

ESG at FirstService

ESG Governance

Our Corporate Governance Practices

Board Independence	87.5%
Independent Board Chair	Yes
Representation of Women on the Board	37.5%
Representation of Racially or Ethnically Diverse Individual(s) on the Board	12.5%
Target Minimum Representation of Women on the Board	1/3 - Achieved
Director Tenure Policy	Yes – Age 75
Majority Voting Policy	Yes
Advisory Vote on Executive Compensation	Yes

ESG Oversight

Recognizing that ESG factors can present material risks and opportunities for FirstService, we have established governance structures to enable effective oversight and management of ESG, including climate change.

The Board of Directors is responsible for the stewardship of the company. This requires the Board to oversee the conduct of the business and affairs of the company. It has delegated some responsibilities to three standing committees: the Audit Committee, the Executive Compensation Committee, and the Nominating and Corporate Governance Committee.

Board Responsibilities for ESG and Climate Change

The Board of Directors has ultimate responsibility for oversight of material issues, including material ESG and climate change factors.	Board Mandate
The Nominating and Corporate Governance Committee of the Board is responsible for oversight of ESG and climate change. The Committee is also responsible for incorporating diversity considerations within Board nominations, and for incorporating ESG within Board expertise.	Nominating and Corporate Governance Committee Mandate
The Audit Committee of the Board is responsible for oversight of data privacy and security and business ethics, including review of Ethics Hotline reports.	Audit Committee Mandate

ESG GOVERNANCE STRUCTURE

Executive Compensation Committee

Board of Directors

Audit Committee

Oversight of Data Privacy and Security
Oversight of Business Ethics
Review of Ethics Hotline Reports

Nominating & Corporate Governance Committee

Oversight of ESG and Climate Change
Incorporating ESG to Board Expertise
Incorporating Diversity in Board Nominations

CEO

Senior Management Accountability
for ESG and Climate Change

ESG Expertise

To provide effective oversight, the Board seeks to develop and maintain relevant expertise on ESG and climate change.

- ▶ Material ESG factors are incorporated into our director skills assessment and are disclosed in the Management Information Circular.
- ▶ The Nominating and Corporate Governance Committee reviews the Board's expertise in ESG matters and ensures appropriate ESG education is provided to the Board members.

Board Diversity

While FirstService has not adopted a formal written policy relating to the identification and nomination of women directors, it has adopted a target regarding minimum representation of women on its Board and has developed a set of principles and practices regarding diversity and inclusion of women. As of the date of publication, three of FirstService's Directors are women, and one identifies as racially or ethnically diverse. FirstService intends to maintain a Board composition in which at least one-third of the Board members are women. Any search firm engaged to assist the Board or the Governance Committee in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and women candidates in particular.

FirstService ESG Policies

The following ESG-related policies apply across FirstService:

- ▶ [Ethics and Conduct Policies](#)
- ▶ [FirstLine Ethics Hotline](#)
- ▶ [Our People, Our Success](#)
- ▶ [Human Rights Policy](#)

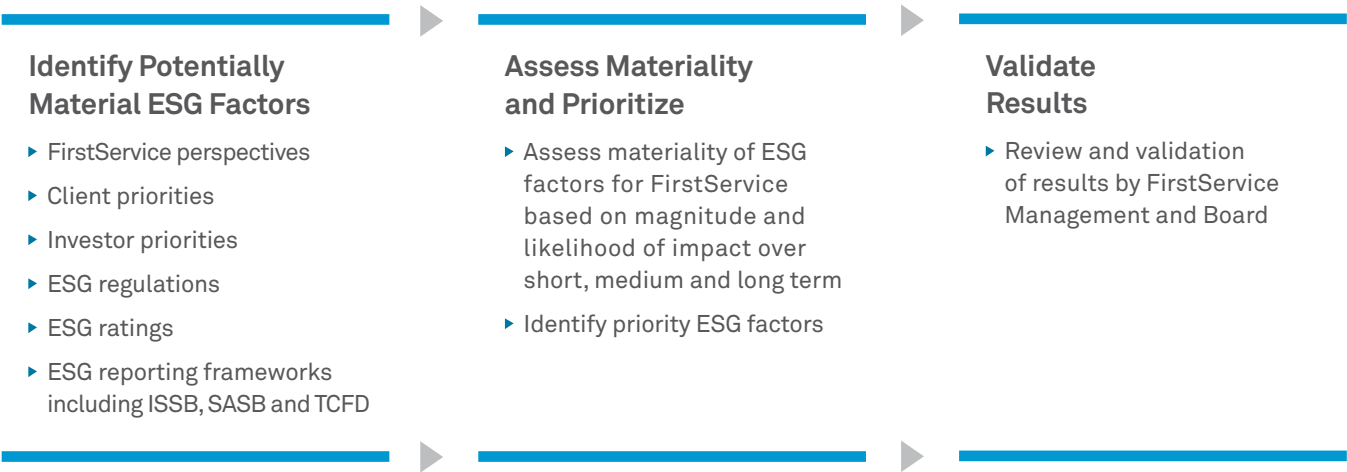
More information on our governance policies and practices can be found on our [website](#) and in our 2025 Management Information Circular.

ESG Materiality Assessment

Process

As a foundation for ESG strategy and disclosure, in 2023 we undertook our first ESG Materiality Assessment to identify, assess and prioritize the ESG factors considered to have the greatest potential to impact company value over the short, medium, and long term.

The ESG Materiality Assessment was based on definitions of materiality applied in the capital markets. The purpose was to identify inherent ESG-related risks and opportunities that should be managed by the company. By seeking to focus on the ESG factors with the greatest potential to impact value, we can allocate resources more efficiently and effectively.



In developing the ESG Materiality Assessment, FirstService considered leading ESG reporting frameworks, including:

- ▶ International Sustainability Standards Board (ISSB)
 - ▶ IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
 - ▶ IFRS S2 Climate-related Disclosures
- ▶ Sustainability Accounting Standards Board (SASB)
 - ▶ Real Estate Services Standard
 - ▶ Professional & Commercial Services Standard
 - ▶ Engineering & Construction Services Standard
- ▶ Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Material ESG Factors

Through the ESG materiality assessment, we identified ESG governance as a critical factor to underpin the effectiveness of our ESG approach. We identified a set of material ESG factors that we considered to have the greatest potential to impact the value of the company over the short, medium, and long term, and that should be managed under our ESG approach. Within this set of ESG factors, we identified core factors that present significant opportunities for FirstService and are a focus for our ESG approach.

ESG GOVERNANCE

underpins effectiveness of ESG approach



ESG Factors

Human Capital Management

Our people are our greatest asset. We strive to foster a strong culture that embraces diversity and inclusion, attracts those who share our values and offers opportunities to grow within our organization.

Examples of Our Approach Across FirstService

In both the U.S. and Canada, in 2024 FirstService Residential received “Great Place To Work” certification, which evaluates workplace culture from the employee perspective. In Canada, FirstService Residential was included in the Best Workplaces in Real Estate & Property Development list.

All FirstService’s operating companies conduct regular employee engagement surveys, actively soliciting feedback from team members to continuously improve our approach to human capital management and further cement our reputation as an employer of choice.

Representation of women among leaders, managers, and executive officers of FirstService, including major subsidiaries, was 47% in 2024.

ESG Factors

Examples of Our Approach Across FirstService

Health & Safety

Protecting our team members, clients, and the communities in which we operate through strong health and safety management is critical to our success.

First Onsite has established a formal Health and Safety Management System aligned with local and international safety and quality management standards.

Before new California Closets team members start work, they must complete a New Employee Safety Orientation Checklist with their supervisor, covering safety policies, practices, and emergency procedures. The completed Checklist is signed by both parties and lodged with the human resources department.

As part of its commitment to providing a safe and healthy environment for employees, Century Fire Protection circulates a monthly health & wellness newsletter, with tips on physical, mental and financial well-being, and organizes an Annual Health Fair.

Climate Change

As a service provider, our exposure to climate risk is comparatively less than real estate property owners. At the same time, there are significant opportunities for us to support clients seeking to enhance energy efficiency or recover from the impacts of acute weather events.

[FirstService Energy](#) is the energy management and advisory affiliate of FirstService Residential. Our energy experts help our clients significantly reduce their buildings' carbon footprint by developing strategies to reduce costs, consumption, and emissions. FirstService Energy considers all practical efficiency opportunities and provides solutions tailored to each property's energy management needs. Services include:

- ▶ Data analysis and reporting
- ▶ Regulatory compliance support (building performance/carbon cap standards, energy benchmarking and transparency, and energy auditing mandates)
- ▶ Commodity energy purchasing
- ▶ Personalized energy advisory services
- ▶ Energy and carbon project incentive & rebate capitalization
- ▶ Energy, climate, and building science education & training
- ▶ Carbon reduction planning

Learn more about how FirstService Energy is helping clients:

[Case Studies](#)

Climate Change (cont.)

Restoration service providers such as our brands First Onsite and Paul Davis play a critical role in repairing damage from the physical impacts of climate change and building real estate resilience to future climate events. This area of service provision represents a meaningful portion of our business. Assessing how to respond to revenue opportunities associated with a changing climate is part of our corporate strategy that is guided by the CEO and the Board. We budget and make certain business acquisition and capital allocation decisions in order to be able to respond to weather events. Our ability to quickly mobilize for large-scale events is vital, so relevant offices have disaster preparedness plans and processes to ensure they are able to respond in climate-related emergencies.

While real estate drives as much as 40% percent of total global GHG emissions, FirstService is not a high-emitting company in the context of the sector: we do not own real estate assets, and we do not have financial or operational control of the real estate assets that we manage on behalf of our clients. We recognize, however, that our operating companies have an environmental footprint, and we are committed to working with all of our stakeholders to understand and assess our impact on the environment, including climate change.

Social Purpose

2024 marked the seventh year of our [Social Purpose](#) initiative, which was launched to create greater awareness and visibility for the many ways that our employees give back. Throughout the year, team members are encouraged to join our mission to #FirstServeOthers by engaging in initiatives and activities in support of our people, our community, and our environment. As a company of approximately 30,000 people, an organic, bottom-up approach that provides ideas, resources, and opportunities for local team members to support causes that are important to them can create a lot of impact, while building collaboration, camaraderie, and common purpose. We recognize and celebrate our team members' contributions through our Spotlight newsletter and annual recap video series.



Social Purpose 2024 Highlights



Caring for our Own: The FirstService Relief Fund

The FirstService Relief Fund awards grants to team members experiencing financial hardship. In 2024, the Fund made 331 grants totaling nearly \$150,000 to team members in the U.S. and Canada.



Spreading Kindness Across North America

Through our annual Summer of Service initiative, we encourage everyone to undertake at least one act of service during the summer providing ideas, resources and communications support. In 2024, our teams participated in events including Daylight Hour (an energy-saving initiative to turn off lights), environmental and sustainability initiatives and blood donation drives. Our Random Acts of Kindness Bingo continues to be a popular activity.

Recognizing and Celebrating our Diverse Workforce

FirstService Residential provides activation and creative resources to recognize and celebrate social causes reflecting our team demographics. These include Black History Month, Women's History Month, Mental Health Awareness, Pride, Hispanic Heritage Month, and Military Family Appreciation Month.

Painting It Pink for Breast Cancer Research

Through our Paint It Pink campaign, in October and November CertaPro Painters' team members and participating franchisees raise funds for the U.S. Breast Cancer Research Foundation and the Cancer Society of Canada, to help prevent and find a cure for breast cancer. Since 2019, the initiative has raised over \$700,000.

Creating a Sense of Belonging for Everyone

First Onsite's Global Culture & Experience Department creates a sense of belonging within the organization by celebrating the diversity, talents and experiences of their 2,600+ team members. Employee-led Resource Groups promote awareness, allyship and psychological safety, bringing teams together to learn and share. Through TEAM R.I.S.E., team members are connected through their passions around planet, community and people.

Helping the World's Orphans and Foster Children

Century Fire Protection organized its annual Charity Clay Shoot, which raises funds to support orphans and foster children in Georgia and around the world. Since 2018, the initiative has raised over \$1.2M.

About FirstService

[FirstService Corporation](#) is a North American leader in the property services sector, serving its customers through two industry-leading service platforms:

- ▶ [FirstService Residential](#) – North America’s largest manager of residential communities
 - ▶ [FirstService Energy](#) – FirstService Residential’s energy management and advisory affiliate
- ▶ [FirstService Brands](#) – one of North America’s largest providers of essential property services delivered through company-owned operations and individually branded franchise systems



CALIFORNIA CLOSETS®



FirstService generates more than US\$5.2 billion in annual revenue and has approximately 30,000 employees across North America. With significant insider ownership and an experienced management team, FirstService has a long-term track record of creating value and superior returns for shareholders. The common shares of FirstService trade on the NASDAQ and the Toronto Stock Exchange under the symbol “FSV” and are included in the S&P/TSX 60 index.