



2024 Sustainability Impact Report



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, 2024. Reports from previous years are available online: www.fcr.ca/sustainability.

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 48.

☑ This symbol identifies figures for which EY provided a limited level of assurance. You will find this symbol throughout our Supplementary Data Report at www.fcr.ca/company/sustainability-2024data

How to Reach Us

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Message to Our Stakeholders

From Adam Paul, President & CEO

Throughout 2024, First Capital continued to build upon our strong culture of excellence, collaboration, and purpose, driving meaningful progress in key areas that define who we are.

Building on our commitment to ambitious, science-based greenhouse gas (GHG) reduction targets of 46% in Scope 1 and 2 emissions by 2030 and net zero across all Scopes by 2050, we continued to make steady progress in 2024. Since our 2019 base year, we have achieved a 19% absolute reduction in Scope 1 and 2 emissions, underscoring our commitment to climate action. Collaboration remains central to our decarbonization strategy, and in November 2024, we hosted our second Collaboration for Climate Action Forum, convening major retail tenants and property owners for solutions-focused discussions on decarbonizing retail buildings in Canada.

Through 2024, our leadership in sustainable real estate was recognized in multiple ways. We were the only REIT listed among Canada's top 30 companies in Sustainalytics' "Road to Net Zero" Ranking. We also received the "Gold 2024 Green Lease Leader Recognition" from the Institute for Market Transformation (IMT) and the U.S. Department of Energy's Better Building Alliance.

We remain committed to integrating sustainability into all aspects of our operations in ways that make sense for our business.

In addition to environmental sustainability, employee engagement and maintaining a winning culture are critical enablers to sustained business outperformance. We take pride in fostering a culture where our team members have a sense of belonging, love what they do, and grow their careers. In 2024, we were honoured to be recognized once again as one of "Greater Toronto's Top Employers", one of "Canada's Top Small and Medium Employers", and included in the 2024 Report on Business "Women Lead Here" list by the Globe and Mail. We were also selected as one of Canada's Best Employers for

recent graduates in "The Career Directory" reinforcing our commitment to attracting and developing top talent.

Our team's dedication to making a difference extends beyond the workplace, as we came together in remarkable ways to volunteer and support the communities in which we live and operate. The FCR Thriving Neighbourhoods Foundation, a cornerstone of our culture since 2020, continued to make a profound impact, raising over \$400,000 in 2024 alone for our charitable partners. In addition, over 96% of FCR staff volunteered a day to support a charity in the neighbourhoods in which we operate. Since its inception, the Foundation has raised over \$1.38 million and contributed over 4,900 volunteer hours, supporting organizations such as Second Harvest, Kids Help Phone, and many others.

For many years, public art has played an important role in differentiating our assets. In 2024, we proudly unveiled "JASPER" by local artist Michel Archambault, at our Centre Wilderton in Montreal. This expanded our art program to 33 public installations across our portfolio, enriching our neighbourhoods and enhancing the communities we serve.

Finally, our corporate governance remains best-in-class, as evidenced by our ranking as the highest-rated public REIT in the Globe and Mail's comprehensive review of Canada's corporate boards.

I want to extend my gratitude to our employees, Board members, tenants, and community partners who make our progress possible. We look forward to continuing this important work together in the years ahead.

Respectfully,



Adam Paul, President & Chief Executive Officer

2024 Highlights

Environmental



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



>300 electric vehicle charging stations installed across our portfolio



18M square feet BOMA BEST certified



4.6M square feet LEED certified



1,100 bike racks across the portfolio



45% average waste diversion rate across the portfolio



84 average Walk Score of our portfolio, “very walkable”

Social



Launched the FCR Thriving Neighbourhoods Foundation in 2020 and have since raised over \$1.38 million in donations through employee-led charitable giving to fight food insecurity and mental health initiatives

56%

Of management positions are held by females



80% employee engagement score in 2024



33 public art installations across our portfolio



7.1M sf achieved the WELL Health-Safety Rating

Governance



Entirely independent Audit and Risk, People and Compensation and Governance and Sustainability committees



30% of trustees are women and 20% are visible minorities



Term limit for non-executive trustees



Significant equity ownership requirements benchmarked against industry peers with an aim to be best-in-class



Compensation claw-back policy for executives and trustees triggered by financial restatement or serious misconduct



Governance of environmental and social matters, including climate-related risks and issues, occurs at the Board level

Awards & Recognition

2024 LEADING BOARDS AWARD

Received the 2024 Leading Boards Award for Industry Leader - Real Estate from Global Governance Advisors for our ranking as the highest-rated public REIT in the Globe and Mail's comprehensive review of Canada's corporate boards.

TOP 30

Listed as a top 30 Canadian company in Sustainalytics 2024 '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



'AA' rating, in the Morgan Stanley Capital International (MSCI) ESG Ratings assessment in 2024



Ranked 2nd in the 2024 GRESB Development Benchmark with a score of 92
Ranked 5th in the 2024 GRESB Standing Investments Benchmark with a score of 79



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



Awarded prime status for corporate ESG performance by Institutional Shareholder Services in 2024



Named one of Canada's Top Small & Medium Employers for the fifth time in six years (2020 - 2022, 2024-2025)



Named one of Greater Toronto's Top Employers for the fourth time in five years (2020 - 2022, 2024-2025)

About First Capital

Our Business

First Capital Real Estate Investment Trust, with \$9.2 billion in assets acquires, develops, owns and operates open-air, grocery-anchored shopping 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 tenants, investors and our neighbourhoods.

Thriving properties...Thriving neighbourhoods.

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

Our Operations



YYZ TORONTO
HEADQUARTERS



22.1M
SQ. FT. OF GLA



138
NEIGHBOURHOODS



FCR.UN
LISTED ON TSX



>2,400
TENANTS



372
EMPLOYEES

Creating Thriving Properties for Everyday 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.

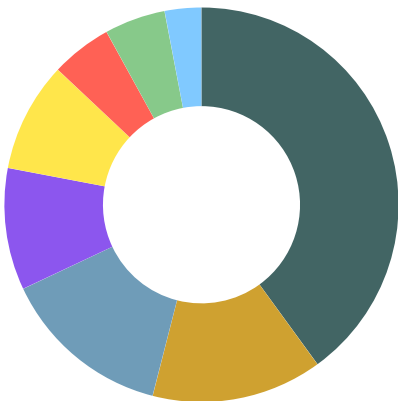
84 

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.

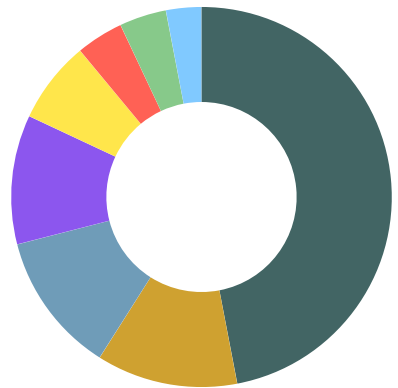
305,000 

Average population density within a five-kilometre radius of each of our properties, making us a leader amongst our North American peers on this metric.

% of Annual Minimum Rent*



% of Portfolio Value*



- Greater Toronto Area
- Greater Montreal Area
- Greater Calgary Area
- Greater Vancouver Area
- Greater Edmonton Area
- Greater Ottawa Area
- Kitchener/Waterloo/Guelph Area
- Other

*as of December 31, 2024

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, Vancouver, Edmonton, Calgary 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 sustainability 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 2020, FCR's ESG Task Force developed a 5-year ESG Roadmap to advance and expand our ESG efforts and accountabilities across the organization. In 2024, the Task Force undertook this initiative once again to develop a new 2025-2030 ESG Roadmap. The ESG Roadmap identifies initiatives that have direct alignment with our corporate strategy, prioritizes our activities over a defined period to ensure success, and allocates responsibilities for executing activities. This report is aligned with the priority topics identified in the ESG Roadmap and details our progress up to the end of 2024.

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 tenants, investors and our neighbourhoods.



Partnering with our Stakeholders

We believe stakeholder engagement and input is critical to the success of our company. 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.



Mechanisms for Stakeholder Engagement

<p>Mechanisms for Investor Engagement</p> <ul style="list-style-type: none"> • Annual General Meeting • Quarterly conference calls on financial results, including question-and-answer period • Press releases announcing significant business developments • Investor meetings • Website • Dedicated email account for investor relations • ESG & Sustainability surveys • One-on-one interviews 	Investors
<p>Mechanisms for Tenant Engagement</p> <ul style="list-style-type: none"> • Annual tenant and industry events • Meetings with tenants • Website • TenantTalk newsletters • One-on-One interviews • 24-hour emergency call centre • FCR's Collaboration for Climate Action Forum and Working Group 	Tenants
<p>Mechanisms for Industry Engagement</p> <ul style="list-style-type: none"> • Participation in key industry association Boards of Directors and Committees (e.g. Canada Green Building Council, RealPAC, BOMA Canada) • Attendance and speaking engagements at industry functions • Sponsorship of industry events and research • Participation in industry benchmarks and surveys (e.g., Global Real Estate Sustainability Benchmark and Carbon Disclosure Project) 	Industry
<p>Mechanisms for Community Engagement</p> <ul style="list-style-type: none"> • Sponsorship and community engagement events • Municipal urban planning forums • Community boards • Social media 	Community
<p>Mechanisms for Employee Engagement</p> <ul style="list-style-type: none"> • Training and education • Annual performance reviews • Senior Leadership 360° Feedback Program • On-Boarding Certification: Code of Conduct and Ethics, Anti-Corruption, Compliance Policy, Ethics Reporting Policy, Disclosure and Insider Trading Policy, Privacy Policy, and Systems Business Use Policy • Annual Certification: Code of Conduct and Ethics • Social events • Townhalls • One-on-one interviews • On-Boarding orientations • Engagement Surveys • Lunch and Learns • ED&I employee panels 	Employees

ESG Materiality Assessment

In early 2025, First Capital undertook a comprehensive environmental, social, and governance (ESG) materiality assessment, engaging an independent third party to facilitate the process. This initiative was designed to identify and prioritize the most significant environmental, social, and governance issues that affect both our business and the communities we serve.

The assessment followed a double materiality approach, evaluating both:

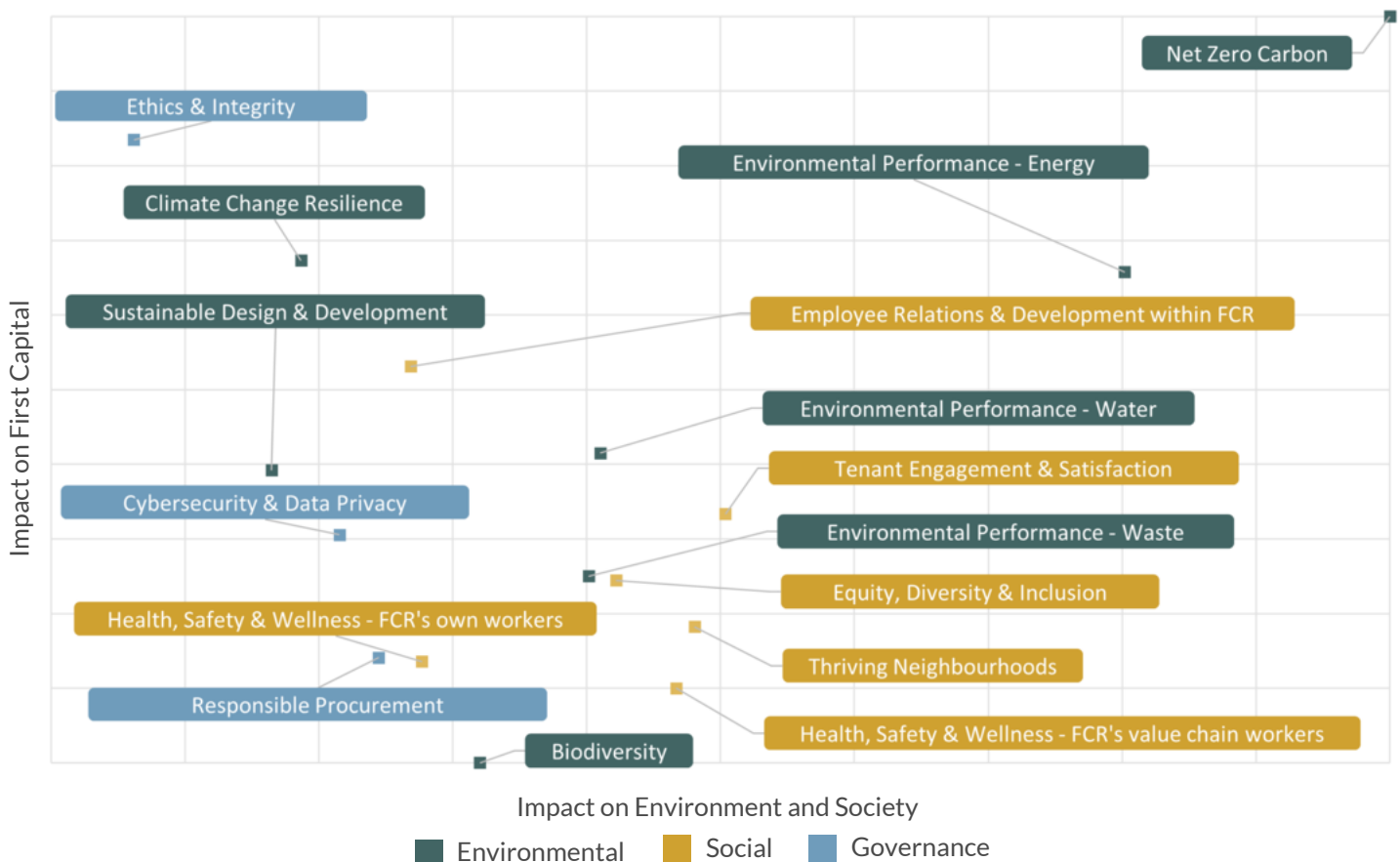
- Impact materiality – how First Capital's activities affect the environment and society, and
- Financial materiality – how ESG-related risks and opportunities could influence our enterprise value over time.

The process included in-depth interviews and surveys with a diverse group of internal and external stakeholders, including Board members, executives, employees, investors, tenants, lenders, joint venture partners, and suppliers. This qualitative input was combined with our third-party consultants ESG data insights and scored using their established methodological framework.

The result is a customized Materiality Matrix that reflects the relative importance of ESG topics from both an impact and financial perspective. These results will help inform our future sustainability strategy, enhance transparency in reporting, and guide long-term value creation for our stakeholders.

The results of this assessment are plotted below.

Impact on Environment and Society



This materiality assessment reflects the input of a diverse range of stakeholders and may not match the risk assessments of management.

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 a robust Environmental, Social, and Governance (ESG) governance structure, which includes the Board of Trustees, the Executive Leadership Team, dedicated full-time employees, an ESG Task Force, and, most recently, a Carbon Council focused on accelerating and operationalizing our efforts to address climate-related matters.

Governance of ESG, including climate-related issues, is overseen by the Board of Trustees, with the Chair of the Governance & Sustainability Committee responsible for the overall oversight of ESG matters, including climate risks and opportunities. The Governance and Sustainability Committee receives updates quarterly from the FCR ESG team, which are then reported to the full Board. We also engage external experts to provide climate-related education to the Board. Since 2020, the Board and Management have participated in educational opportunities, including presentations from the Canadian Climate Law Initiative, the Canada Green Building Council, EY Canada, and First Capital's Vice President of ESG.

To support this governance structure, the Board reviews the FCR Risk Management Dashboard on a quarterly basis. This dashboard includes identified climate risks and associated mitigation activities. The Board also monitors progress on



our ESG initiatives, including climate-related goals, through annual progress updates on our 5-year ESG Roadmap.

At the operational level, the Senior Vice President (SVP), General Counsel and Corporate Secretary holds the highest-level management position for ESG oversight at FCR. This role is part of the Executive Leadership Team and reports directly to the President & CEO. Since 2010, FCR has had a dedicated senior leadership position overseeing ESG initiatives, and currently, the Vice President, ESG reports to the SVP, General Counsel and Corporate Secretary. This leadership role is responsible for directing sustainability reporting and driving ongoing ESG engagement across the organization. The ESG team is supported by a Manager, Energy & Sustainability, and an ESG Programs Coordinator.

The ESG Task Force, co-chaired by FCR's Chief Operating Officer and Vice President, ESG, is responsible for developing and implementing ESG strategies and commitments. This cross-functional team, which meets quarterly, assesses and manages climate-related risks and opportunities, reviews performance, and ensures ESG practices are integrated across the business.

In early 2024, FCR formed a Carbon Council consisting of Executive and Senior Leadership Team members to oversee our net-zero strategy. The Council's mandate is to lead FCR's efforts to achieve our science-based carbon reduction goals, ensuring alignment with business and capital planning to achieve both short-term and long-term carbon reduction and financial objectives.

Climate-Related Strategy

In 2021, we conducted a comprehensive climate scenario analysis to assess the financial impacts of climate-related risks and opportunities across medium-term (2035) and long-term (2050) time horizons. This analysis was designed to account for the full lifecycle of our buildings and business strategy.

We anticipate that physical risks from climate change will impact our portfolio in the medium term, with the potential for more severe impacts in the long term. These risks include extreme weather events, such as flooding, extreme heat,

wildfires, and high winds, which could disrupt operations, damage infrastructure, and impact tenant occupancy. These physical risks may result in increased costs, significant capital requirements, and potential revenue losses. Additionally, we recognize the potential transition risks associated with the global shift to a low-carbon economy. These risks include regulatory changes, such as carbon pricing and mandatory building requirements, as well as reputational risks if we fail to meet our emissions reduction targets. We also anticipate increased costs related to compliance, resource management, and energy consumption in a scenario of accelerated climate action.

In 2022, we developed a Climate Action Plan to reduce both physical and transitional climate-related risks to our business and assets. As part of this plan, climate-related initiatives were incorporated into the performance metrics for all employees.

Climate-Related Risk Management

In 2021, FCR convened a Task Force on Climate-Related Financial Disclosures (TCFD) Working Group composed of Executive and Senior Leadership Team members from across business functions. The group's primary objective was to assess the potential impacts of climate-related risks and opportunities on our business and portfolio. The Working Group aimed to build foundational knowledge about the interconnectedness of greenhouse gas (GHG) emissions reductions, climate risk management, and scenario analysis, as well as to assess the magnitude of climate-related risks and opportunities across divergent climate futures.

To identify climate-related risks and opportunities relevant to FCR, the Working Group utilized established climate literature and guidance, including TCFD recommendations. Physical risks were validated using regionally specific climate projections from Canada's Changing Climate Report (2019), while transition risks considered Canada's climate policy commitments—such as carbon pricing policies and municipal building requirements. To model two distinct climate futures, the Working Group selected the IEA Sustainable Development Scenario and the IPCC RCP 8.5 scenario, which represent a world with aggressive climate action

that limits warming to 2°C, and a "business-as-usual" world with unabated climate change leading to a temperature rise of over 4°C by the end of the century.

The Working Group assessed the consequences and likelihood of climate-related risks and opportunities over both medium-term (2035) and long-term (2050) time horizons. This assessment considered various business impacts, including financial impacts on revenue, costs, tenant operations, capital needs, and asset valuation. The results of this workshop series were organized into a matrix that provides a reference baseline for future preparedness, helping guide strategies to future-proof the organization against potential climate scenarios.

In 2020, FCR undertook a comprehensive physical climate risk assessment for its national portfolio—including new development projects—using a third-party science-driven risk analytics platform. This analysis enabled us to model various physical climate risk scenarios related to extreme weather events, measuring variables such as the intensity and frequency of rainfall, high temperatures, historical cyclone activity, coastal flooding, drought, water stress, and wildfire potential.

From this risk analytics platform, flooding emerged as the highest physical climate risk to our assets. In response, FCR's Operations Team conducted a flood resilience survey across the limited number of higher-risk properties, assessing the physical conditions of buildings and equipment and identifying areas for improvement. This proactive approach included measures such as moving critical equipment above grade and enhancing onsite stormwater management. The Operations Team also developed a flood resilience action plan and a flood emergency response plan for these assets. The action plan outlines specific resiliency measures to be implemented over the next

several years, while the emergency response plan includes a detailed inventory of critical equipment that would require shutdown during a flood, along with restoration protocols to ensure business continuity. In 2025, FCR will update the physical climate risk analysis of our portfolio to further inform our climate action plan.

The FCR enterprise risk management dashboard identifies all material risks to the REIT, including climate change risks—specifically those related to extreme weather events and their potential impact on assets and revenue streams. The dashboard includes two key tools:

- Heat Map – This plots individual risks by probability and impact rating.
- Risk Prioritization and Mitigation Report – This ranks risks from high to low based on a Probability x Impact formula, helping prioritize the most significant risks for mitigation.

The risk prioritization process occurs annually or in response to significant events that affect multiple risks. On a quarterly basis, input from various levels of management is gathered to reassess and validate the evolving risk landscape, considering any new events or shifts in the severity of risks. Both the CEO and CFO review the quarterly Risk Management Report before its submission to the Governance Committee and the Board.

This comprehensive risk management framework ensures that FCR can identify, assess, and mitigate the climate-related risks and opportunities that could impact our business, positioning us for long-term resilience in an increasingly uncertain climate future.

Climate-Related Metrics & Targets

FCR's climate-related metrics and targets are integrated into business planning and performance management to drive progress toward a low-carbon, climate-resilient future.

We have set science-based emissions reduction targets that align with the goals of the Paris Agreement and are supported by defined performance metrics, capital allocation, and ongoing monitoring and reporting.

FCR's emissions reduction targets include:

- A validated near-term science-based target to reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 46% by 2030, from a 2019 base year.
- A long-term science-based target to achieve net-zero emissions across all Scopes by 2050, consistent with the 1.5°C pathway.

To support target achievement, in 2023, we developed asset-level net-zero pathways for 95% of our applicable properties by gross leasable area (GLA) using a first-of-its-kind decarbonization planning platform. These plans consider capital costs, system lifecycles, and future retrofits.

In 2024, we completed an actionable 5-year portfolio implementation plan (2025–2030) to help achieve our 2030 target. This plan identifies site-specific carbon reduction projects, anticipated timelines, and projected annual capital investments.

Initiatives include:

- Upgrading HVAC systems and controls
- Replacing equipment nearing end-of-life with low-carbon alternatives
- Installing LED lighting and dual-fuel heat pumps
- Incorporating onsite and offsite renewable electricity sources
- Supporting decarbonization through strategic property redevelopments

The plan is projected to reduce Scope 1 and 2 emissions by approximately 30% over five years, placing FCR on track to exceed the 2030 target. Climate-related targets are embedded into corporate performance metrics and influence both short- and long-term compensation:

- In 2024, 20% of the Corporate Objectives bonus metric was tied to ESG-related initiatives, including annual emissions reduction goals and net-zero planning.
- Since 2021, 12.5% of the long-term incentive performance adjustment factor for the Executive Leadership Team has been linked to progress on GHG reductions.

The FCR Carbon Council—composed of executive and senior leaders—receives regular performance updates and is accountable for delivering against climate targets.

We are in the process of defining our Scope 3 emissions boundary, assessing material categories and establishing a baseline. These steps will inform future Scope 3 target-setting and decarbonization strategies, with progress to be disclosed as work advances.

Environmental Performance at Existing Properties

We focus on improving environmental performance at our existing properties by targeting reductions in greenhouse gas emissions, energy use, water consumption, and waste generation.

Energy Conservation & GHG Emissions

The buildings sector is a significant contributor of GHG emissions, accounting for approximately 18% of Canada's total emissions¹. Most of these emissions relate to lighting, heating and cooling of premises, and water heating.

FCR recognizes the impact our properties have on the environment. We are committed to monitoring and striving to minimize 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, we provide ongoing training to our property management teams focused on energy efficiency and identifying opportunities for performance improvements. Reductions are achieved through operational best practices, energy assessments, and equipment retrofits or upgrades.

To support continued progress, our science-based emissions target is incorporated as a performance bonus metric in our annual Corporate Objectives, tied to all employees remuneration.

In 2022, we set a 2030 GHG reduction target that was validated by the Science Based Targets Initiative (SBTi). Our science-based target is a 46% reduction in Scope 1 & 2 emissions by 2030 (relative to a 2019 base year). Categorized by SBTi as a Small and Medium Enterprise (SME), FCR's base year must be between 2018 and 2020. We selected 2019 as the most accurate

year unaffected by the COVID-19 pandemic. 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 this target, we report absolute energy consumption and GHG emissions on both a year-over-year and baseline comparison basis.

FCR's 2024 Results:

- 10% reduction in energy consumption vs base year (2019-2024)
- 19% reduction in Scope 1 & 2 GHG emissions vs base year (2019-2024)
- 1% year over year reduction in energy use (2024 vs 2023)
- 1% year-over-year reduction in Scope 1 & 2 emissions (2024 vs 2023)
- 8% year-over-year decrease in energy costs (2024 vs 2023) largely attributed to a decrease in natural gas rates in Ontario and a decrease in electricity rates in Alberta.

Due to our open-air retail portfolio, most landlord-controlled energy use is related to exterior common areas and parking lot lighting. Tenants are typically separately metered for their gas and electricity consumption, and these emissions are not included in Scope 1 or 2.

Since validating our science-based targets, our efforts have focused on developing plans to achieve them. In 2023, we developed modeled decarbonization plans ("net-zero pathways") for 95% of applicable assets by GLA. In 2024, we leveraged these to develop a 5-year (2025-2030)

¹ Environment 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.html>

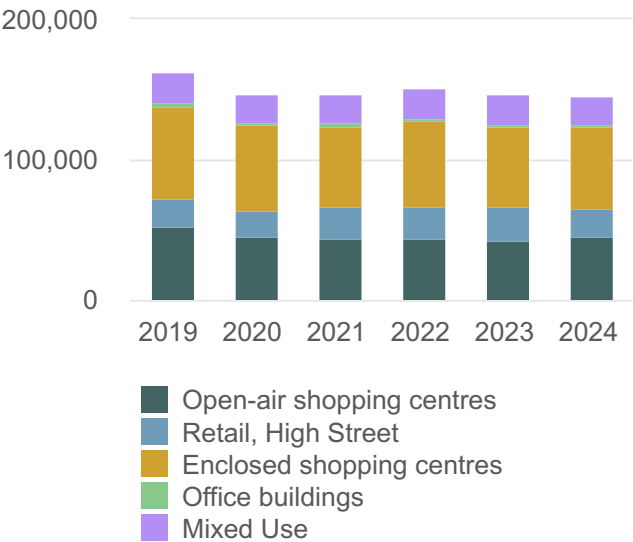
portfolio plan to meet our 2030 Scope 1 & 2 target.

This plan includes identified capital projects and estimated spending by year and by property.

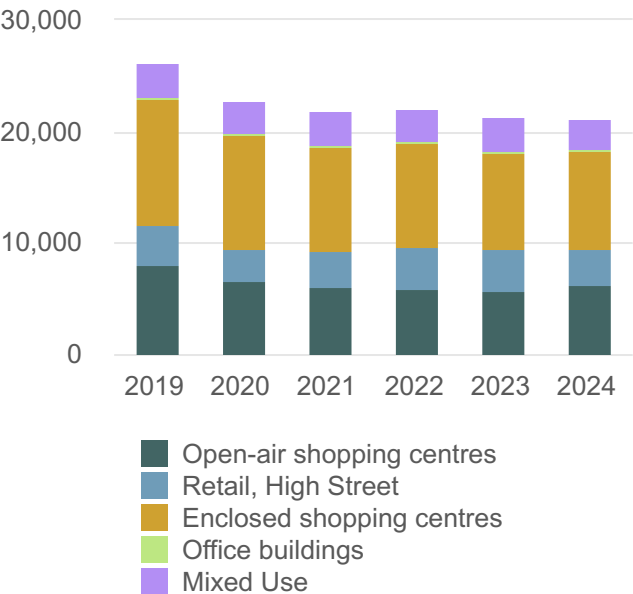
We estimate Scope 3 emissions represent over 90% of our total GHG footprint, with tenant energy use accounting for more than 50%. We are currently in the process of defining our Scope 3 emissions boundary and assessing material categories to establish a reliable baseline. This will inform our future Scope 3 target-setting and reduction planning, with updates to be disclosed as progress is made. Over the coming years, we aim to improve data accuracy, enhance reporting, and continue to engage tenants on emissions reduction.

Detailed performance data is available in our Impact Report Supplementary Data Pack at fcr.ca/sustainability-2024data

Energy Consumption by Asset Class



GHG Emissions by Asset Class



Water

Access to freshwater is an increasingly important environmental issue. In Canada, water conservation is becoming more critical as climate change affects regional supplies and water costs rise in many jurisdictions.

At our properties, water is primarily used for drinking, maintenance and cleaning, irrigation, and sewage. Many properties are serviced by a single utility meter, meaning water use from tenant operations is included in our consumption data. As such, our year-over-year usage may fluctuate with changes in tenant mix and occupancy. For example, restaurants and fitness clubs typically use more water than other retail formats.

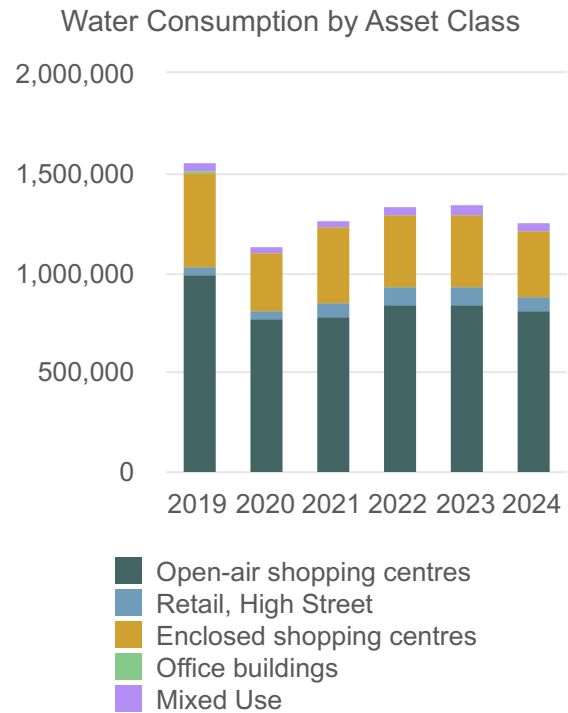
In Quebec, which represents approximately 12% of our portfolio (by IFRS Fair Value), water use is not currently metered by municipalities or utilities. As a result, consumption and cost data for these properties are excluded from our reporting. We note that several Quebec municipalities are beginning to install commercial meters, which may improve data availability in future years.

FCR's 2024 Results:

- 20% reduction in water consumption vs base year (2019-2024)
- 7% year-over-year reduction in water consumption (2024 vs 2023)

We have implemented water conservation measures such as low-flow fixtures, irrigation upgrades, and tenant engagement. This longer-term progress is partly due to efficiency retrofits and changes in tenancies.

We are currently developing a submetering plan for common area water use. This will enhance our ability to track consumption within our operational control, establish baselines, and set reduction targets. Future updates will include progress on this initiative.



Waste

Reducing waste generation and increasing diversion helps mitigate GHG emissions and environmental impacts while controlling operating costs.

Our waste management program focuses on improving data consistency, increasing diversion rates, and optimizing waste-related expenses. To support this, we partner with a third-party national waste consultant to streamline reporting and identify improvement opportunities.

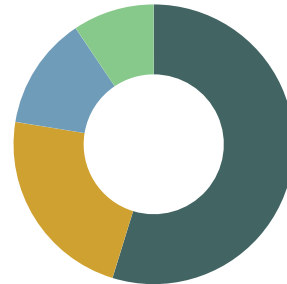
In 2020, we set a five-year goal to achieve an average 50% waste diversion rate across our portfolio (2021–2025).

FCR's 2024 Results:

- 45% waste diversion rate across reporting properties, which cover approximately 89% of our portfolio (19.6 million sq. ft. of GLA).
- 45% diversion represents a 1% decrease from 2023.

To improve results, each property created a waste reduction work plan in early 2023, and site-level diversion targets were introduced to support our national goal of 50%. These plans include tenant engagement, waste audits, and expanded recycling streams. Implementation is underway, and we will report on progress in future disclosures.

2024 Waste Profile of Non-Hazardous Waste



- General Waste
- Cardboard/Paper/Mixed Fibre
- Mixed Container/Single Stream
- Organics



Sustainable Transportation

We strive to provide a range of healthy, low-carbon transportation options at our properties.

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 strive to provide a range of healthy, low-carbon transportation options at our properties and continue to invest in supporting infrastructure such as walkability, cycling, EV charging, and transit access. By increasing access to sustainable transportation options at our properties, we aim to help reduce dependence on vehicle use, which can contribute to lowering traffic congestion, air pollution, and GHG emissions over time, as well as making our shopping centres more convenient.

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. As of December 2024, we have installed over 300 Level 2 EV charging stations across our portfolio. In 2024, we began to partner with EV infrastructure providers to expand fast charging availability across Canada at our prime urban and suburban retail sites, subject to market and partnership developments.

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. As of year-end 2024, 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.

Cycling is a healthy, low carbon transportation option and we aim to provide cyclists 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.



Sustainable Design & Development

We aim to create developments that are future-resilient and designed to protect asset values over the long-term, while supporting competitive tenant operating costs.

Across the country, urban development is accelerating and has a direct impact on the environment and surrounding communities. Developers have a responsibility to reduce their environmental footprint and contribute to the creation of healthy, connected, and resource-efficient communities.

Sustainable design and development are integral to FCR's strategy of building thriving neighbourhoods where people can access daily necessities with ease. Our development and redevelopment activities focus on well-located properties in dense urban neighbourhoods where land use intensification is a priority.

High-density, pedestrian-focused urban development can yield positive social, environmental, and economic outcomes, including reduced pressure on municipal infrastructure, improved access to public transit, and the preservation of agricultural and forested lands. By remediating contaminated urban sites, we enhance environmental quality, unlock land value, and reduce the risk of neighbourhood decline.

Since 2006, FCR has incorporated sustainable building practices into our developments, including Leadership in Energy and Environmental Design (LEED®) certification. As of December 31, 2024, 130 of our projects have achieved LEED certification, representing a total of 4.6 million square feet. These certifications reflect third-party assessments of building design and construction performance in areas such as energy, water, materials, and indoor environmental quality.

Looking ahead, in 2025, we will work towards developing a Low Carbon Design Standard specifically for our retail developments. This initiative will formalize performance-based

design requirements — including operational carbon, energy efficiency and embodied carbon — and will serve as a benchmark for evaluating the carbon intensity of future developments. We anticipate that the Low Carbon Design Standard will be incorporated in future retail development projects starting in 2026, ensuring consistent alignment with our science-based targets and climate risk management strategy.

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 more than 600 purpose built residential rental units and approximately 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.
- Geoexchange (geothermal) heating and cooling systems & air-source heat pumps.
- Stormwater collection and retention system, and a greywater reuse system.
- Utilization 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.



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, operators and developers 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 that is why our purpose is to create thriving properties that generate value for tenants, investors and our neighbourhoods.

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 - 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 naturally complements 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.

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:

- **Fundraising:** Fundraising and supporting select registered charities in our communities.
- **Volunteering:** FCR team members volunteering with charities across the country.

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. Every two years, all FCR staff and Foundation members vote on a pillar of focus for the upcoming two year term. We focus on one pillar over a two-year period, enabling us to dedicate significant time and effort to a signature charity partner and build upon our support for our neighbourhoods year after year.

Since launching, the Foundation has raised over \$1.38 million in donations through employee-led charitable giving to fight food insecurity and support mental health initiatives.

- 2020-21 raised \$400,000 to fight food insecurity, including \$338,000 donated to Second Harvest and \$66,000 to food banks.
- 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.
- 2024 raised over \$445,000 through multiple staff led initiatives in each of our regions, including in Edmonton, Montreal and Vancouver, and our annual FCR Commercial Real Estate Softball Classic tournament with the majority of funds raised in support of our 2024-25 signature charitable partner Community Food Centres Canada (CFCC).

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 2024, over 95% of FCR staff utilized their volunteer day to support local charities in our communities.

2024-25 Focus

For 2024-25, the Foundation's initiatives are focused on the pillar of Food Insecurity & Poverty. Community Food Centres Canada (CFCC) is our signature partner for this pillar. The majority of the Foundation's initiatives for this two-year period will support the CFCC's mission of building health, belonging and social justice in low-income communities across Canada through the power of food.

2024 Milestones



Learn more about our Foundation at:
thrivingneighbourhoods.ca

Let's Play Ball for Charity

In September 2024, the FCR Thriving Neighbourhoods Foundation held its Third 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 over \$270,000.



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.



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

Highlights from our tenant engagement initiatives include:

- Hosted two Collaboration for Climate Action Forums (2022 and 2024), bringing together major national retail tenants and prominent retail property owners for solutions-focused discussion around the decarbonization of retail buildings in Canada.
- Awarded 2024 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%.



Collaboration for Climate Action: A Landlord and Tenant Engagement Forum

On November 28, 2024, First Capital co-hosted the second Collaboration for Climate Action Forum, alongside Canadian Tire, RBC, and Quinn & Partners. This cross-industry event convened over 75 senior leaders across Canada's retail real estate sector (representing a combined market capitalization of over \$900 billion and 3.6 million tonnes of GHG emissions) to address one of the sector's most pressing challenges - decarbonization.

The Forum brought together representatives of retail landlords, tenants, and industry associations to discuss practical strategies, pilot results, and emerging best practices to accelerate emissions reduction across landlord and tenant spaces. Topics included climate-related regulatory trends, electrification strategies, financing challenges, and data transparency—each essential to achieving net-zero goals across the built environment. Participants included organizations from all sides of the value chain—development, leasing, operations, legal, finance, and sustainability.

A highlight of the day was a panel discussion featuring a pilot collaboration between FCR and RBC to electrify HVAC systems across RBC-occupied branches in FCR properties. This initiative supports both organizations in progressing toward their climate targets by reducing emissions from tenant-controlled spaces—traditionally among the most challenging to decarbonize.

Afternoon breakout sessions tackled five key industry barriers to progress:

- Capital Intensity and Financial Returns
- Data Gaps and Management Challenges
- Landlord-Tenant Cost Sharing and Alignment
- Grid Limitations and Electrification Uncertainty
- Resource Constraints and Competing Priorities

Participants discussed practical solutions and pathways, underscoring the need for shared responsibility, stronger governance, and alignment across the value chain.

The Forum exemplifies First Capital's ongoing leadership in both tenant engagement and driving collaborative climate action and industry-wide innovation.



FCR's Culture

FCR is recognized as a great place to work that delivers a rewarding and stimulating experience for our employees as well as professional growth opportunities.

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 and benefits, training, educational opportunities, and career advancement. We provide a comprehensive benefits package to full-time employees, including a wellness subsidy.

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.

In addition to annual training on 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.

We continually look for opportunities to educate and engage employees in sustainability goals and initiatives by providing training, presentations and special events. Regular business and sustainability updates to all employees take place at townhall meetings and in 2024 our Sustainability team hosted climate training sessions for a number of teams across the company, including leasing, legal, asset strategy, operations and construction.

Everyone Belongs

At First Capital, we value diverse perspectives, skills and lived experiences.

FCR is committed to sustaining a culture of belonging, where all employees have an equal opportunity to thrive, love what they do and grow their careers. By creating an accessible, safe and respectful work environment that embraces different perspectives and lived experiences, we strive to learn, understand and be stronger together.

In 2020, we established an employee-led council, now called our Everyone Belongs Council, reaffirming our commitment to fostering an inclusive culture where diversity is valued, and everyone belongs.

The Council drives key initiatives and employee programming, learning opportunities, and collaboration to create a welcoming environment that builds an inclusive and connected culture. The Council has identified the following four key pillars to guide our commitment:

- **Foundation:** Strategically prioritize our initiatives and activities over a defined period to ensure progress and continuous improvement
- **Recognition & Celebration:** Celebrate successes, encourage dialogue and share achievements of our committee goals
- **Education:** Focus and align our learning initiatives, leadership development, mentorship and best practices to enhance the employee experience across the organization
- **Community:** Create opportunities to support and make a positive impact in the neighbourhoods in which we operate.

These pillars are the foundation on which we continue to build on our Everyone Belongs initiatives to have an influential impact on our organization. A highlight of our Community outreach efforts this year was donating a vacant space at one of our shopping centres to Project Canoe – a registered charity that offers educational outdoor programming to youth facing systemic or mental health barriers.



Tackling today's
challenges,
together.

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 across various pillars of wellness including physical, social, financial and mental wellness. With this program we aim to reduce the stigma of mental health issues through our culture and drive awareness among employees that FCR prioritizes a safe, supportive, and mentally healthy work culture.

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 2024 there were no fatalities as a result of FCR's activities. In 2024, there were 2 Workers' Compensation claims that resulted in lost time of 0 days.

Health & Safety

Health & Wellness at our Properties

At FCR we recognize the importance of ensuring health, safety & wellness at our properties.

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. It also includes strategies to keep building spaces clean and sanitized, evidence of support of employee essential health benefits and services, execution of communication programs focused on our health and safety efforts, engagement with occupants to prepare for an emergency, and assessment of air and water quality processes. The WELL Health-Safety Rating requires an annual recertification, which we successfully achieved at all 34 properties in 2024 (7.1 million sq ft of gross leasable area).



Governance

Ethics & Integrity

Ethical business is at the core 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 business with suppliers.

Whistleblower Mechanism

Every trustee, officer and employee has an ongoing responsibility to report any contravention of our ethics policies, including 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 clearly communicates 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 or perceived breaches with FCR’s Code of Conduct or Supplier Code. The Audit Committee receives a report outlining any complaints on a quarterly basis and the third party reporting service enables complaints to be delivered directly to independent members of the Board of Trustees.

Learn more at fcr.ca/governance



Governance

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

Board Governance

FCR and our Board of Trustees (the “Board”) believe that sound 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, 2024, 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 and through an Audit & Risk Committee, People & Compensation Committee, Governance & Sustainability 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.

Strong gender diversity metrics with over 56% of management positions held by women

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 governance by benefiting from a variety of different skills, experiences and backgrounds including 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 considered 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 2024 and 2025, FCR surveyed the Board and senior management to determine the number and proportion of individuals that self-identified as belonging to one or more of the “designated groups” as defined under Article 3 of the Employment Equity Act (Canada). The results of this survey can be found in our 2025 Management Information Circular at fcr.ca/unitholders.

Honouree in the Globe and Mail’s “Women Lead Here” list for 2025, 2024, 2021 and 2020



Risk Management

We proactively identify and effectively mitigate risk across 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 and reputational impacts resulting from an 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 an 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. Management 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 an annual assessment process and reassess risks for trends quarterly.

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 senior Executive Officers' compensation is "at-risk" with variable vesting periods which serves to align their interests with those of unitholders as a substantial portion of their compensation is directly affected by FCR's performance over time.

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

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 SVP, General Counsel and Corporate Secretary track and report on remediation activities quarterly to the Audit Committee.

Responsible Procurement

We recognize the importance of responsible procurement in advancing our sustainability commitments and influencing broader market transformation through our supply chain.

First Capital is committed to upholding the highest standards of ethics and integrity, and we expect our suppliers and contractors to do the same. Our Supplier Code of Conduct and Ethics outlines the expectations we hold for third-party vendors, including operating in alignment with our values, maintaining safe and healthy working conditions, and complying with all applicable laws and regulations. Suppliers are encouraged to report suspected violations confidentially through our third-party ethics hotline.

To strengthen health and safety oversight, all contractors must complete FCR's third-party accreditation program, which verifies compliance with relevant health and safety legislation on an annual basis. Our standard service agreements include provisions that clearly define roles and responsibilities related to workplace safety and minimize legal risk to FCR.

To strengthen health and safety oversight, all contractors must complete FCR's third-party accreditation program, which verifies compliance with relevant health and safety legislation on an annual basis.

Environmental sustainability is embedded in our procurement practices. Green procurement is mandated across operations—covering cleaning services, waste management, office supplies, and HVAC maintenance—to ensure our supply chain supports emissions reduction goals.

We are also committed to upholding human rights across our operations and supply chain. In 2024, the Board adopted a Human Rights Policy affirming FCR's commitment to respecting all

human rights and recognizing its responsibility to establish a standard of expected conduct in its business functions. Our practices are informed by international frameworks, including the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Since 2021, we have taken deliberate steps to embed sustainability principles into procurement. We launched a supplier engagement framework, communicated our 2020–2024 Sustainability Roadmap, and began collecting related data from contractors to better understand their existing sustainability programs and identify opportunities for alignment.

In 2024, we hosted an internal Responsible Procurement Workshop to deepen cross-functional understanding and identify sustainability risks and opportunities across key procurement categories. As a result, we developed a multi-year work plan to formalize our approach. A Responsible Procurement Working Group, launched in 2025, will lead the implementation of this plan—including a gap analysis, development of a formal Responsible Procurement Policy, and a method for tracking progress against specific goals over time.

Appendices

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 2024 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 2024 data to previous years' data.
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 2024 data:</p> <ul style="list-style-type: none"> Total water consumption, as defined by Global Reporting Initiative ("GRI") Disclosure 303-5 Total energy consumption, as defined by GRI Disclosure 302-1 Gross direct (Scope 1) GHG emissions, as defined by GRI Disclosure 305-1 Gross location-based energy indirect (Scope 2) GHG emissions, as defined by GRI Disclosure 305-2 Change in energy consumption from 2019, internally developed criteria aligned with SBTi Change in total Scope 1 and Scope 2 GHG emissions from 2019, internally developed criteria aligned with SBTi Total waste diverted from disposal, as defined by GRI 306-4 Total waste directed to disposal, as defined by GRI 306-05
Timeliness	FCR's 2024 Impact Report was issued within five months of the end of the reporting period.

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		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. 38		No	
102-12	External initiatives	p. 24	p. 20	No	
102-13	Membership of associations	p. 12		No	

General Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
102-14	Statement from the most senior decision maker	p. 4		No	
102-15	Key impacts, risks, and opportunities	p. 1-39		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, 40		No	
102-47	List of material topics	p. 3		No	Refer to Specific Standard Disclosures
103-1	Explanation of the material topic and its boundary	p. 15-39		No	
102-48	Report any restatements and effect on restatements			No	none
102-49	Report significant changes in topics and boundaries			No	N/A
Stakeholder Engagement					
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	p. 14		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	p. 2		No	
102-51	Date of most recent previous report	p. 2		No	
102-52	Reporting Cycle	p. 2		No	
102-53	Contact Point	p. 2		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. 40		No	
102-55	GRI Content Index	p. 41		No	
102-56	External Assurance	p. 50		No	
	External Assurance - Policy			No	FCR has obtained limited assurance over water consumption, energy consumption, Scope 1 and 2 GHG emissions, waste diverted from disposal and waste directed to 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. 37		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. 36		No	

Specific Standard Disclosures		Main report	Data Pack	External Assurance	Notes - Clarifications/Omissions
Society					
205	Anti-Corruption	p. 36		No	
Environmental					
302-1, 302-4	Energy	p. 19-20	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. 21	p. 15	Yes	
305-1, 305-2, 305-4, 305-5	Emissions	p. 19-20	p. 16-17	Yes	
306-4	Waste diverted from disposal	p. 22	p. 18-19	Yes	
307	Environmental Compliance	p. 38		Yes	
Labor Practices and Decent Work					
401	Employment	p. 32-33	p. 8-12	No	
403	Occupational Health & Safety	p. 34		No	
404	Training and Education	p. 32		No	

SASB Index

SASB Disclosures		Main Report	Data Pack	Notes - Clarification/Omissions
IF-RE-000.A	Number of assets	p. 8		Data not separated by subsector
IF-RE-000.B	Leasable floor area	p. 8		Data not separated by subsector
IF-RE-000.D	Average occupancy rate			Occupancy rate: 96.9%
IF-RE-130a.2	Total energy consumption		p. 13	
IF-RE-130a.5	Description of energy management	p. 19-20		
IF-RE-140a.2	Total water consumption		p. 15	
IF-RE-140a.4	Description of water management	p. 21		
IF-RE-410a.3	Description on managing tenant sustainability impacts	p. 30-31		
IF-RE-450a.2	Description of climate change risk exposure and mitigation	p. 15-18		

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. For more information about the SDGs visit: <https://sdgs.un.org/goals>

UN SDG	Description	FCR Impact
End Poverty	End poverty in all its forms everywhere	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 26.
Zero Hunger	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	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 26.
Gender Equality	Achieve gender equality and empower all women and girls	As a Canadian industry leader in gender diversity metrics, our Everyone Belongs initiative fosters an inclusive culture where diversity is valued, and everyone belongs. More about our efforts can be found on page 33.
Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable, and modern energy for all	We continue to improve 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 19.
Industry, Innovation, and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	Since 2006, FCR has constructed most new buildings to Leadership in Energy and Environmental Design (LEED) standards. We currently have 130 LEED certified buildings (4.6 million sq. ft.). More about our efforts can be found on page 24.
Reduced Inequalities	Reduce inequality within and among countries	Our Everyone Belongs initiative fosters an inclusive culture where diversity is valued, and everyone belongs. More about our efforts can be found on page 33.
Responsible Resource Consumption and Production	Ensure sustainable consumption and production patterns	We strive 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 22.
Sustainable Cities & Communities	Make cities and human settlements inclusive, safe, resilient, and sustainable	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.
Climate Action	Take urgent action to combat climate change and its impacts	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.

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, 2024, contained in First Capital's 2024 Impact Report and 2024 Supplementary Data (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 applicable 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 personnel to understand the process for collecting, collating and reporting the Subject Matter
- Undertaking analytical procedures, making inquiries with relevant personnel to obtain explanations for outliers identified, comparing data to underlying source information on a limited sample basis, and reperformance of select calculations; and
- Checking presentation and disclosure of the Subject Matter in the Report.

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

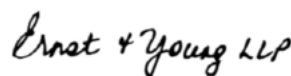
Inherent Limitations

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, 2024, is not prepared, in all material respects, in accordance with the Criteria.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style font.

Chartered Professional Accountants
Licensed Public Accountants

May 9, 2025
Toronto, Canada

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2024:

Performance Indicator	Criteria ¹	Reported Units	Reported Value	2024 Supplementary Data Page
Energy consumed	GRI 302-1	eMWh	146,054	2
Change in absolute energy consumption from 2019 baseline	Internally Developed ²	eMWh	(16,770)	2
Water consumed	GRI 303-5	m ³	1,253,687	3
Direct (Scope 1) GHG emissions	GRI 305-1	tCO ₂ e	10,531	3
Energy indirect (Scope 2) GHG emissions	GRI 305-2	tCO ₂ e	10,638	3
Change in absolute Scope 1 & Scope 2 GHG emissions from 2019 baseline	Internally Developed ³	eMWh	(5,050)	3
Total non-hazardous waste diverted from disposal	GRI 306-4	Tonnes	10,574	3
Total non-hazardous waste diverted to disposal	GRI 306-5	Tonnes	12,797	3

¹ Significant contextual information necessary to understand how the data has been compiled has disclosed in the 2024 Supplementary Data on pages 21 – 25.

² Calculated as the change in absolute energy consumption from the year ended December 31, 2019 to the year ended December 31, 2024. As disclosed on page 21 of the 2024 Supplementary Data, the 2019 base year has been restated for changes in portfolio boundaries (dispositions, acquisitions, new developments, demolitions), changes to measurement and/or calculation methodologies, improvements in consumption data coverage and discovery of errors in consumption data.

³ Calculated as the absolute change in total Scope 1 and Scope 2 GHG emissions from the year ended December 31, 2019 to the year ended December 31, 2024. As disclosed on page 24 of the 2024 Supplementary Data, the 2019 base year has been restated for changes in portfolio boundaries (dispositions, acquisitions, new developments, demolitions), changes to measurement and/or calculation methodologies, improvements in consumption data coverage and discovery of errors in consumption data.