilities of constructor, prime contractor, and principal contractor are clearly defined to minimize FCR’s liability. In addition, FCR maintains a third-party contractor accreditation program, which is a mandatory FCR requirement, to annually verify contractors’ compliance with health and safety legislation.

FCR maintains a third-party contractor accreditation program, which is a mandatory FCR requirement, to annually verify contractors’ compliance with health and safety legislation.

We have mandated green procurement in our day-to-day operational policies such as interior and exterior cleaning, waste management, office purchases, and HVAC maintenance.

FCR is committed to respecting all human rights and recognizes the organization’s responsibility to establish a standard of expected conduct in all our business functions – for our colleagues, tenants, partners, supply chain and our communities. Our Human Rights policy and practices are guided by international standards and best practices in the area of human rights, including the United Nations’ Guiding Principles on Business and Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and employment and human rights laws and regulations applicable in the regions in which we operate.

Over the past several years, we have taken steps to advance our approach to responsible procurement. In 2021, we developed an ESG Contractor & Supplier communication framework to promote awareness of responsible procurement practices. We shared our ESG 2020-2024 Roadmap and FCR ED&I values to proactively encourage future alignment and partnership expectations.

Throughout 2022/23 we began collecting ESG-related information from our contractors and suppliers to help us understand what programs and policies they currently have in place so that we can build a platform of mutual goals and alignment. The accumulation of contractor and supplier information is expected to be assessed in 2024, after which FCR will develop targeted goals and objectives.

In early 2024, FCR will host a responsible procurement workshop to a multifunctional group of First Capital team members to achieve the following objectives:

- Increase internal knowledge of responsible procurement approaches and best practices.
- Build momentum to further integrate responsible procurement considerations in selection of vendors and contractors.
- Collaboratively identify ESG-related opportunities and risks associated with First Capital’s key procurement categories.

Following this workshop, we will define next steps to build out and progress our responsible procurement strategy.



GRI Reporting Principles for Defining Report Content and Quality

Defining Report Content

Stakeholder Inclusiveness	The section entitled Our Approach describes our processes for stakeholder engagement.
Sustainability Context	For each material aspect identified, the context and approach are described.
Materiality	The subsection entitled Materiality Assessment describes the process used to identify material aspects of FCR's operations.
Completeness	The report covers products, services, and activities where First Capital REIT has operational control, unless otherwise noted. Refer to the Data Assumptions and Methodologies section in our 2023 Supplementary Data Pack for further details.

Defining Report Quality

Accuracy	FCR aims to prepare an accurate report. The process involves systems to collect data, review data, and approve the final report. Refer to Appendix 1 - Data Assumptions and Methodologies in our supplementary Data Pack for information on how data was compiled.
Balance	FCR discloses negative and positive information in the report.
Clarity	FCR aims to deliver an easy-to-read, clear, concise report that can be accessed online. Its efforts include providing a list of definitions and acronyms, avoiding jargon, describing data assumptions and methodologies, and providing graphics that are clear and not misleading.
Comparability	The ESG report compares 2023 data to previous years' data.



GRI Reporting Principals for Defining Report Content and Quality

Defining Report Quality

Reliability	<p>FCR established processes to collect and report on sustainability indicators. The process involved assigning separate data owners and reviewers to each sustainability indicator. The SVP, General Counsel, Chief Financial Officer and Governance & Sustainability Committee of the Board read the entire report before issuance. Furthermore, FCR sought the services of Ernst & Young LLP to provide "limited assurance" on the following GRI and internally developed indicators.</p>
	<p>For 2023 data:</p>
	<p>Total water consumption, as defined by Global Reporting Initiative ("GRI") Disclosure 303-5</p>
	<p>Total energy consumption, as defined by GRI Disclosure 302-1</p>
	<p>Gross direct (Scope 1) GHG emissions, as defined by GRI Disclosure 305-1</p>
	<p>Gross location-based energy indirect (Scope 2) GHG emissions, as defined by GRI Disclosure 305-2</p>
	<p>Change in energy consumption from 2019, internally developed criteria aligned with SBTi</p>
	<p>Change in total Scope 1 and Scope 2 GHG emissions from 2019, internally developed criteria aligned with SBTi</p>
<p>Total waste diverted from disposal, as defined by GRI 306-4</p>	
Timeliness	<p>FCR's 2023 Impact Report was issued within six months of the end of the reporting period.</p>



GRI Content Index In Accordance With Core Disclosure

General Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
General Disclosures					
102-1	Name of the organization		p. 1	No	
102-2	Activities, brands, products, and services		p. 1	No	
102-3	Location of Headquarters		p. 1	No	
102-4	Location of Operations		p. 1	No	
102-5	Ownership and legal form		p. 1	No	
102-6	Markets served		p. 1	No	
102-7	Scale of the organization		p. 1-2	No	
	Total number of employees		p. 4	No	
	Total number of operations		p. 1	No	
	Net sales or net revenues		p. 2	No	
	Total capitalization broken down into debt and equity		p. 2	No	
	Quantity of product and services provided		p. 2	No	



General Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
102-8	Information on employees and other workers		p. 4	No	
	Total number of employees by employment contract by gender		p. 4	No	
	Total number of employees by employment contract by region		p. 4	No	
	Total number of employees by employment type and gender		p. 4	No	
	Whether a significant portion of the organization's activities are performed by workers who are not employees		p. 4	No	
	Significant variations in employment numbers			No	There are no significant variations
102-9	Supply Chain			No	N/A
102-10	Significant changes to the organization, including size, structure, ownership, and supply chain			No	There are no significant changes to the organization
102-11	Application of precautionary principle	p. 43		No	
102-12	External initiatives	p. 27	p. 20	No	
102-13	Membership of associations	p. 13		No	



General Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
102-14	Statement from the most senior decision maker	C		No	
102-15	Key impacts, risks, and opportunities	p. 1-44		No	Throughout the report, FCR describes key impacts, risks, and opportunities
Identified Material Aspects and Boundaries					
102-46	Defining report content and topic boundaries	p. 14		No	
	Explain how the organization has implemented the reporting principles for defining report content	p. 14, 45		No	
102-47	List of material topics	Table of Contents		No	Refer to Specific Standard Disclosures
103-1	Explanation of the material topic and its boundary	p. 14-44		No	
102-48	Report any restatements and effect on restatements			No	
102-49	Report significant changes in topics and boundaries			No	N/A
Stakeholder Engagement					



General Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
102-40	List of stakeholder groups	p. 13		No	
102-41	Percentage of employees covered by collective bargaining agreements			No	Zero percent of employees are covered by collective bargaining agreements
102-42	Identifying and selecting stakeholders	p. 13		No	
102-43	Approach to stakeholder engagement	p. 12-14		No	
102-44	Key topics and concerns raised by stakeholders			No	Topics concerning development and redevelopment activities raised during formal public consultations are available from municipalities where these activities were proposed or occurred
Report Profile					
102-50	Reporting period	Inside Cover		No	
102-51	Date of most recent previous report	Inside Cover		No	
102-52	Reporting Cycle	Inside Cover		No	
102-53	Contact Point	Inside Cover		No	



General Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
102-54	Claims of reporting in accordance with the GRI Standards	p. 45		No	
102-55	GRI Content Index	p. 45		No	
102-56	External Assurance	p. 55		No	
	External Assurance - Policy			No	FCR has obtained limited assurance over water consumption, energy consumption, Scope 1 and 2 GHG emissions and waste diverted from disposal as included in the current and past ESG reports.
	Relationship between organization and assurance partners			No	Ernst & Young LLP, an independent professional services firm, provided limited assurance on select performance indicators as identified within this report.
	Role of senior executives in assurance			No	The Audit Committee Chair and EVP and CFO of FCR executed the assurance contract with Ernst & Young LLP



Governance					
102-18	Governance structure of organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social impacts.	p. 42		No	
Ethics and Integrity					
102-16	Describe the organization's values, principles, standards, and norms of behaviour such as codes of conducts and ethics.	p. 41		No	



Specific Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
Society					
205	Anti-Corruption	p. 41		No	
Environmental					
302-1, 302-4	Energy	p. 21-22	p. 13, 14	Yes	Due to limitations in our energy management reporting system we are unable to isolate and report on energy saved as a direct result of efficiency and conservation measures
303-5	Water	p. 23	p. 15	Yes	
305-1, 305-2, 305-4, 305-5	Emissions	p. 21-22	p. 16-17	Yes	
306-4	Waste diverted from disposal	p. 24	p. 18-19	Yes	
307	Environmental Compliance	p. 43		No	
Labor Practices and Decent Work					
401	Employment	p. 35-36	p. 8-12	No	
403	Occupational Health & Safety	p. 39		No	
404	Training and Education	p. 35-36		No	



SASB Index

SASB Disclosures		Main report	Data Pack	Notes – Clarification/Omissions
IF-RE-000.A	Number of assets	p. 4		Data not separated by subsector
IF-RE-000.B	Leasable floor area	p. 4		Data not separated by subsector
IF-RE-000.D	Average occupancy rate			Occupancy rate: 96%
IF-RE-130a.2	Total energy consumption		p. 13	
IF-RE-130a.5	Description of energy management	p. 21-22		
IF-RE-140a.2	Total water consumption		p. 15	
IF-RE-140a.4	Description of water management	p. 23		
IF-RE-410a.3	Description on managing tenant sustainability impacts	p. 33-34		
IF-RE-450a.2	Description of climate change risk exposure and mitigation	p. 15-20		



Independent Practitioner's Assurance Report

To the Management of First Capital REIT

Scope

We have been engaged by First Capital REIT ("First Capital") to perform a 'limited assurance engagement', as defined by Canadian Standards on Assurance Engagements, hereafter referred to as the engagement, to report on First Capital's select performance indicators as detailed in the accompanying schedule (the "Subject Matter") for the year ended December 31, 2023, contained in First Capital's 2023 Impact Report and Supplementary Data Pack (collectively, the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria Applied by First Capital

In preparing the Subject Matter, First Capital applied the relevant standards contained within the Global Reporting Initiative ("GRI") Sustainability Reporting Standards and internally developed criteria (collectively, the "Criteria"), as detailed in the accompanying schedule. The internally developed criteria were specifically designed for the Report. As a result, the Subject Matter may not be suitable for another purpose.

First Capital's Responsibilities

First Capital's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant

to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Canadian Standard on Assurance Engagements ("CSAE"), Attestation Engagements Other than Audits or Reviews of Historical Financial Information ("CSAE 3000") and Assurance on Greenhouse Gas Statements ("CSAE 3410"). These standards requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



Our firm applies Canadian Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our Procedures Included:

- Conducting interviews with relevant personnel to understand the business and internal processes for collecting, collating and reporting the Subject Matter;
- Undertaking analytical review procedures, reperforming select calculations and comparing, on a limited sample basis, to underlying source information to support the completeness and accuracy of the Subject Matter; and

- Reviewing presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

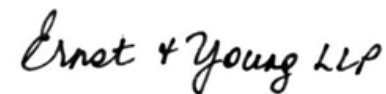
Inherent Limitations

Non-financial information, such as the Subject Matter, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the Subject Matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques which can result in materially different evaluation and can impact comparability between entities and over time.

The greenhouse gas ("GHG") quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended December 31, 2023, is not prepared, in all material respects, in accordance with the Criteria.



Chartered Accountants
Licensed Public Accountants

June 13, 2024
Toronto, Canada



Schedule 1

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2023:

Performance Indicator	Criteria ¹	Reported Units	Reported Value	Impact Report Supplementary Data Page Number
Energy consumed	GRI 302-1	eMWh	141,571	2
Change in absolute energy consumption from 2019	<i>Internally Developed Criteria²</i>	eMWh	(18,758)	2
Water consumed	GRI 303-5	m ³	1,304,965	2
Direct (Scope 1) GHG emissions	GRI 305-1	tCO ₂ e	9,836	2
Energy indirect (Scope 2 location-based) GHG emissions	GRI 305-2	tCO ₂ e	11,234	2
Change in absolute Scope 1 & Scope 2 GHG emissions from 2019	Internally Developed Criteria ²	eMWh	(5,086)	2
Total non-hazardous waste diverted from disposal	GRI 306-4	Tonnes	10,039	3

¹ Significant contextual information necessary to understand how the data has been compiled has disclosed in the Supplementary Data on pages 22 –27.

² The internally developed criteria are described in the Supplementary Data on pages 23 – 24 and 25 - 26.