

ALLIED

# Green Bond Report

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August 2021 Green Bond Issuance

June 2022



# Introduction

On February 3, 2021, Allied announced its [Green Financing Framework](#) under which Allied or any of its subsidiaries may issue green bonds, green loans or other financial instruments to finance or re-finance eligible green projects. On February 12, 2021, Allied completed its inaugural green bond offering, \$600 million series H senior unsecured debentures, at an interest rate of 1.726% per annum, maturing February 12, 2026 (the “February 2021 Green Bond”). Subsequently on August 6, 2021, Allied completed its second green bond offering, \$500 million series I senior unsecured debentures, at an interest rate of 3.095% per annum, maturing February 6, 2031 (the “August 2021 Green Bond”). The net proceeds of the August 2021 Green Bond are \$497.0 million. The August 2021 Green Bond aimed to finance and re-finance eligible projects that reduce Allied’s carbon footprint and the energy consumption of its business activities.

Allied obtained an independent [Second-Party Opinion](#) from Sustainalytics on its Green Financing Framework, indicating alignment with the International Capital Markets Association Green Bond Principles 2018 and the Loan Market Association’s Green Loan Principles 2020. Allied has fully allocated the net proceeds of the August 2021 Green Bond in accordance with Allied’s Green Bond Framework. Sustainalytics performed an annual verification of the August 2021 Green Bond’s compliance with Allied’s Green Financing Framework criteria, including the use of proceeds, key performance indicators and environmental impact reporting. [View the Sustainalytics Annual Review report.](#)

## About Allied

Allied is a leading operator of distinctive urban workspace in Canada’s major cities and network-dense UDC space in Toronto. Allied’s mission is to provide knowledge-based organizations with workspace and UDC space that is sustainable and conducive to human wellness, creativity, connectivity and diversity. Allied’s vision is to make a continuous contribution to cities and culture that elevates and inspires the humanity in all people. As at March 31, 2022, Allied has a market capitalization of approximately \$6.0 billion, total assets of \$11.4 billion and rental properties with 15.4 million square feet of Gross Leasable Area (GLA) in six cities across Canada.

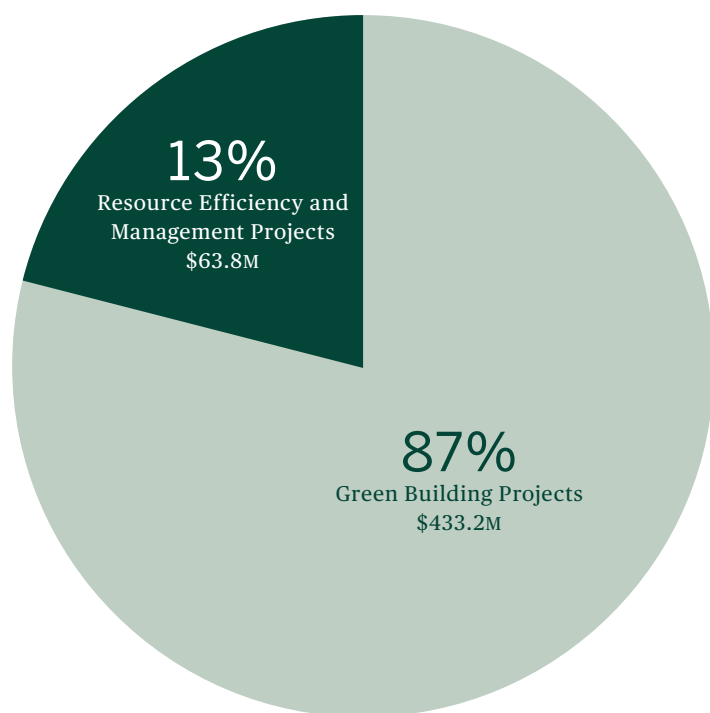
# Use of Proceeds

## August 2021 Green Bond

As at March 31, 2022, the total net proceeds of Allied's August 2021 Green Bond were fully allocated to five green building projects and 68 resource efficiency and management projects. 87% of the bond is allocated to green building projects and 13% to resource efficiency and management projects. The total expected annual savings from the resource efficiency and management projects is over 17,844,000 kWh of electricity, 723,000 m<sup>3</sup> of gas and 1,870 tCO<sub>2</sub>e of greenhouse gas emissions.

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### ALLOCATION SUMMARY



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#### TOTAL NET PROCEEDS ALLOCATED

\$497M

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#### EXPECTED ANNUAL SAVINGS from resource efficiency and management projects

17,844,000<sub>kWh</sub>

#### ELECTRICITY

723,000<sub>m<sup>3</sup></sub>

#### GAS

1,870<sub>tCO<sub>2</sub>e</sub>

#### GREENHOUSE GAS EMISSIONS





# Projects

## The Well<sup>(1)(2)</sup>

PROJECT TYPE	ALLOCATED AMOUNT	
Green Buildings	\$333.6M	<p>The Well is a mixed-use complex located in Toronto, Ontario with approximately 1,526,000 square feet of GLA on completion, anticipated to be between 2022 and 2023.</p> <p>This site is pursuing LEED v2009 certification (Platinum Level).</p>

## Breithaupt – Phase III<sup>(1)</sup>

PROJECT TYPE	ALLOCATED AMOUNT	
Green Buildings	\$44.5M	<p>Breithaupt - Phase III is an office property located in Kitchen-er, Ontario with approximately 294,000 square feet of GLA on completion.</p> <p>This site is pursuing LEED v4 certification (Gold Level).</p>

## Adelaide & Duncan<sup>(1)(3)</sup>

PROJECT TYPE	ALLOCATED AMOUNT	
Green Buildings	\$30.8M	<p>Adelaide and Duncan is a mixed-use property located in Toronto, Ontario with approximately 460,000 square feet of GLA and 464 residential units on completion.</p> <p>This site is pursuing LEED v2009 certification (Gold Level).</p>

## QRC West – Phase II

PROJECT TYPE	ALLOCATED AMOUNT	
Green Buildings	\$15.7M	<p>QRC West - Phase II is a mixed-use property located at 375-381 Queen Street W in Toronto, Ontario with approximately 93,134 square feet of GLA on completion.</p> <p>This site is pursuing LEED v4 certification (Gold Level).</p>

## 400 Atlantic

PROJECT TYPE	ALLOCATED AMOUNT	
Green Buildings	\$8.6M	<p>400 Atlantic is a mixed-use property located in Montreal, Quebec with approximately 87,473 square feet of GLA on completion.</p> <p>This site is pursuing LEED Operations and Maintenance v4 certification (Gold Level).</p>

(1) These properties are co-owned and the amount allocated represents Allied's ownership interest. Building metrics are reported at 100% ownership interest.

(2) A portion of The Well project costs were previously allocated in the February 2021 Green Bond. Total proceeds allocated to The Well project from Allied's green bonds is \$619.8 million.

(3) A portion of Adelaide & Duncan project costs were previously allocated in the February 2021 Green Bond. Total proceeds allocated to the Adelaide & Duncan project from Allied's green bonds is \$91.3 million.

# Projects

## Boardwalk-Revillon Building <sup>(4)</sup>

PROJECT TYPE	ALLOCATED AMOUNT	
Resource Efficiency & Management	\$29.7M	Boardwalk-Revillon Building is a mixed-use complex located in Edmonton, Alberta with approximately 297,851 ft <sup>2</sup> of GLA. The project consists of lighting and plumbing upgrades, new outdoor air ventilation system with a heat recovery core, new water heaters and upgrades to the mechanical building management system. The total project upgrades are estimated to save 486,727 kWh of electricity, 14,375 m <sup>3</sup> of gas, and 432 tCO <sub>2</sub> e of greenhouse gas emissions annually.

## Lougheed <sup>(4)(5)</sup>

PROJECT TYPE	ALLOCATED AMOUNT	
Resource Efficiency & Management	\$18.9M	Lougheed is a mixed-use property located at 604-1st Street SW in Calgary, Alberta with approximately 88,000 ft <sup>2</sup> of GLA. The project consists of lighting and plumbing upgrades, addition of a new outdoor air ventilation system with a heat recovery core, new water heaters and a new mechanical building management system. Total project upgrades are estimated to save 131,627 kWh of electricity, 17,669 m <sup>3</sup> of gas, and 142 tCO <sub>2</sub> e of greenhouse gas emissions annually.

## Nordelec <sup>(6)</sup>

PROJECT TYPE	ALLOCATED AMOUNT	
Resource Efficiency & Management	\$10.9M	Nordelec is a mixed-use property located at 1751 Richardson Street and 1700 Saint Patrick in Montreal, Quebec with approximately 830,000 square feet of GLA. Allied upgraded the property which included improvements to heat recovery, ventilation, cooling infrastructure, window replacements, roof insulation and lighting upgrades as well as a new energy management and control system. The project was completed in 2019. These measures are estimated to save 3,700,000 kWh of electricity, 691,000 m <sup>3</sup> of gas, and 1,300 tCO <sub>2</sub> e of greenhouse gas emissions annually.

## Energy conservation projects at various properties

PROJECT TYPE	ALLOCATED AMOUNT	
Resource Efficiency & Management	\$4.3M	Allied completed LED lighting retrofits, building automation system installations and electric baseboard heater control system installations at 65 properties throughout 2019 to 2021. These measures are estimated to save more than 13,525,484 kwh of electricity.

## TOTAL NET PROCEEDS ALLOCATED: \$497.0M

(4) The impact metrics include one activity that did not receive green bond allocations as it did not qualify under the criteria of Allied's Green Financing Framework. Given the calculations were conducted by a third party, Allied is unable to remove the impacts of this activity.

(5) A portion of the Lougheed project costs were previously allocated in the February 2021 Green Bond. Total proceeds allocated to the Lougheed project from Allied's green bonds is \$24.6 million.

(6) A portion of the Nordelec project costs were previously allocated in the February 2021 Green Bond. Total proceeds allocated to the Nordelec project from Allied's green bonds is \$48.8million.

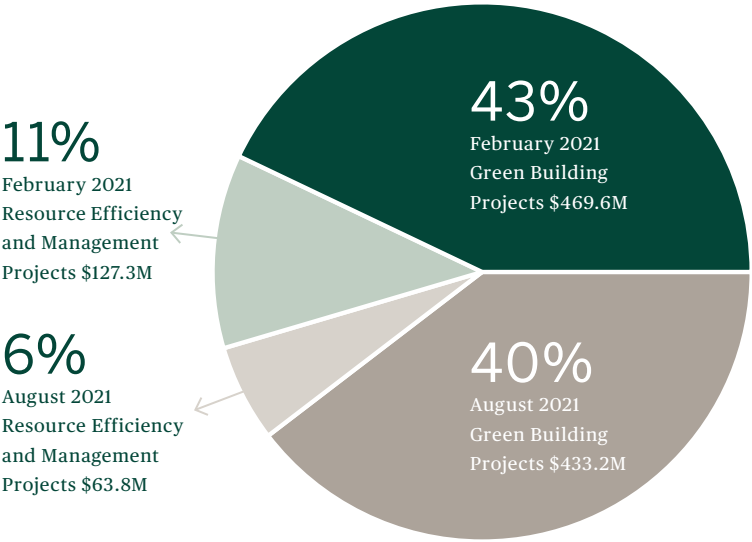
**Cautionary Statement:** This report may contain forward-looking statements with respect to Allied including expected annual savings from resource efficiency and management projects. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Allied discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including, among other things, the factors described under "Risk Factors" in Allied's Annual Information Form, which is available at [www.sedar.com](http://www.sedar.com). These cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on Allied's behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this report release date and Allied has no obligation to update such statements.



# Use of Proceeds February 2021 and August 2021 Green Bond

As at March 31, 2022, the total net proceeds of Allied's February 2021 and August 2021 Green Bonds were fully allocated to seven green building projects and 69 resource efficiency and management projects. 83% of the bond are allocated to green building projects and 17% to resource efficiency and management projects. The total expected annual savings from the resource efficiency and management projects is over 20,844,000 kWh of electricity, 1,063,000 m<sup>3</sup> of gas and 2,630 tCO<sub>2</sub>e of greenhouse gas emissions.

## ALLOCATION SUMMARY



## TOTAL NET PROCEEDS ALLOCATED

\$1,093.9M

## EXPECTED ANNUAL SAVINGS from resource efficiency and management projects

20,844,000 kWh

## ELECTRICITY

1,063,000 m<sup>3</sup>

## GAS

2,630 tCO<sub>2</sub>e

## GREENHOUSE GAS EMISSIONS







**ALLIED PROPERTIES REIT**

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