

2018 Sustainability & Responsibility Highlights



Choice
Properties^{REIT}

Letter to Stakeholders

Over the past few years Choice Properties REIT has focused on three key initiatives relating to Sustainability and Responsibility:

- the development of our own comprehensive sustainability program;
- the establishment of objectives, and the design of methodologies to measure achievements; and
- the development of reporting formats that provide clear visibility on progress and achievements.

These initiatives have provided us with a solid foundation from which we can continue to build our business, with a strong commitment to sustainability and responsibility, now, and for future generations.

At this point, we are pleased to share our inaugural Sustainability & Responsibility Highlights Report with you. In this report, we reflect on our 2018 sustainability accomplishments and present the strategic targets that we have set for many of our focus areas.

We are committed to conducting our business in a manner that is respectful to the environment, to the communities in which we operate, and to our stakeholders (including our investors, our employees, our tenants, and our co-owners).

Some of our commitments include:

- creating or improving sustainability efficiencies at our properties (with our real estate portfolio of approximately 68 million square feet of leasable area, the priority is to reduce energy and water consumption and reduce landfill waste);
- establishing a corporate culture that engages our employees and supports their involvement in our sustainability program;
- increasing our presence in a positive and inclusive manner in the communities in which we operate our business; and
- developing, and reporting on, policies and performance metrics for our sustainability initiatives.

Our full Environmental, Social and Governance Commitment can be found on our website at www.choicereit.ca.

We are excited and proud about our commitment to make a difference; and we look forward to reporting our successes on our sustainability and responsibility initiatives for years to come.

Respectfully,



Stephen E. Johnson

President and Chief Executive Officer

Highlights



Our Targets

Choice Properties is rolling out a program that will embed sustainability throughout our portfolio and our organization. We are committed to supporting the environment and the communities within which we operate. Accordingly, we have developed the following targets to help us fulfill our commitment:

Indicators	5-Year Targets (by end 2023)
Office Energy	Reduce same-asset energy use by 10% relative to 2018
Office Water	Reduce same-asset water use by 5% relative to 2018
Office Waste	Divert 70% of annual waste from landfill
Retail & Industrial Energy	Convert 75% of our parking lot lighting to high efficiency fixtures
Greenhouse Gas (GHG) Emissions	Reduce GHG emissions by 10% relative to 2018
Existing Building Certifications	Certify 65% of our portfolio under LEED or BOMA BEST
Community Investment	Volunteer an average of 4 paid hours per employee per year

For more information about sustainability at Choice Properties, please contact:
Ariel Feldman
Manager, Sustainability & Technical Services
416.926.7006 / Ariel.Feldman@choicereit.ca

SPOTLIGHT

Woodside Shopping Centre Markham, ON

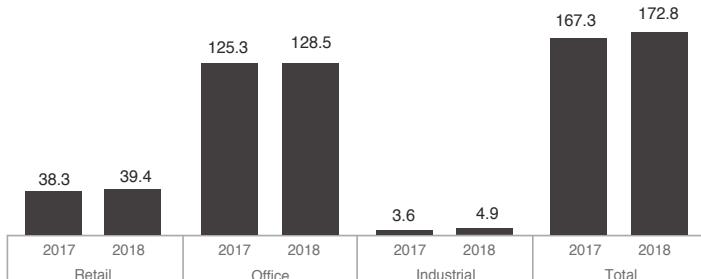
Choice Properties supports the global transition to a low-carbon economy, and we recognize the health and environmental benefits of reducing transportation emissions. With the installation of **electric vehicle charging infrastructure** at several of our retail and office properties, we have helped to remove barriers to electric vehicle adoption for our tenants and customers while also creating another draw for our sites.

Our latest installation is at Woodside Shopping Centre in Markham, ON, where we equipped the site with a Tesla Supercharger station. These popular chargers provide a rapid vehicle recharging option to customers while they shop or dine in the nearby stores.

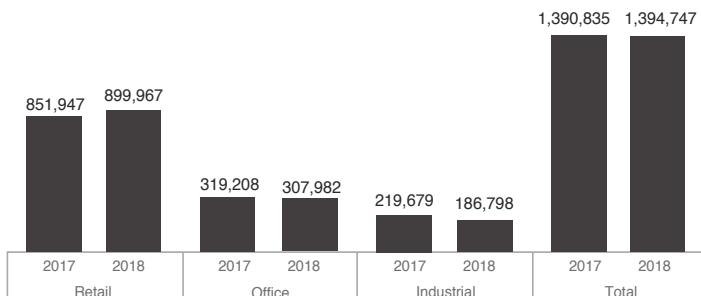


Environmental Performance

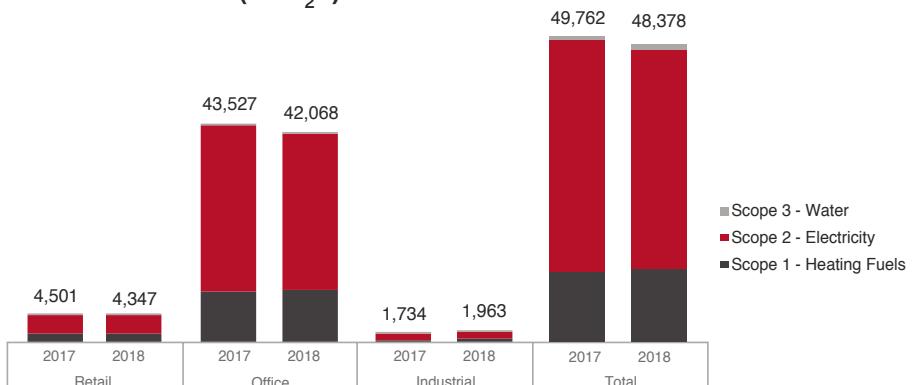
Energy Consumption (eGWh)



Water Consumption (m³)



GHG Emissions (tCO₂e)



Data presented above represents 100% of our office and industrial portfolio and approximately 60% of our retail portfolio where we have operational control. Of the properties represented, actual meter readings constitute approximately 85% of totals. The remainder was estimated based on the available data at the property level.

GHG emission factors are as per the Government of Canada's National Inventory Report 1990 - 2016.



In 2018, Choice Properties set up a data management system for energy and water utility information. The system provides visibility into our environmental performance at all properties where we have operational control. We also established 2018 as our base year and set targets to reduce energy, water and greenhouse gas (GHG) emissions.

Our energy use increased by 3% in 2018 from the previous year, driven primarily by higher heating fuel use. Given that 2018 was a colder year than 2017 across most markets in Canada, we experienced a corresponding rise in heating fuel consumption across all asset classes.

Notwithstanding our increased energy use, we reduced our GHG emissions by 3% from 2017 to 2018. Higher emissions from increased heating fuel use was offset by lower emissions due to reduced electricity consumption. Much of this electricity reduction came from our Alberta portfolio where we undertook a number of efficiency projects, including the relamping of about 1,000,000 ft² of office with LEDs.

SPOTLIGHT

Bloor & Dundas Redevelopment Toronto, ON

Bringing a new major mixed-use development to Toronto's west-end has the potential to shape the surrounding communities for decades to come. To involve all stakeholders in the design process, Choice Properties hosted three open houses where we invited our neighbours to share their ideas and feedback through our on-site **Community Idea Centre**.

The proposed development is located at the centre of a transit node served by buses, subways, streetcars and regional rail. These transit connections will bring in a new workforce that will support schools, shops and local businesses, while pedestrian and cycle-friendly pathways will allow greater access to the surrounding community.



Community Investment

Building our communities involves more than bricks and mortar. We also give back to our communities through direct donations and sponsorship, fundraising for local charities, and by supporting our employees' volunteering efforts.

As an example, in 2018 we hosted our third annual charity golf tournament, where we raised \$105,000 for President's Choice Children's Charity. This brought our total funds raised through the golf tournament to approximately \$300,000 since 2016. President's Choice Children's Charity is committed to fighting childhood hunger and improving nutrition and is a cause that Choice Properties is proud to support.

As another example, during the holiday season our employees across the country participated in a series of activities called Holiday Helpers. Through their efforts, we were able to provide money, toys, and food in support of various charities.





SPOTLIGHT

400 Dundas Street East Belleville, ON

Our property in Belleville is one of our 55 properties where **solar photovoltaic panels** have been installed. The renewable energy that these installations provide to our electric grid offsets gas-fired electricity generation, which in turn helps to clean up the air that we all breathe.

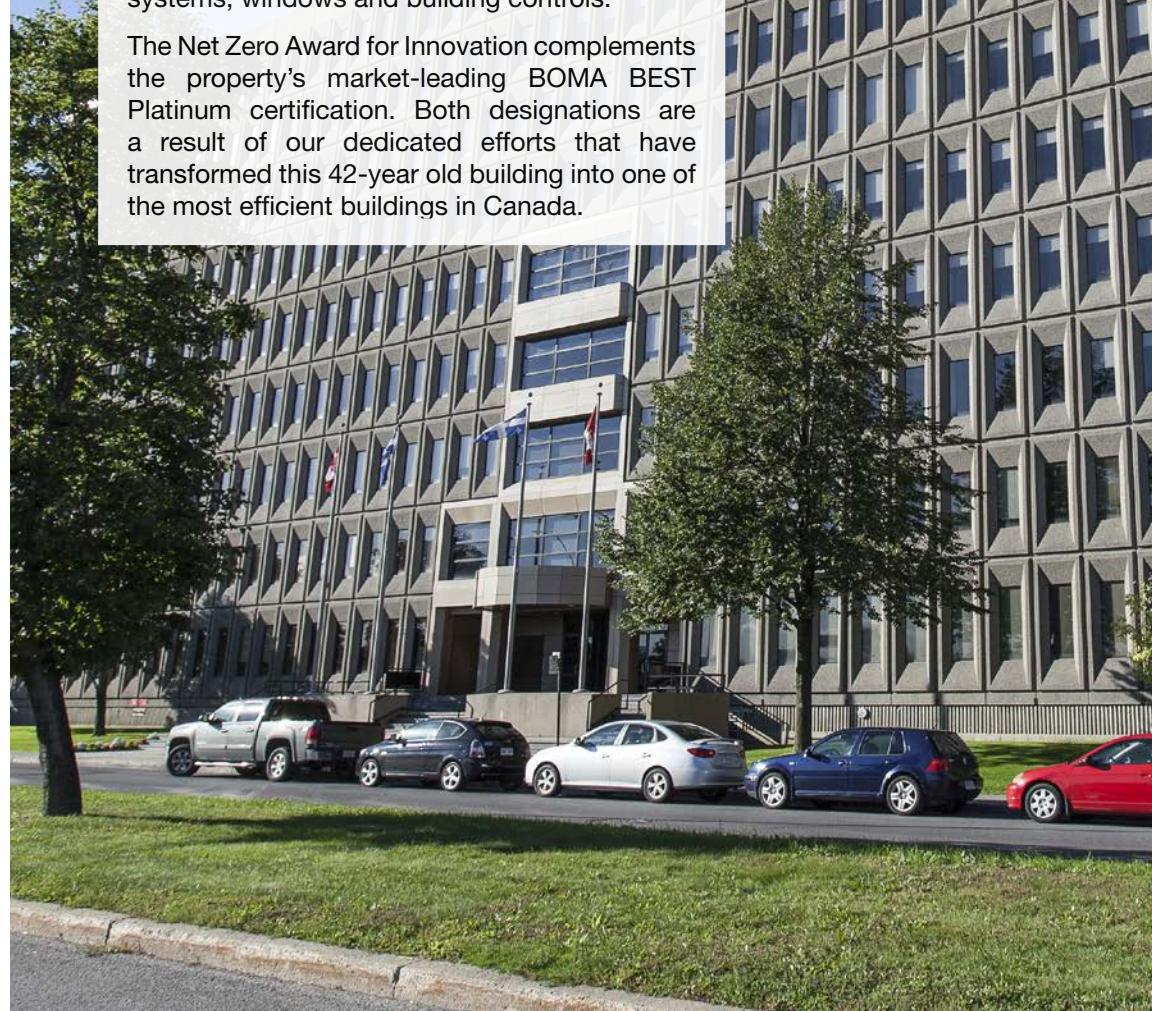
By reducing fossil fuel use, we are also able to advance the goal of reducing our greenhouse gas emissions. Choice Properties will be looking for additional opportunities in the future to reduce greenhouse gases, both through building efficiency measures and by supporting clean energy infrastructure.

SPOTLIGHT

100 Alexis-Nihon Blvd Montréal, QC

In 2018 we were the recipients of BOMA Canada's first-ever **Net Zero Award for Innovation**. 100 Alexis-Nihon Blvd, a 9-story, 290,000 square foot office tower, has been demonstrating market-leading energy performance and low greenhouse gas emissions for years. In 2018 the property generated 0.75 equivalent tons of carbon dioxide per 1,000 square feet per year, which is lower than most new office buildings today. The property also ranks in the top 5% for energy efficiency amongst all Canadian office buildings. This is the result of several improvements to the heating and cooling systems, windows and building controls.

The Net Zero Award for Innovation complements the property's market-leading BOMA BEST Platinum certification. Both designations are a result of our dedicated efforts that have transformed this 42-year old building into one of the most efficient buildings in Canada.





About Choice Properties REIT

Choice Properties, Canada's preeminent diversified real estate investment trust, is the owner, manager and developer of a high-quality portfolio comprising 756 properties totaling 67.7 million square feet of gross leasable area. Choice Properties owns a portfolio comprised of retail properties predominantly leased to necessity-based tenants; industrial, office and residential assets concentrated in attractive markets; and an unmatched development pipeline. Choice Properties' strategic alliance with its principal tenant, Loblaw Companies Limited, the country's leading retailer, is a key competitive advantage providing long-term growth opportunities. For more information, visit Choice Properties' website at www.choicereit.ca and Choice Properties' issuer profile at www.sedar.com.

This report may contain forward-looking statements. Forward-looking statements reflect current beliefs and assumptions, based on management's perception. Choice Properties can give no assurance that such estimates, beliefs and assumptions will prove to be correct as they are inherently subject to uncertainties, and as such, are subject to change. Other risks and uncertainties not presently known to us or that are presently seen as immaterial could also cause actual results or events to differ materially from those expressed herein. Readers are cautioned not to place undue reliance on these forward-looking statements. Choice Properties disclaims any obligation to update or revise any forward-looking statements, except as required by law.

Great Plains Business Park, Calgary, AB

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