

# Allied Properties REIT

**Type of Engagement:** Annual Review

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**Engagement Team:**

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## Introduction

In February 2025, Allied Properties REIT (“Allied”) issued a green bond (“February 2025 Green Bond”) raising CAD 447.84 million to finance or refinance green building projects. In September 2025, Allied engaged Sustainalytics to review the projects financed with proceeds from the February 2025 Green Bond (the “Nominated Expenditures”) and provide an assessment as to whether they meet the use of proceeds criteria and whether Allied complied with the reporting commitments in the Allied Properties REIT Green Financing Framework (the “Framework”).<sup>1</sup> Sustainalytics provided a Second-Party Opinion on the Framework in February 2021.<sup>2</sup> This is Sustainalytics’ third annual review of allocation and reporting of the instruments issued under the Framework, following previous reviews in June 2022 and December 2021.<sup>3,4</sup>

## Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and Allied’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

**Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs**

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
<b>Green Buildings</b>	<p>Investments related to the purchase, development and/or redevelopment of properties other than data centres that have received or are expected to receive at least one of the following green building certifications (or other equivalent green certification):</p> <ul style="list-style-type: none"> <li>• LEED: Gold, Platinum</li> <li>• BOMA BEST (Gold or Platinum)</li> </ul> <p>Investments related to the purchase, development and/or redevelopment of data centre properties that have received or are expected to receive the following green building certifications (or other equivalent green certification):</p> <ul style="list-style-type: none"> <li>• LEED: Silver, Gold, Platinum</li> </ul>	<ul style="list-style-type: none"> <li>• Green building certifications</li> <li>• Floor space of green real estate (m<sup>2</sup>)</li> </ul>

<sup>1</sup> Allied, “Green Financing Framework”, (2021), at: <https://alliedreit.com/wp-content/uploads/2021/02/Allieds-Green-Financing-Framework.pdf>.

<sup>2</sup> Sustainalytics, “Second-Party Opinion, Allied Properties REIT Green Financing Framework”, (2021), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/allied-properties-reit-green-financing-framework-second-party-opinion-2021.pdf?sfvrsn=3afc7ca4\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/allied-properties-reit-green-financing-framework-second-party-opinion-2021.pdf?sfvrsn=3afc7ca4_1).

<sup>3</sup> Sustainalytics, “Annual Review”, (2022), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/allied-properties-reit-annual-review-2022.pdf?sfvrsn=741f8f82\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/allied-properties-reit-annual-review-2022.pdf?sfvrsn=741f8f82_1).

<sup>4</sup> Sustainalytics, “Annual Review”, (2021), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/allied-properties-reit-annual-review-2021.pdf?sfvrsn=696c171b\\_1](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/allied-properties-reit-annual-review-2021.pdf?sfvrsn=696c171b_1).

## Issuer’s Responsibility

Allied is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Allied’s February 2025 Green Bond. The work undertaken as part of this engagement included collection of documentation from Allied and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Allied. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Allied.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>5</sup> nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. Allied has disclosed to Sustainalytics that the proceeds from the February 2025 Green Bond were fully allocated at issuance.

## Detailed Findings

**Table 2: Detailed Findings**

<b>Framework Requirements</b>	<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
<b>Use of Proceeds Criteria</b>	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	Allied reported on at least one KPI per use of proceeds category.	None

<sup>5</sup> Sustainalytics’ limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

## Appendices

### Appendix 1: Allocation Reporting

Table 3: Allocation reporting from the February 2025 Green Bond

Use of Proceeds Category	Project	Location	Project Description	Allocated Amount (CAD million)
Green Buildings	1508 West Broadway	Vancouver, British Columbia	The project is a mixed-use building comprising approximately 81,809 ft <sup>2</sup> of office gross leasable area (GLA) and 51,478 ft <sup>2</sup> of retail GLA. The building was acquired on 31 March 2022.	176.00
	175 Bloor	Toronto, Ontario	The project is a mixed-use complex comprising approximately 592,282 ft <sup>2</sup> of office GLA and 18,468 ft <sup>2</sup> of retail GLA. The complex was acquired on 31 March 2022.	169.00
	1185 West Georgia	Vancouver, British Columbia	The project is a mixed-use building comprising approximately 162,113 ft <sup>2</sup> of office GLA and 4,869 ft <sup>2</sup> of retail GLA. The building was acquired on 31 March 2022.	102.84
<b>Total Allocated Amount</b>				<b>447.84</b>
<b>Total Unallocated Amount</b>				<b>0.00</b>
<b>Total Proceeds Raised</b>				<b>447.84</b>

## Appendix 2: Reported Impact

Table 4: Reported impact of the February 2025 Green Bond

Use of Proceeds Category	Project	Reported Impact
Green Buildings	1508 West Broadway	BOMA BEST Gold
	175 Bloor	LEED Gold
	1185 West Georgia	BOMA BEST Gold

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