



2025 Sustainability Impact Report



About this Report

Reporting Scope and Boundary

On April 16, 2026, First Capital REIT entered into an [agreement](#) to be acquired by KingSett Capital and Choice Properties REIT. During this interim period, First Capital continues to operate on a “business as usual” basis and we remain committed to our sustainability strategy.

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

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

for the year ending December 31, 2025.

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 Canadian Sustainability Disclosure Standard 2, Climate-Related Disclosures.

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 47.

☑ 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-2025data

How to Reach Us

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Message to Our Stakeholders

From Adam Paul, President & CEO

Over the past year we continued to strengthen our culture of excellence, collaboration, and purpose, while advancing our sustainability and community commitments.

First Capital remains committed to an ambitious, science-based greenhouse gas (GHG) reduction pathway of a 46% reduction in Scope 1 and 2 emissions by 2030 and achieving net zero by 2050, reporting a 23% reduction in market-based GHG emissions relative to our 2019 baseline. Building on our 2024 Collaboration for Climate Action Forum, we released our Climate Action Roadmap in 2025, outlining six key pathways and 22 actionable measures designed to support the decarbonization of retail real estate across Canada through collaboration among tenants, landlords, and industry partners.

Our leadership in sustainable real estate continued to be recognized during the year. In 2025, we were named a Sustainalytics 2025 Regional ESG Top-Rated Company, earned a “B” score in the CDP Climate Change questionnaire, outperforming the regional average, and received Gold level Green Lease Leader recognition from the Institute for Market Transformation (IMT) and the U.S. Department of Energy’s Better Buildings Alliance.

Our people remain a critical driver of long-term performance. In 2025, First Capital was recognized as one of Greater Toronto’s Top Employers and one of Canada’s Top Small and Medium Employers, and was included in the Globe and Mail’s Report on Business “Women Lead Here” list, reflecting our continued commitment to attracting and developing top talent.

Our team’s dedication to making a difference extends beyond the workplace. The FCR Thriving Neighbourhoods Foundation, a cornerstone of our culture since 2020, has raised over \$1.6 million, including over \$220,000 in 2025 in support of Right to Food (formerly, Community Food Centres Canada). In addition, more than

97% of our employees volunteered at least one day during the year to support charitable initiatives in the neighbourhoods in which we operate.

I want to extend my gratitude to our employees, Board members, tenants, and community partners whose dedication underpins our success. We look forward to continuing this important work together in the years ahead.

Respectfully,



Adam Paul, President & Chief Executive Officer



2025 Highlights

Environmental



23% reduction in market-based Scope 1 & 2 GHG emissions since 2019



>300 electric vehicle charging stations installed across our portfolio



17.2M 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 \$1.6 million in donations through employee-led charitable giving to fight food insecurity and support mental health initiatives

54%

Of management positions are held by females



83% employee engagement score in 2025



33 public art installations across our portfolio



6.6M 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



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



'A' rating, in the Morgan Stanley Capital International (MSCI) ESG Ratings assessment in 2025



Ranked 4th in the 2025 GRESB Development Benchmark with a score of 94
Ranked 6th in the 2025 GRESB Standing Investments Benchmark with a score of 80



Awarded Gold 2025 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 2025



Named one of Canada's Top Small & Medium Employers for the fifth time in six years (2020 - 2022, 2024-2026)



Named one of Greater Toronto's Top Employers for the fourth time in five years (2020 - 2022, 2024-2026)

About First Capital

Our Business

First Capital Real Estate Investment Trust, with \$9.3 billion in assets, owns and operates, acquires, and develops 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



FCR.UN
LISTED ON TSX



21.8M
SQ. FT. OF GLA



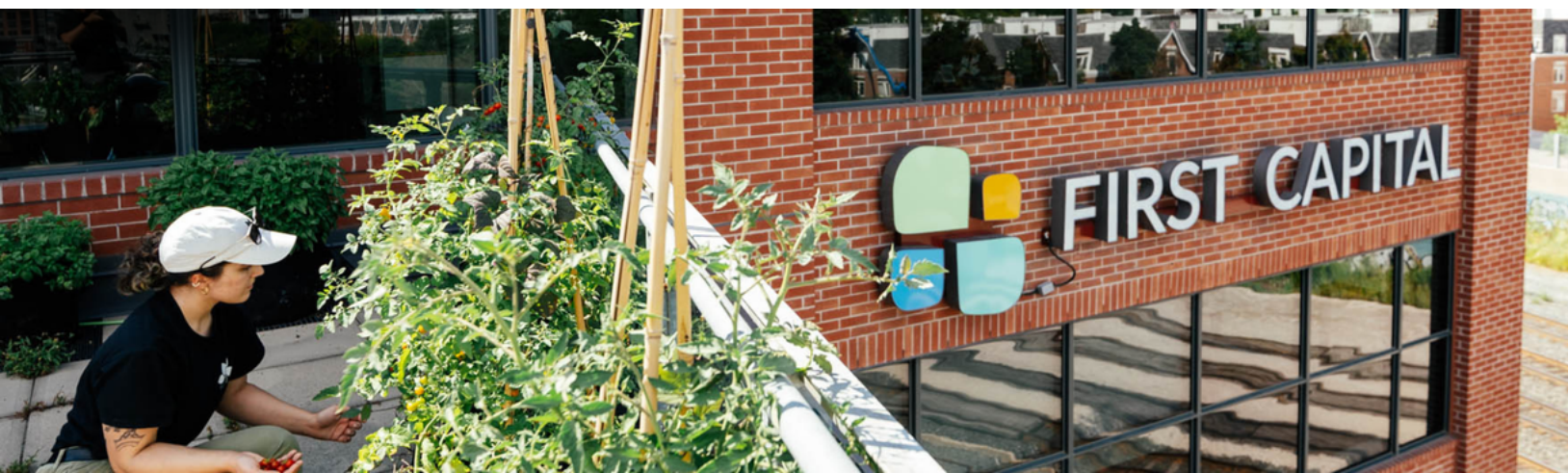
>2,400
TENANTS



136
NEIGHBOURHOODS



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.

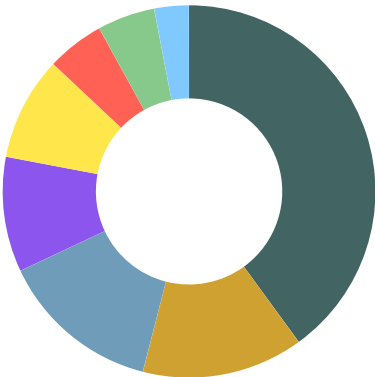
99% 

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

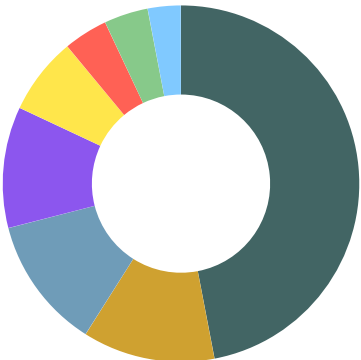
84 

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.

% 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, 2025

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 2025.

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

Mechanisms for Investor Engagement • 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
Mechanisms for Tenant Engagement • 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	Tenants
Mechanisms for Industry Engagement • 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
Mechanisms for Community Engagement • Sponsorship and community engagement events • Municipal urban planning forums • Community boards • Social media	Community
Mechanisms for Employee Engagement • 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:

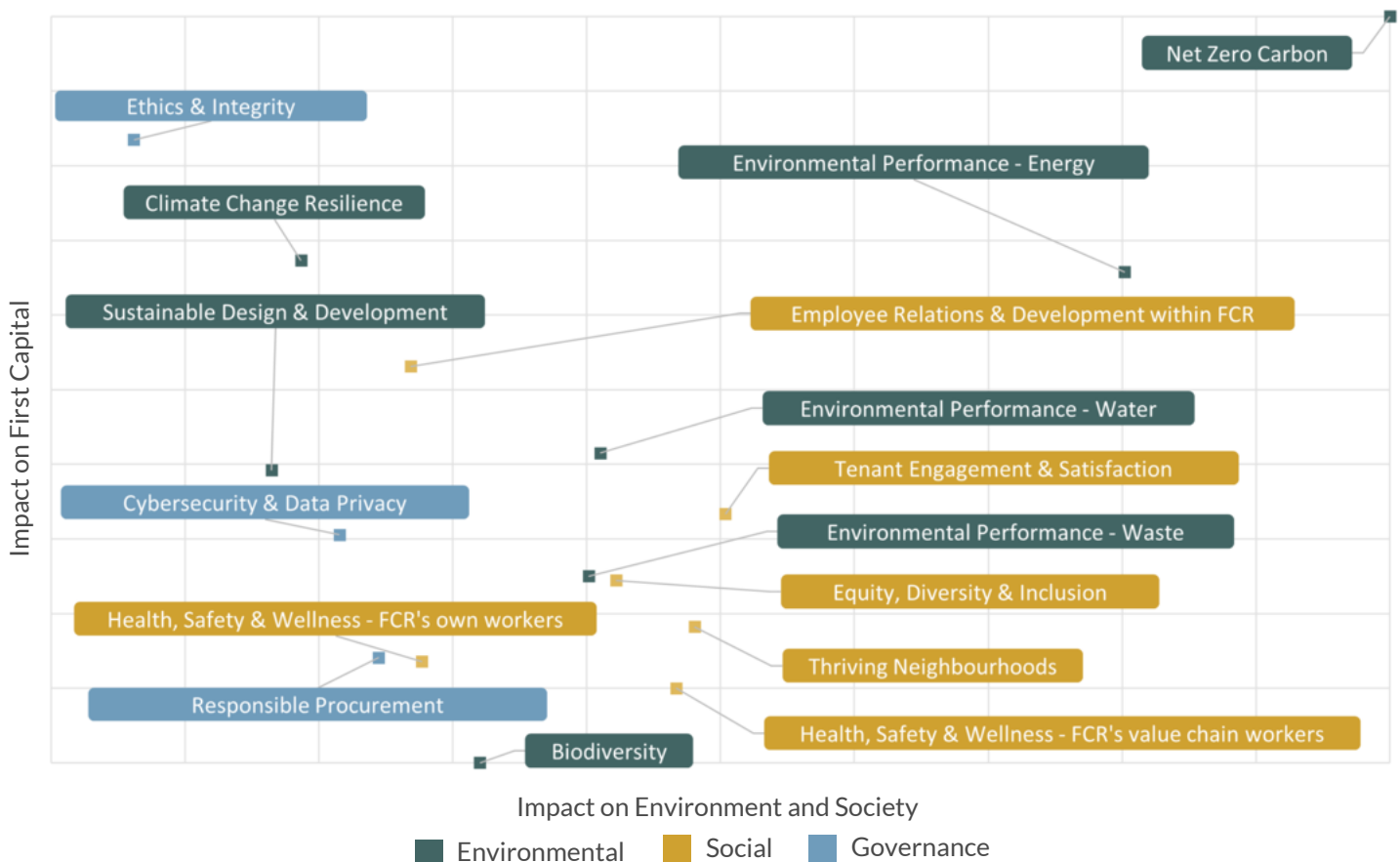
- Impact materiality – how First Capital's activities affect the environment and society, and
- Financial materiality – how ESG-related risks and opportunities could influence our enterprise value over time.

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.

First Capital's ESG Materiality Matrix



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.

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, and an ESG Task Force.

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. 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 Senior 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 overseeing the development, implementation, and integration of climate and ESG strategies across the organization. Comprised of members of the Executive and Senior Leadership Teams, the Task Force provides cross-functional coordination to identify, assess, and manage climate-related risks and opportunities, monitor performance against established commitments, and embed climate and ESG considerations into business planning, operational decision-making, and capital allocation processes. The Task Force meets regularly and reports into FCR's broader governance and risk management framework.

The Task Force also provides oversight of FCR's net-zero strategy and science-based emissions reduction targets. In this role, it is responsible for ensuring that carbon reduction initiatives are aligned with asset management, development, and financing activities, and that progress toward climate-related targets is monitored and reviewed over the short, medium, and long term. This integrated governance approach supports consistent accountability, informed decision-making, and effective management of climate-related impacts, risks, and opportunities in alignment with FCR's long-term financial objectives.

Climate-related targets are embedded into corporate performance metrics and influence both short- and long-term compensation:

- In 2025, 12.5% of the Corporate Objectives bonus metric was tied to ESG-related initiatives, including an annual emissions reduction goal worth 6.5% of the Corporate Objectives.

- 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.

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.

FCR continues to advance its understanding and management of physical climate risks across its portfolio. Building on earlier assessments, in 2025 the company completed an updated, portfolio-wide physical climate risk analysis, incorporating more advanced scenario modelling and Climate Value at Risk (CVaR) methodologies. This assessment evaluated exposure to key hazards—including flooding, extreme heat, and water stress—under multiple climate scenarios, and quantified potential financial impacts to inform decision-making.

Flooding remains a key area of focus, and insights from the 2025 analysis are being used to further prioritize mitigation and adaptation efforts across higher-risk assets. These findings are informing FCR's broader climate action planning and capital allocation processes.

Looking ahead, in 2026 FCR plans to advance asset-level resiliency strategies, including targeted adaptation measures, enhanced emergency preparedness, and integration of climate risk considerations into asset management and development practices. This work will support ongoing efforts to strengthen portfolio resilience and protect long-term value in a changing climate.

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. In 2022, FCR 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. Our targets were validated by the Science Based Targets Initiative (SBTi).

FCR's emissions reduction targets include:

- A validated near-term science-based target to reduce Scope 1 and 2 market-based 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.

Categorized by SBTi as a Small and Medium Enterprise (SME) at the time of target setting, 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 defined by the SBTi, these targets reflect linear annual reduction rates aligned with limiting global temperature increase to 1.5°C.

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 support achievement of our 2030 GHG reduction target. The plan identifies site-specific carbon reduction projects, anticipated implementation timelines, and projected annual capital investments.

The majority of emissions reductions from these initiatives are expected to be realized later in the 2025–2030 period, reflecting the timing of

capital planning, equipment replacement cycles, and project delivery.

Key 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

To support steady progress toward our 2030 Scope 1 and 2 emissions reduction target, FCR assessed performance against a linear emissions reduction pathway between 2025 and 2030, equivalent to an average annual reduction of approximately 5%. This pathway serves as a planning and tracking benchmark, rather than a representation of how reductions occur in practice.

Given the timing of capital projects, many of which deliver emissions reductions later in the decade—FCR will use limited, targeted purchases of renewable energy credits (RECs) as a transitional measure to align reported Scope 2 emissions with this pathway while long-term carbon reduction projects are being implemented.

RECs are intended to be temporary and supplemental in nature and will decline over time as permanent emissions reductions from electrification, renewable energy installations, and equipment upgrades come online. FCR's long-term decarbonization strategy remains focused on reducing absolute emissions across the portfolio rather than reliance on market-based instruments.

FCR's Scope 3 Emissions

Based on internal estimates and industry benchmarks for open-air retail properties, FCR expects Scope 3 emissions to represent more than 90% of total property-level greenhouse gas emissions, with tenant energy use accounting for the majority of this footprint. These emissions are largely outside of FCR's direct operational control and depend on tenant behavior, leasing

arrangements, and access to reliable tenant-level energy data.

FCR previously disclosed a voluntary Scope 3 emissions reduction target. This target was not validated by the Science Based Targets initiative (SBTi) and was established prior to recent regulatory developments and changes in the broader sustainability disclosure environment.

Progress toward establishing a robust Scope 3 emissions inventory—and toward advancing a credible reduction pathway—has been slower than initially anticipated due to several factors, including evolving regulatory requirements related to environmental claims, limited access to reliable tenant-level energy data, and the absence of mandatory disclosure frameworks that would support consistent data collection across the portfolio.

As a result, FCR no longer discloses a public Scope 3 emissions reduction target at this time. Establishing a credible target requires a comprehensive and reliable Scope 3 inventory, which is still under development. FCR's objective is to complete a credible Scope 3 GHG inventory by 2027, prioritizing actual data where feasible and using methodologically sound estimates to address remaining gaps. This work is intended to enable future target-setting aligned with CSDS and SBTi requirements.



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.

GHG Emissions & Energy Conservation

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.

FCR has a Science Based Targets initiative (SBTi)-validated target to reduce absolute Scope 1 and 2 market-based GHG emissions by 46% by 2030, relative to a 2019 base year.

Since validating our science-based targets, our efforts have focused on developing a clear and actionable pathway to achieve them. In 2023, we developed modeled decarbonization plans ("net-zero pathways") for 95% of applicable assets by gross leasable area. In 2024, these pathways were leveraged to develop a detailed five-year portfolio implementation plan (2025–2030) to support achievement of our 2030 Scope 1 and 2 target.

The plan identifies site-specific capital projects, anticipated implementation timelines, and estimated capital investment by year and by property. While the majority of emissions reductions from these initiatives are expected to be realized later in the 2025–2030 period, reflecting capital planning cycles and the timing

of major equipment replacements, FCR began making tangible progress in 2025.

During the year, FCR implemented a portfolio-wide dual-fuel rooftop unit (RTU) replacement specification, completed the replacement of several end-of-life RTUs with dual-fuel heat pump systems, and delivered a number of interior LED lighting projects across our Quebec portfolio. These actions represent early steps in executing the broader decarbonization plan and lay the groundwork for significant emissions reductions as additional projects are delivered in future years.

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.

2025 Emissions Performance

In 2025, FCR's Scope 1 and 2 location-based emissions increased slightly year over year, reflecting normal operational variability. This was driven in part by colder-than-average winter temperatures across several provinces, which led to higher natural gas consumption, as well as the early-stage implementation of many decarbonization initiatives identified in the 2025–2030 plan.

To demonstrate continued progress toward our 2030 target during this transition period, FCR purchased renewable energy credits (RECs) in 2025 to partially align reported Scope 2 (market-based) emissions with our linear reduction pathway. This approach supports transparency in year-over-year progress while long-term emissions reduction projects are being implemented.

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>*

To align with our target, we report absolute GHG emissions and energy consumption on both a year-over-year and baseline comparison basis. Emissions performance is reported using both location-based and market-based Scope 2 methodologies to distinguish between underlying operational performance and the impact of renewable energy procurement.

FCR's 2025 Results:

Progress vs. 2019 Base Year

- 16% reduction in Scope 1 & Scope 2 location-based GHG emissions (2019–2025)
- 23% reduction in Scope 1 & Scope 2 market-based GHG emissions (2019–2025)
- 7% reduction in total energy consumption (2019–2025)

Year-over-Year Performance

- 4% increase in Scope 1 & Scope 2 location-based GHG emissions
- 5% decrease in Scope 1 & Scope 2 market-based GHG emissions
- 3% increase in total energy consumption

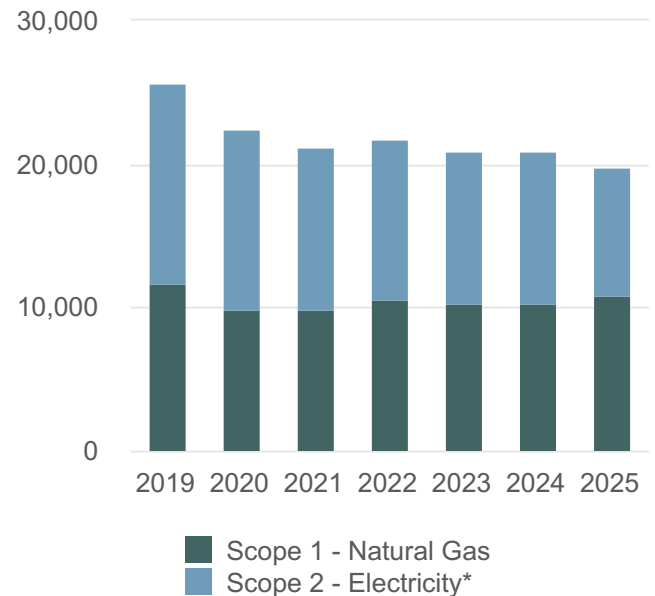
Energy Cost Performance

- 7% increase in energy costs year over year (2025 vs. 2024), largely driven by increasing utility rates across the country

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.

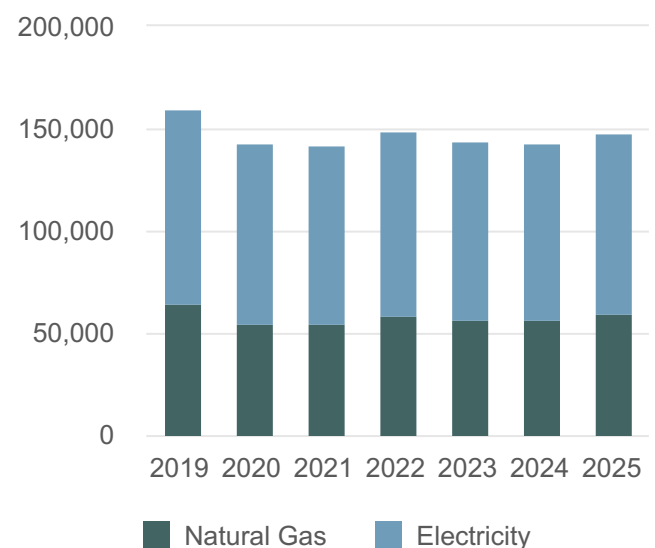
Detailed performance data is available in our Impact Report Supplementary Data Pack at fcr.ca/sustainability-2025data

GHG Emissions by Scope (tCO₂e)



*2025 Scope 2 emissions (market-based) includes a limited purchase of renewable energy credits used as a transitional measure while long-term decarbonization projects are implemented.

Energy Consumption (eMWh)



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.

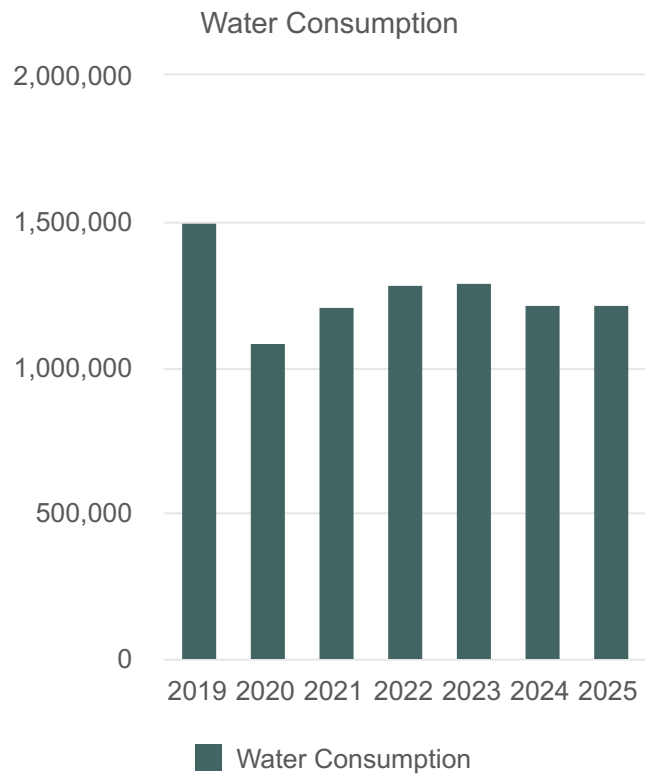
In Quebec, which represents approximately 12% of our portfolio (by IFRS Fair Value), water use is not currently metered by municipalities or utilities. As a result, consumption and cost data for these properties are excluded from our reporting. We note that several Quebec municipalities are beginning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

FCR's 2025 Results:

- 19% reduction in water consumption vs base year (2019-2025)
- No change year-over-year in water consumption (2025 vs 2024)

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.

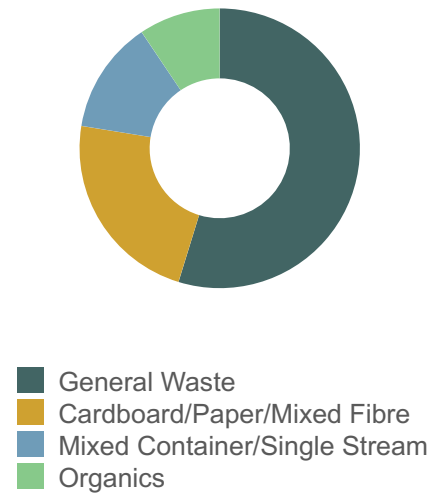
Our waste management program focuses on improving data consistency, increasing diversion rates, and optimizing waste-related expenses. To support this, we partner with a third-party national waste consultant across most of our portfolio to streamline reporting and identify improvement opportunities.

FCR's 2025 Results:

- 45% waste diversion rate across reporting properties, which cover approximately 90% of our portfolio (19.5 million sq. ft. of GLA).
- 45% diversion represents no change from 2024

To improve diversion, 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.

2025 Waste Profile of Non-Hazardous Waste



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, 2025, 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.

In 2025, we initiated the development of a Low Carbon Design Standard for our retail developments. This work is focused on establishing formal, performance-based design

requirements—covering operational carbon, energy efficiency, and embodied carbon—and creating a consistent framework for evaluating the carbon intensity of new projects.

Development of the standard will continue into 2026, with the objective of supporting alignment with our science-based targets and broader climate risk management strategy. Once finalized, we plan to begin integrating the Low Carbon Design Standard into new retail development projects to ensure consistent application of low-carbon design principles across our pipeline.



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.

Since launching, the Foundation has raised over \$1.6 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.
- 2024-25 raised over \$665,000 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 signature charitable partner Right to Food Canada (formerly Community Food Centres Canada).

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 2025, over 97% of FCR staff utilized their volunteer day to support local charities in our communities.

2025 Milestones



Learn more about our Foundation at:
thrivingneighbourhoods.ca

Let's Play Ball for Charity

In September 2025, the FCR Thriving Neighbourhoods Foundation held its Fourth 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 \$220,000.



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.
- Following the 2024 Forum, in 2025 we published the Climate Action Roadmap which outlines six key pathways with 22 actionable steps that retail tenants, landlords, and their partners can take — both independently and together — to overcome barriers and accelerate decarbonization.
- Awarded 2025 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.



Collaboration for Climate Action: Climate Action Roadmap

On November 28, 2024, First Capital co-hosted the second Collaboration for Climate Action Forum, alongside Canadian Tire Corporation Ltd., Royal Bank of Canada, and Quinn & Partners. This cross-industry event convened over 75 senior leaders across Canada's retail real estate and related sectors (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 event provided a platform for stakeholders to address five key challenges that landlords and tenants face in reducing greenhouse gas emissions. Participants divided into five groups, each brainstorming individual and collaborative actions to advance interdependent decarbonization goals.

The groups brainstormed nearly 200 individual actions. Each group bundled actions together into higher-level solutions which they sequenced in the short and medium term.

Following the Forum, in 2025 we analyzed the actions and solutions and identified themes that emerged to develop a Climate Action Roadmap for the Canadian retail real estate industry.

[Click here to view the roadmap](#)

Climate Action Roadmap Overview



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 2025. We had a very strong response rate of 90%. Our overall engagement score was 83%, which is 11% 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.



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.



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.

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 2025 there were no fatalities as a result of FCR's activities. In 2025, there were 4 Workers' Compensation claims that resulted in lost time of 0 days.



Health & Wellness at our Properties

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

Since June 2021, FCR has successfully achieved and maintained the WELL Health-Safety Rating at 34 of our enclosed shopping centres, offices and mixed-use properties (6.6 million sq ft of gross leasable area).

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.



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, 2025, 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 54% 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 Impact Report Supplementary Data Pack at fcr.ca/sustainability-2025data

Honouree in the Globe and Mail’s “Women Lead Here” list for 2024-2026 and 2020-2021



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.

Sustainable 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 Sustainable Procurement Workshop to deepen cross-functional understanding and identify sustainability risks and opportunities across key procurement categories. Building on this work, in 2025 we established a Sustainable Procurement Working Group, completed a gap analysis, and developed a formal Sustainable Procurement Policy. Together, these efforts have strengthened the foundation for a more structured and consistent approach to sustainable procurement. In 2026, we intend to further advance this work by establishing key performance indicators and progressing priority actions identified in the work plan, supporting ongoing integration of sustainable procurement practices across the business.

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 2025 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 2025 data to previous years' data.
Reliability	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. For 2025 data: 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, defined as the change in total energy consumption within FCR's operational control, for the year ended Dec. 31, 2025 vs Dec. 31, 2019, designed in order to report progress toward our approved SBTi targets. Change in total Scope 1 and Scope 2 location-based GHG emissions from 2019, internally developed criteria, defined as the change in total GHG emissions within FCR's operational control, for the year ended Dec. 31, 2025 vs Dec. 31, 2019, designed in order to report progress toward our approved SBTi targets. Total waste diverted from disposal, as defined by GRI 306-4. Total waste directed to disposal, as defined by GRI 306-5.
Timeliness	FCR's 2025 Impact Report was issued within six 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 is a pending acquisition of First Capital REIT as announced on April 16, 2026.
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: 97%
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.
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, 2025, contained in First Capital's 2025 Sustainability Impact Report and 2025 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") 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information and CSAE 3410, Assurance on Greenhouse Gas Statements. 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, 2025, is not prepared, in all material respects, in accordance with the Criteria.

Ernst + Young LLP
Chartered Professional Accountants
Licensed Public Accountants

June 24, 2026
Toronto, Canada

Schedule

Our limited assurance engagement was performed on the following Subject Matter for the year ended December 31, 2025:

Performance Indicator	Criteria ¹	Reported Units	Reported Value	2025 Supplementary Data Page
Energy consumed	GRI 302-1	eMWh	147,895	2
Change in absolute energy consumption from 2019 baseline	Internally Developed ²	eMWh	(11,448)	2
Water consumed	GRI 303-5	m ³	1,218,079	2
Direct (Scope 1) GHG emissions	GRI 305-1	tCO ₂ e	10,823	3
Energy indirect (Scope 2) location-based GHG emissions	GRI 305-2	tCO ₂ e	10,906	3
Change in absolute Scope 1 & Scope 2 location-based GHG emissions from 2019 baseline	Internally Developed ³	eMWh	(4,008)	3
Total non-hazardous waste diverted from disposal	GRI 306-4	Tonnes	10,994	3
Total non-hazardous waste diverted to disposal	GRI 306-5	Tonnes	13,463	3

¹ Significant contextual information necessary to understand how the data has been compiled has disclosed in the 2024 Supplementary Data on pages 22 - 27.

² Calculated as the change in absolute energy consumption from the year ended December 31, 2019 to the year ended December 31, 2025. As disclosed on page 22, 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, 2025. As disclosed on page 25, 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.