



**RESPONSIBLE INVESTMENT  
REPORT 2024**







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Arthur Erickson Place, Vancouver, BC

## About Us

Crestpoint Real Estate Investments Ltd. (Crestpoint) is a commercial real estate investment manager dedicated to providing investors with direct access to commercial real estate assets.

Through the execution of our disciplined investment approach and active management of our properties, Crestpoint strives to deliver stable income and attractive long-term returns through a diversified portfolio of office, retail, multi-family and industrial properties. Real estate investment management is all we do. Crestpoint thereby avoids the distraction and potential conflicts that come with supporting other services such as property management, leasing brokerage and debt origination.

Crestpoint is part of Connor, Clark & Lunn Financial Group (CC&L Financial Group). CC&L Financial Group is a multi-boutique asset management firm that provides a broad range of distinct and independently managed investment solutions. One of the largest independently owned asset managers in Canada, CC&L Financial Group focuses on creating the conditions for success for our clients, partners and employees.

## Message from our President and Founder

At Crestpoint, our commitment to responsible and sustainable investment management has been a cornerstone of our operations since our first ESG Policy was written in 2014. We believe that long-term strategic thinking is essential in every investment decision we make, ensuring that our actions align with our goals and the broader objectives of the communities in which we invest and operate. This alignment is critical not only for achieving investment returns but also for producing positive outcomes for the long term benefit of all our stakeholders, including the environment.

Our leadership team is guided by core values that emphasize ethical behavior, transparency, and a commitment to being responsible citizens. We recognize that our fiduciary duty extends beyond financial performance; it encompasses a responsibility to our investors, tenants, and the communities we serve. This holistic approach to governance ensures that we prioritize environmental, social, and governance (ESG) considerations in all aspects of our business.

Looking ahead, we acknowledge that the Canadian real estate market will encounter both sustainability challenges and opportunities. The increasing frequency of climate-related hazards, along with global decarbonization commitments and the rising demand for more energy-efficient buildings, is pushing us to rethink the current norms. As the industry continues to prioritize enhanced data collection, we are confident that technology will play a crucial role in allowing us to increase energy efficiency and minimize our environmental impact.

As we navigate these trends, we remain committed to fostering a culture of care and transparency within our organization. We are proud of the team and culture that we have built. Learning from past global events, such as the pandemic, we have increased our focus on mental health and well-being, ensuring that our employees feel valued and supported. This culture extends to our relationships with tenants, where we prioritize open communication and tailored solutions to meet their needs.

Our long-term focus, commitment to ethical governance, and pragmatic approach to ESG considerations position us to not only safeguard our investments but also to create lasting value for our stakeholders. We are proud of our achievements and will continue our sustainability journey to build a better future for the communities in which we invest and operate.

**Kevin Leon**  
President & Chief Executive Officer





## Our Approach to Sustainability

### ENVIRONMENTAL IMPACT:

The real estate sector plays a pivotal role in shaping sustainable communities and minimizing environmental impact. Crestpoint is committed to continuously improving our environmental performance and reducing our carbon footprint. Our goal is not only to meet current environmental regulations, laws, and codes of practice as a minimum standard but also to exceed these requirements whenever possible.

Crestpoint is proud of the progress made on our sustainability journey, recognizing that each step taken contributes to a larger goal of environmental stewardship. We are committed to continuously enhancing our practices, learning from our experiences, and adapting to new challenges in the pursuit of a more sustainable future.

ABB Montreal Campus, Saint-Laurent, QC



## Environmental Performance Pathway

<p><b>CRESTPOINT'S COMMITMENT TO RESPONSIBLE INVESTMENT:</b></p>	<p><b>2014</b></p> <p>CRESTPOINT ESTABLISHES FIRST ESG POLICY</p>	<p><b>2018</b></p> <p>INTERNAL TRACKING OF UTILITY CONSUMPTION DATA FOR FUND PORTFOLIO</p>	<p><b>2021</b></p> <p>MAX ROSENFELD (PARTNER, HEAD OF ASSET MANAGEMENT) APPOINTED HEAD OF ESG</p>
	<p><b>2022</b></p> <ul style="list-style-type: none"> <li>· 3<sup>RD</sup> PARTY AUDIT PERFORMED ON ESG INITIATIVES</li> <li>· REVISED ESG POLICY WITH MORE RIGOROUS TARGETS AND TO REFLECT EVOLUTION IN THE SCIENCE</li> <li>· COMPLETE DIGITIZATION ON 3<sup>RD</sup> PARTY PLATFORM FOR ALL PORTFOLIO UTILITIES</li> </ul>	<p><b>2023</b></p> <ul style="list-style-type: none"> <li>· GRACE PERIOD SUBMISSION MADE TO GRESB</li> <li>· ESG TASK FORCE FORMED AT CRESTPOINT</li> </ul>	<p><b>2024</b></p> <ul style="list-style-type: none"> <li>· FIRST GRESB SCORE RECEIVED WITH A 58 POINT SCORE AND ONE STAR RATING</li> <li>· BENCHMARKS MINIMUM 75% WASTE DIVERSION AND REDUCTION TARGETS OF 15% FOR WATER AND GAS CONSUMPTION</li> </ul>

### ENVIRONMENTAL RISK MANAGEMENT:

We consider environmental risks and opportunities throughout the investment life cycle, placing particular emphasis on energy efficiency and other sustainability-related performance metrics during the due diligence phase. Our Investments team assesses key financial, regulatory, and sustainability risks during both due diligence and underwriting. This includes evaluating energy consumption and costs, assessing building efficiency, and more. Additionally, we prioritize health and safety by ensuring the structural integrity of buildings and identifying any hazardous materials.

As part of our asset management standards, we collaborate with our property managers to monitor energy, water, and greenhouse gas (GHG) emissions across our Core Plus Fund. This helps us better understand and minimize our environmental footprint. Our initiatives include shadow metering, amending leases to require tenants to share utility information, and leveraging municipal programs and Energy Star Portfolio Manager capabilities.

In line with Global Real Estate Sustainability Benchmark (GRESB), we collect utility data annually, including energy, water, and GHG emissions. We work together with our property managers to reduce our environmental impact through various initiatives, such as waste reduction campaigns, installing low-flow devices, energy-efficient LED lighting, and tenant education where applicable.

### CLIMATE:

Crestpoint recognizes the critical importance of addressing climate-related risks that could materially impact our investments. During the acquisition phase, we conduct thorough due diligence to assess physical and locational risks, including the procurement of insurance. Our Climate Risk Assessment focuses on various identified areas of risk, such as emissions related to current and future policies, direct risks from global temperature increases and extreme weather events, systemic risks like flooding and sea-level rise, and the economic and ethical implications of these challenges. By proactively identifying and managing these risks, we aim to safeguard our assets and contribute to a more resilient future.



Looking ahead, Crestpoint is committed to building and operating more efficient properties while enhancing our data collection processes. Specifically, we have invested in the infrastructure to track our utility consumption, water consumption, waste management, and greenhouse gas emissions. We will leverage advanced technologies and innovative practices to improve energy efficiency and resource management across our portfolio. By gathering more accurate and comprehensive data on our environmental footprint, we can make informed decisions that drive sustainability initiatives and reduce our overall impact.



## Social practices

### TENANT ENGAGEMENT:

At Crestpoint, we recognize that our tenants are key partners in our sustainability journey, and we support their efforts to live and work more sustainably in their communities.

We work with our property managers for the promotion and education of ESG programs within the properties and elsewhere across the portfolio where applicable. Our property managers engage with tenants and communities through various programs and initiatives such as:

- Building / asset communication
- Feedback sessions with individual tenants
- Sharing feedback on energy/water consumption and waste with tenants
- Social media/online platform
- Tenant engagement meetings
- Tenant ESG guide and training
- Tenant events focused on increasing ESG awareness
- Tenant satisfaction surveys

### EMPLOYEE ENGAGEMENT AND WELL-BEING:

We are proud to have built a team of diverse professionals with extensive experience in real estate investment and management. Our team is focused on building trust and relationships throughout the industry and within the communities in which we invest.

Investing in the growth of our team, we provide professional and ESG-specific training tailored to enhance professional skills and promote personal growth, ensuring all of our employees are well-equipped to thrive in their roles and contribute to our collective success. To gather valuable insights into the needs and goals of our team, we also conduct regular employee engagement surveys.

### DIVERSITY, EQUITY, AND INCLUSION (DEI):

We believe that diversity and inclusion contribute to the strength of our business and we strive to create an inclusive work environment that facilitates collaboration, personal and professional growth, innovation and a sense of belonging.

At Crestpoint, we conduct an annual Diversity Survey for all employees that considers racial and gender diversity. Crestpoint has set five key DEI policy objectives, including measuring and tracking how diversity progresses over time, and creating a process to continually identify opportunities for improvement and to prioritize solutions.

The Diversity & Inclusion (D&I) objectives that are core to our culture and foster an inclusive environment include:

1. Measure where we stand today and track progress over time.
2. Ensure awareness that D&I is integral to our culture and business goals.

3. Create a process to continually identify opportunities for improvement and to prioritize solutions.
4. Enable people to be themselves at work to facilitate their happiness and productivity, and also foster better teamwork, collaboration and innovation.
5. Support D&I outside of the workplace through Foundation philanthropy and volunteerism.

### Employee Led Committee

#### DEIB COMMITTEE:

The Diversity, Equity, Inclusion and Belonging (“DEIB”) Committee is an employee led group committed to assessing existing, and where possible, enhancing future Crestpoint policy, procedures, practices and programs relating to DEIB. Objectives include educating the Crestpoint team on the policies, procedures, practices and programs that are in place, identifying gaps or needs specific to the Crestpoint team, and informing future Crestpoint DEIB policy, procedures, practices and programs under the guidance of CC&L Financial Group and Crestpoint leadership.

### COMMUNITY:

We are committed to investing time and financial resources in the communities in which we operate. Our company engagement efforts are focused on the tenants who reside within our portfolio buildings and the communities in which we invest.

Crestpoint provides funding to the Connor, Clark & Lunn Foundation (CC&L Foundation) which aims to enrich the communities in which we live and work by creating opportunities for both philanthropy and volunteerism from employees and partners of the CC&L Financial Group and its affiliates in support of causes that are important to our

clients, employees, partners and stakeholders. Over the years, the Foundation has donated in excess of \$12.5 M to various causes in its five key areas of focus which are Environment, Education, Science & Medicine, Communities and Arts.

Crestpoint has committed to establish the Crestpoint Real Estate Investments Scholarship to Canadian universities to support greater diversity in the real estate industry. Efforts include providing scholarships to students that identify as BIPOC and funding awards each year that support Black and Indigenous leaders in their communities.

### Employee Led Committee

#### CRESTPOINT IN THE COMMUNITY

Crestpoint in the Community is a committee led by employees to contribute to the communities in which we invest, work, and live through volunteerism. This committee identifies opportunities to support charitable causes that are meaningful to Crestpoint employees by organizing volunteer opportunities for Crestpoint employees to participate in. Crestpoint partners with Habitat for Humanity, Out from the Cold, Second Harvest, and other well recognized charitable organizations.







## Governance practices

### ESG GOVERNANCE:

Crestpoint's ESG Taskforce is responsible for ensuring the coordination and facilitation of all ESG activities firmwide. This includes ESG-related decision-making, authority and accountability, monitoring ESG developments, products, and trends in the industry, making recommendations to senior leadership on the firm's approach to ESG, and coordinating the implementation of ESG initiatives across all teams. Members of the task force include, at a minimum, one senior representative from each of the Investment and Asset Management teams. The ESG Task Force is responsible for communicating ESG initiatives and providing updates to the partnership, clients, and other stakeholders.

### REPORTING:

Starting in 2024, Crestpoint reports to GRESB annually, ensuring that our commitment to sustainability and responsible investment is transparent and accountable. This includes reporting our assets' environmental performance such as energy, water, and GHG emissions. The Head of Asset Management is accountable for this annual reporting process,

ensuring Crestpoint's commitment to sustainability and responsible investment is accurately reflected.

In our first submission, Crestpoint received a benchmark score of 58 and a one star rating. Areas of strength included Stakeholder Engagement, Health & Well being, Policy on Social & Governance Issues, and Supply Chain Engagement. The top area of focus for improvement was the collection, monitoring and review of Energy, Water and Waste data. This is consistent with our priorities in 2025 and beyond.

### CORPORATE GOVERNANCE:

Crestpoint believes in full governance transparency. Our Corporate Governance Manual extensively outlines how we conduct business in an ethical manner. Applicable to Crestpoint employees and third party service providers, our manual includes various policies such as Standards of Personal Conduct, Performance Standards, Anti-Money Laundering, and Whistleblower Policy. Our Responsible Contractor Policy incorporates our expectations from our service providers and is included in our Property Management Agreements.

## Industry Collaboration

Crestpoint is actively involved with various well-known industry organizations including GRESB, NAIOP, REALPAC, CAGBC and the Responsible Investor Association. These groups share best practices, opportunities to collaborate, and work together to enhance existing performance standards as further detailed below.



GRESB is a dedicated, industry-guided organization that cooperates with global leaders in the real asset sector providing validated ESG performance data and peer benchmarks to improve commercial real estate's impact on the environment.



Our NAIOP membership aligns us with a dynamic association dedicated to commercial real estate, providing invaluable insights and business development opportunities.



As members of REALPAC, we integrate into a professional network that aims to elevate the standards and performance of the real estate sector, enriched by research, education and advocacy initiatives.



As CAGBC members, we're part of a dedicated community focused on advancing eco-friendly practices within the building sector, benefiting from certifications, research and advocacy.



The RIA's vision is to be the trusted voice and advocate for the advancement of Responsible Investment in Canada and to drive the growth and development of Responsible Investment in Canada in support of its members.





## Spotlights



### ROSEROCK PLACE:

As engaged owners and operators, we hold ourselves to the highest standard, treating every touchpoint with great care to build and foster an authentic community that is open to all, thoughtfully integrated and continuously evolving. In pursuit of these objectives, at Roserock Place, we have been awarded the following designations for achieving a consistently high standard in operations, connectivity, and customer health:

- LEED EB Gold
- Fitwel 2 Star

- Certification of Excellence
- BOMA BEST Level 3
- WIRED Score Platinum
- Rick Hansen Foundation

#### Examples of sustainability amenities include:

- Roof top garden
- Beehive program
- EV chargers
- Indoor bike storage
- Organic waste collection
- Battery and electronic recycling

At Roserock Place, we have built space to foster community and collaboration. The tenant lounge has attracted the attention of existing, and prospective, tenants. It has also attracted the attention of national media including an article titled, "[The Need for Alonement Spaces at Work](#)\*." In the article, the author highlights our efforts to create spaces that are focused on mental wellness:

**Workers returning to the office, even if it is only a few days a week, are facing a stark contrast to the quiet work spaces of their homes. An open office can feel overwhelming and draining, and workers are adjusting to the increased in-person interaction with coworkers, clients and customers. These solitude-friendly spaces can also help with mental well-being, a priority for many workplaces today.**



\*"The need for 'alonement' spaces at work" - Déjà Leonard, Special to The Globe and Mail. Published September 22, 2024.



### ARTHUR ERICKSON PLACE:

At Crestpoint, we are proud to have achieved our first Zero Carbon Building Performance Standard for Arthur Erickson Place located at 1175 West Georgia Street in downtown Vancouver. This acknowledgement was achieved in joint venture with Vestcor Inc., KingSett and Reliance Properties Ltd., co-owners of the building. In late 2023, we achieved Zero Carbon Building-Performance (ZCB) Standard™ certification from the Canada Green Building Council. This achievement is the culmination of a three-year innovative retrofitting process – one that provides the building with the capacity to reach Net Zero beyond purchasing carbon offsets and to reduce carbon emissions by 97% by 2025.

### SOUTH SURREY BUSINESS PARK:

As part of our sustainability journey, we are currently pursuing the LEED Gold Certification in conjunction with AIMCo, our co-owner. Located in British Columbia, South Surrey Business Park consists of four industrial / distribution buildings. The certification project will enhance the working conditions of the occupants in the building by installing Energy-Recovery Ventilators (ERV) that will increase air quality of the space, as well as reduce carbon emissions by electrifying the HVAC system. This highlights the partners' commitment to their respective ESG goals, which is to invest in sustainable solutions that can help reduce the environmental impacts that affect our communities while creating value for our stakeholders.



## Sustainability Priorities

As an investment advisor, Crestpoint acts as a fiduciary, and our primary responsibility is to add value to our clients' portfolios over the long-term, within the constraints imposed on us by the applicable investment management agreements. At Crestpoint, we believe that the incorporation of ESG factors into our investment management process makes good business sense and can positively impact the long-term risk-adjusted performance and value of our clients' investments. We believe that ESG factors have a material impact on the financial performance of our real estate portfolios and that it is our responsibility to capture the value and mitigate the risks related to ESG factors. Accordingly, we have a strong interest in, and a responsibility to, include these considerations into our approach to investment management.

We are committed to both following our current practices which reflect certain ESG criteria and considering how to best incorporate other evolving ESG issues into our investment decision making process and our asset management practices going forward.

### ESG CORPORATE PRINCIPLES:

1. We believe that the consideration of ESG issues may lead to better outcomes, while recognizing that their relevance may vary based on time horizon, strategy, industry, geography or other factors.
2. An integral part of our investment process is the assessment and management of foreseeable risks and opportunities, and we view ESG factors as an element that must be considered
3. We believe that ESG factors should be considered when we evaluate new investment opportunities and structurally integrated into our investment management processes and that critical ESG issues should be monitored on an ongoing basis.
4. We regularly engage with our third-party service providers to discuss the implementation of responsible business practices, including adherence to our Responsible Contractor Policy, and the impact of ESG factors.





