

The Peterson logo is located in the top left corner of the page. It consists of the word "Peterson" in a blue, serif font. The background of the entire page is a scenic view of a city skyline, likely Vancouver, with a dense forest of evergreen trees in the foreground and a range of mountains in the distance under a clear sky.

Peterson

SUMMARY

ESG Framework + Policy



Peterson's Commitment to ESG

Introducing Peterson's Environmental, Social and Governance (ESG) Corporate Commitment.

Peterson has implemented an ESG Framework + Policy that is forward-thinking, comprehensive and a natural extension of our founding corporate Values. We will use our ESG Framework + Policy to improve our operations and lead by example for other community leaders seeking to do better.

The Purpose of the ESG Framework is to:

- 01 Incorporate ESG into decision-making** within every business line and operational function.
- 02 Identify ESG priority areas**, both short and long-term.
- 03 Ensure we achieve our ESG goals** by establishing strategies, metrics and supporting policies.

This document is a brief overview of the full Peterson ESG Framework + Policy.

PETERSON EMPLOYEES

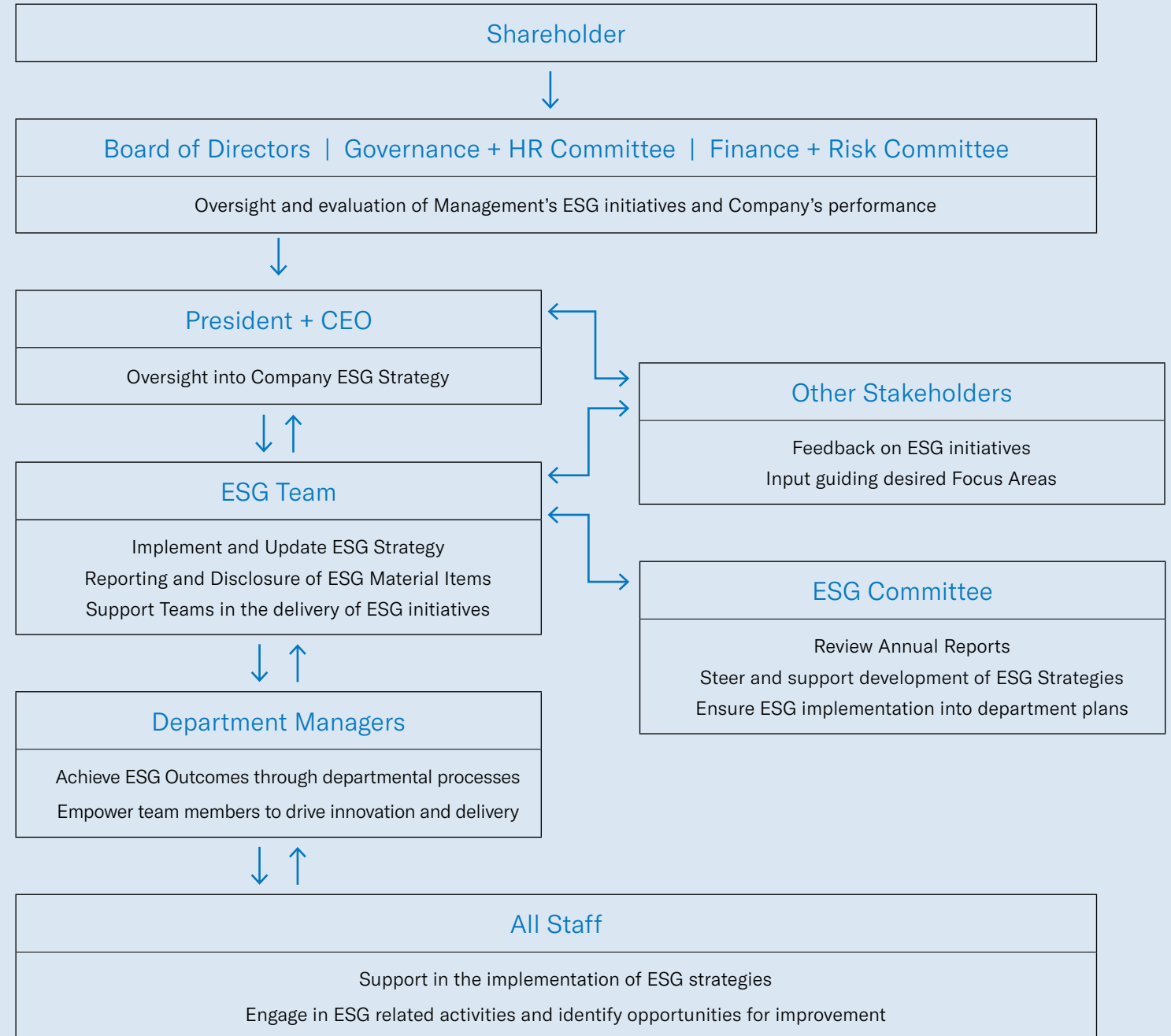
For Peterson employees the full version is available on our intranet, [Berni](#).

EXTERNAL STAKEHOLDERS

For external stakeholders please visit petersonbc.com or contact Peterson at ESG@petersonbc.com to request a copy of the full ESG Framework + Policy.

Governance Structure

Peterson has adopted the following ESG Governance Structure to ensure information from all ESG activities are effectively shared, evaluated, managed and acted upon.





ESG Strategy + Materiality

In 2021, we undertook the comprehensive formal process of ESG planning and development. As initial steps, we formed the ESG Leadership Team, ESG Committee¹ and ESG Materiality Committee². **An ESG materiality assessment was conducted to determine which ESG items and categories are most important to Peterson and our Stakeholders.** This process involved deliberations with our ESG Committee, ESG Materiality Committee and our internal and external Stakeholders. The results of that assessment guides the substance of the ESG Framework + Policy and underpins our ESG efforts.

¹ **ESG Committee** is comprised of representatives from each of our business lines.

² **ESG Materiality Committee** is comprised of the ESG Team, COO, VP of Accounting and VP of HR.

Our ESG Materiality analysis was guided by Peterson's values and encompassed all aspects of our business, by identifying activities that:

- **Are consistent with Peterson Values, good governance and compliance** with all legal obligations and regulatory requirements.
- **Will have potential reputational and brand impacts for Peterson**, how Peterson is viewed by current and potential tenants and customers and impacts on Peterson's ability to source new partnerships or acquisition opportunities.
- **Will have significant impact on the physical environment**, (including the climate), or a significant impact on communities, individual or wildlife.
- **May impact the financial performance of Peterson**, including impacts on shareholder value, costs, ability to access debt, Peterson's cost of capital, revenue and annual income, net asset book value and third-party appraisal of Peterson's value.

ESG Materiality Assessment

The engagement with each of our ESG Stakeholders (from tenants to ownership) in identifying what factors are important to them was vital in helping Peterson formulate its ESG priorities.

The results are set out in our Materiality Assessment, scored based on Stakeholder responses on the topics identified as important to them and the Company. Topics ranked high by both Stakeholder groups are identified in the top right corner of the Peterson Materiality Assessment Chart.

IMPORTANCE TO INTERNAL AND EXTERNAL STAKEHOLDERS



IMPORTANCE TO PETERSON

Reporting

A key part of ESG is the reporting of our performance and results transparently to our Stakeholders. The Peterson ESG Report has been built to align with the Sustainability Accounting Standards Board (SASB) for Real Estate which is now under the oversight of the International Financial Reporting Standard (IFRS) Foundation.

SASB reporting will identify the performance of our overall portfolio, in relation to:

- **Energy Management**
- **Water Management**
- **Management of Tenant Sustainability Impacts**
- **Climate Change Adaptation**

Peterson's Climate Commitment

Peterson and our Stakeholders accept that Climate Change impacts are real and are happening now.

It is prudent to take action to protect our local and global environments and to safeguard the value of our assets and business. Our global concern is closely aligned with our local business interests.

In the 2023 financial year, Peterson commits to measuring its greenhouse gas scope 1 and 2 emissions using the Greenhouse Gas Protocol, 2023 will serve as Peterson's baseline year for benchmarking future performance and to facilitate our understanding of the potential impact that climate-related issues may have on our business. Once our current activities and impacts are understood, Peterson will develop a comprehensive climate strategy for our business, including decarbonization plans and net reduction targets for the future.



The Year Ahead: 2023 Focus Areas

The Materiality Assessment identified six key focus areas.

These focus areas were identified as most impactful to our business and our Stakeholders. As a result, the topics below will be our focus areas for 2023. As we continue to receive Stakeholder feedback and review our performance, these goals will be amended from time to time.

	Focus Area	Description of Issue	Peterson Commitment
Environmental	Climate Change Risk and Adaptation	All real estate businesses are exposed both to transitional and physical risks. The physical risks of Climate Change include risks to properties from natural disasters, rising sea levels and severe weather events. Transitional risks stem from business-related risks that follow societal and economic shifts towards a low-carbon and more climate friendly future. These risk include regulatory, technological, market and reputational risks.	We recognize that the impacts of Climate Change are real and happening now. We will establish strategies and initiatives to annually review the Climate Change related physical risks in our portfolio and assess our long term-Climate Change resiliency (see Peterson's Climate Commitment on page 5).
	Waste Management	Reducing and minimizing waste demonstrates our respect for the environment and our commitment to the long-term health of our assets, community and Stakeholders.	Through Stakeholder engagement, we will update our waste management strategies and put them to work at our properties.
Social	Employee Engagement, Attraction and Retention	Peterson has long understood that effective and respectful two-way engagement with our employees is the key to our success. Engaged employees contribute to making Peterson an enjoyable place to work.	We are committed to engaging employees with various personal and professional development initiatives, to ensure we continue to retain and attract a strong talent pool who are committed to their communities.
	Health, Wellness and Safety	During the pandemic, health, wellness and safety was at the forefront of our attention and it has continued to remain a top priority to all our Stakeholders.	We are committed to amenities and programs that promote employee and tenant health and general well-being. Peterson is committed to ensuring that our employees, tenants, contractors and the public are safe and healthy while in and around our buildings
Governance	Business Ethics and Integrity	Reputation and trust are key to any business. Peterson's Stakeholders know that we will treat them fairly and be open and honest with them. This approach is a central reason for why Peterson has so many long-term and reoccurring partnerships.	We are committed to maintaining the highest business and personal ethical standards; our actions are in furtherance of our Values. We will continue to safeguard our long-term commitment to ethical behaviour and continue to seek feedback and make improvements.
	Cybersecurity and Data Protection	Peterson's business includes daily interactions and exchanges of information with our tenants, investors, partners, purchasers, lenders, contractors, suppliers and others. Safeguarding their personal and financial information is of utmost importance to Peterson.	We are focused on the protection of our own systems and information to ensure business continuity and just as importantly, we focus on the protection of all the data provided to us from our Stakeholders. Peterson will continue to engage in providing ongoing education for our employees and deploy strategies, programs and software to mitigate risks.

The Long Term: Peterson ESG Strategies + Actions

The focus of the ESG Framework + Policy is to drive ESG efforts across the organization by aligning each of our business strategies with our ESG objectives. The following table summarizes Peterson’s ESG strategies and the actions we will take over the long-term to implement that strategy and achieve our ESG objectives.

Environmental	Social	Governance
<p>We are committed to measuring and mitigating our environmental impact by ensuring maximum efficiency of our operations and benchmarking resource usage.</p>	<p>We are committed to a diverse and inclusive workplace for our employees. We believe in supporting our community, being guided by fairness and setting an example for others by our own actions.</p>	<p>Unique in our focus for a family-owned company, we are committed to ensuring our corporate governance practices exceed the baseline regulatory requirements and serve to integrate our Values across all business functions. Peterson’s ongoing governance initiatives will strengthen our functionality, creates sustainable returns and lead to more consistent outcomes.</p>
<p>Peterson recognizes the current and future negative impact of Climate Change on our communities and assets. We strive to implement measures to mitigate our impact on the climate.</p>	<p>Peterson recognizes the importance of our communities. We strive to help our commercial tenants, residents and new homeowners connect and establish a sense of community.</p>	<p>Peterson recognizes the importance of incorporating ESG into all aspects of our operations and governance functions and that doing so will enhance the alignment of our Values with our business practices.</p>
<p>Peterson understands that the effective management of waste and water is necessary for the health of our physical and social communities.</p>	<p>Peterson respects all people and their differences.</p>	<p>Peterson will be transparent in our ESG reporting by using standards and practices that are recognized in our industry.</p>
<p>Peterson will promote healthy and sustainable commuting options in the communities in which we work and where our assets are located.</p>	<p>Peterson recognizes the importance of fostering employee engagement and supporting their needs.</p>	<p>Peterson recognizes that clearly defined governance structures and internal and external information sharing is key to the success of its business.</p>
<p>Peterson is attentive to the need for green space and outdoor amenities to support a healthy lifestyle.</p>	<p>Peterson ensures that our offices embrace diversity and are inclusive for all.</p>	

How will ESG Impact Employees at Peterson?

The ESG Framework + Policy provides employees at Peterson with guidance on the Company's ESG focus areas and empowers them to incorporate ESG into their decision-making.

We will evaluate our year-over-year performance on our ESG measures, alongside our financial results. As a result, employees will play an integral role in the success of Peterson's ESG performance.

FULL ESG FRAMEWORK + POLICY

Learn more about our ESG commitment by emailing ESG@petersonbc.com to request a copy of the full ESG Framework + Policy.

