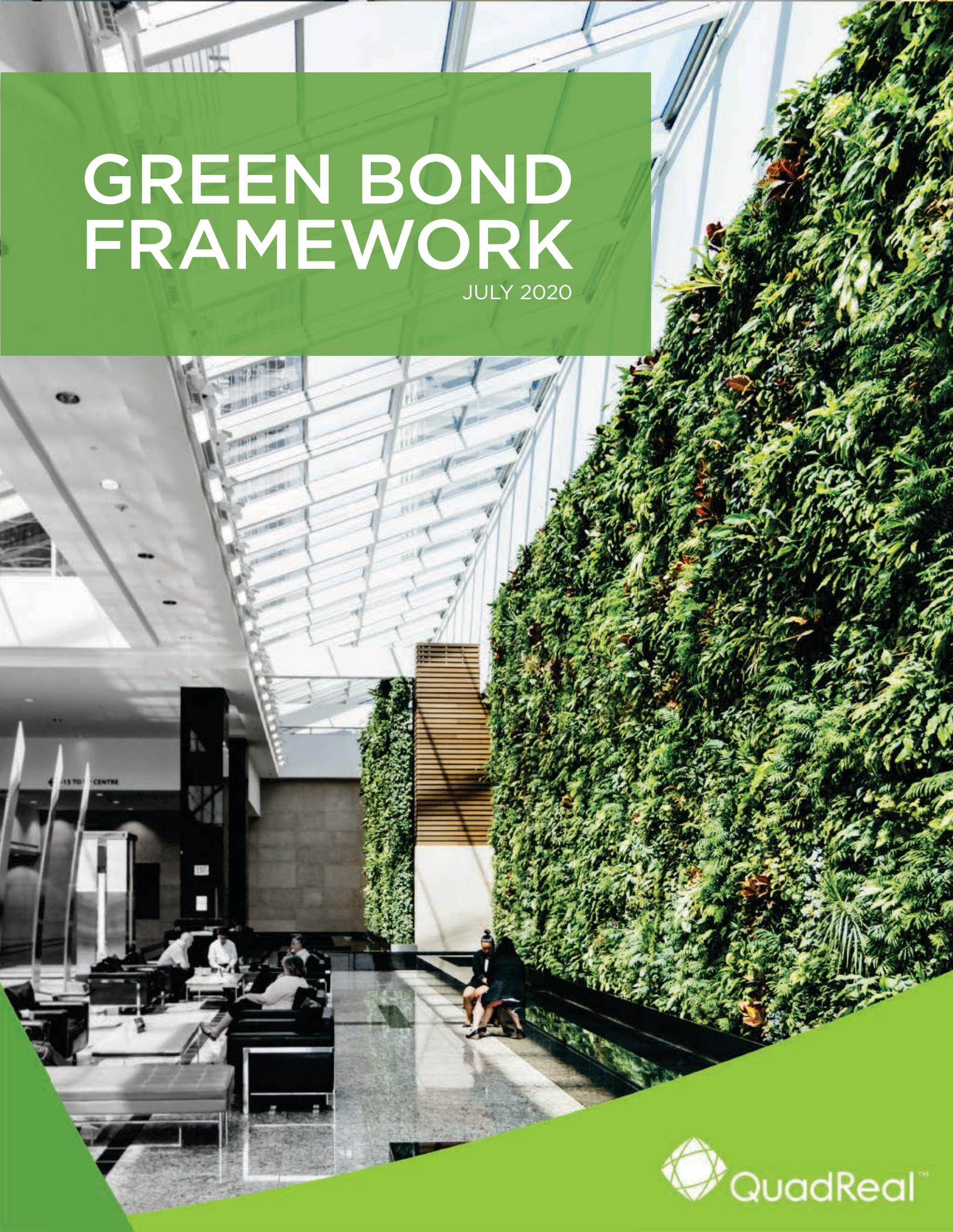


GREEN BOND FRAMEWORK

JULY 2020



QuadReal™

COMPANY OVERVIEW



Headquartered in Vancouver, Canada, QuadReal Property Group (“QuadReal”) is a global real estate investment, operating and development company. QuadReal manages the real estate and mortgage programs of British Columbia Investment Management Corporation (“BCI”), one of Canada’s largest asset managers with a \$153.4 billion portfolio as at March 31, 2019. QuadReal manages a \$34.3 billion¹ real estate portfolio spanning 23 Global Cities across 17 countries, and a \$5.5 billion¹ mortgage investment portfolio in Canada and the United States. QuadReal seeks to deliver strong investment returns while creating sustainable environments that bring value to the people and communities it serves.

QuadReal’s Vision

To be a leading global real estate partner, recognized for making meaningful contributions to our communities while delivering strong investment returns and prudent growth. Now and for generations to come.

QuadReal’s Purpose

To create living and working environments that enhance the lives of the people and communities we serve.

QuadReal’s Values

QuadReal’s values of Integrity, Collaboration, Performance, Innovation, and Responsibility reflect who we are as a company, define our culture and shape the people who work here.

1. As at December 31, 2019



A LEADER IN GLOBAL SUSTAINABILITY



QuadReal aims to be a global sustainability leader. By delivering on our sustainability policy, we will help drive long-term financial value for BCI, its partners and its clients: representing more than half a million of British Columbia's pensioners. We are committed to continually exceeding the expectations of our tenants, residents, employees and the communities in which we operate through efficiency, engagement, health and innovation. We take a systematic approach to understanding our social, environmental and economic impacts, identifying and prioritizing our biggest levers for positive change. We are equipped with early market knowledge to anticipate and manage risks that can disrupt our business in both the short and long term. This information enables us to capitalize on new opportunities that will benefit our stakeholders.

Responsibilities for sustainability are embedded throughout the organization. The Sustainability and Environmental Health and Safety Committee provides oversight and updates to QuadReal's Management Board and BCI, and is governed by a Committee Mandate, Sustainability Policy, and Environmental and Occupational Health and Safety policies. Sustainability metrics are included in QuadReal's annual objectives and includes reporting on carbon performance that tracks progress towards our 80% carbon emissions reduction target (compared to a 2007 baseline year), and BCI's reporting to the United Nations Principles for Responsible Investment Initiative.



GREEN BOND FRAMEWORK



QuadReal established this Green Bond Framework (the “Framework”) to align with the four core components of the Green Bond Principles (“GBP”) including Use of Proceeds, Process for Project Evaluation/Selection, Management of Proceeds and Reporting. The GBP were established under the International Capital Market Association’s (“ICMA”) voluntary process guidelines for green bond issuances. By establishing the Framework, QuadReal aims to provide the transparency, disclosure, reporting and integrity expected from an issuer in the green bond market.

Under the Framework, 100% of net green bond proceeds can be used for Eligible Green Project Categories based on the below:

- A look-back period of up to 36 months prior to the date of issuance, or in the case of Green Buildings, where costs were incurred prior to green building certification, if such certification was obtained within the 36 month look-back period, or
- Allocated to eligible investments within 24 months following the date of issuance

USE OF PROCEEDS

Eligible Green Project Categories | Description and Project Eligibility



GREEN BUILDINGS

Investments related to the construction, development, acquisition, re-development, operations and maintenance of properties that have received or are expected to receive applicable green building certification(s).

Eligible green building certifications are LEED (Gold or Platinum) or BOMA BEST (Gold or Platinum), or other equivalent domestic or international certifications.

RENEWABLE ENERGY

Investments related to the production, connectivity, storage and equipment that provide renewable energy to the buildings or back to the grid.

Projects that are aimed at providing renewable sources of energy from solar, wind, or geothermal projects that produce direct emissions of less than 100gCO₂/kWh.



USE OF PROCEEDS (CONTINUED)



RESOURCE AND ENERGY EFFICIENCY

Investments that will improve the resource or energy consumption/efficiency in buildings.

Eligible investments can include projects that would improve the efficiency of HVAC (non-fossil fuel powered heating, ventilation, air conditioning/cooling) systems, lighting, electricity, energy storage, district heating powered >50% by renewable energy and/or waste heat, smart grids, water usage or treatment/control, or other controls or systems that monitor and optimize energy or resource usage.

POLLUTION PREVENTION AND CONTROL

Investments related to the reduction of greenhouse gas emissions (i.e. carbon), soil remediation, waste prevention, waste reduction, onsite composting and recycling.



CLEAN TRANSPORTATION

Investments in clean transportation projects and infrastructure that would improve connectivity or promote multi-modal transportation and non-motorised methods like cycling and walking, or result in a reduction in greenhouse gas emissions through infrastructure or charging stations for clean energy vehicles and demonstrated increased usage of mass public transit.

CLIMATE CHANGE ADAPTATION

Investments including feasibility studies, and information support systems such as our Climate Risk Measurement tool that would support a property's defence and adaptation to extreme weather conditions or effects of climate change. These can include projects to improve flood defence, storm water waste management, building structural resilience or other projects.



PROCESS: PROJECT EVALUATION AND SELECTION



QuadReal has established a Green Bond Steering Committee (the “Committee”) with a mandate to:

- (i) provide oversight and management of the Framework,
- (ii) determine the eligible green projects that would qualify for proceeds from a green bond issuance, and
- (iii) act as the liaison with the existing Sustainability and Environmental Health and Safety Committee, and the QuadReal Management Committee.

Members of the Committee will include representatives from QuadReal’s Sustainability, Finance, Portfolio Management, and Treasury and Capital Markets departments, with future additional members that may be added.

As part of the management of the Framework, the Committee will maintain a Schedule of Use of Green Bond Proceeds (the “Schedule”), which will act as a database for eligible green projects or buildings that align with the Use of Proceeds categories. The Schedule will include the building or project name, dollar amount allocated, reference to the specific Use of Proceeds category, location, a description of the project or building or relevant certifications or eligibility criteria.



MANAGEMENT OF PROCEEDS



Upon a green bond issuance, the net proceeds will be deposited to the general account of the issuer, and be made available to eligible green buildings or projects pre-identified in the Schedule. Unallocated proceeds that may be held for future or ongoing projects will be reserved and held in accordance with QuadReal's Treasury and Capital Markets procedures, which may include holdings in cash, short-term deposits or other instruments, or to repay

amounts outstanding under credit facilities or commercial paper that are unrelated to fossil-fuel investments. Upon incurrence of costs for eligible future or ongoing projects, the Committee will determine disbursements according to the Framework and Schedule, and so long as a green bond is outstanding, will track the balance of net proceeds to match allocations to eligible green projects.



REPORTING

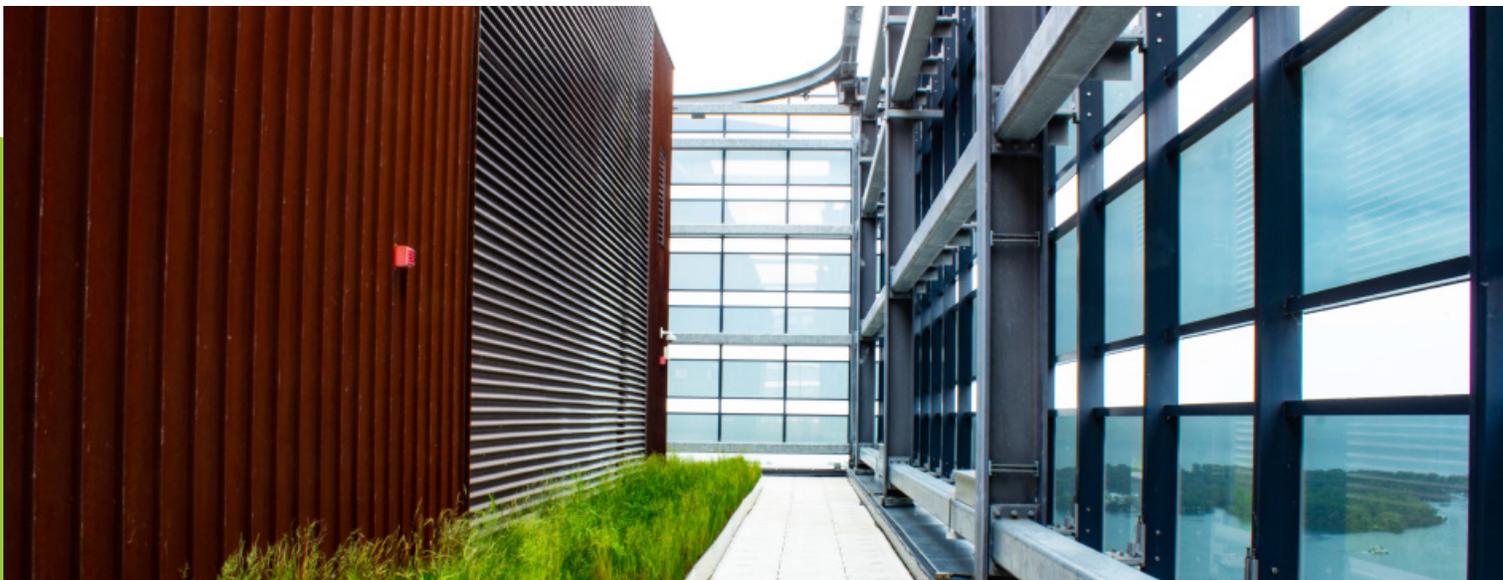


To maintain transparency, QuadReal intends to publish a Green Bond Report within a year of its initial green bond issuance, to be renewed annually thereafter until full allocation of the applicable net proceeds or if any material changes have been made to the Framework. The Green Bond Report will be publicly available on QuadReal's website and will detail the allocation of green bond net proceeds to Eligible Green Project Categories, and report on any relevant key performance indicators ("KPIs") such as achieving green building certification (by building or square footage), annual energy saving or generating levels (in MWh), energy capacity (MW), water consumption reduction (in thousand cubic metres), or greenhouse gas emission reduction (in tonnes of CO2 equivalent), or other applicable KPI's deemed appropriate.

QuadReal may also request, on an annual basis, a limited assurance report or annual review of the allocation of green bond net proceeds to Eligible Green Project Categories, provided by an external auditor or reviewer.

QuadReal has also obtained an independent second party opinion from Sustainalytics to confirm that the Framework conforms to ICMA's Green Bond Principles, which can be found at:

www.sustainalytics.com/sustainable-finance/our-work/



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