



QuadReal

**2020 SASB
DISCLOSURE**





INTRODUCTION TO THIS REPORT

REMCO DAAL

The past year was a challenging time for many people in our communities and around the world. At QuadReal, our focus has always been on safeguarding the health, safety and wellness of our residents, tenants, team members and communities—and never more so than in these challenging times. Even in the midst of the COVID-19 pandemic our front-line colleagues demonstrated extraordinary leadership and determination. On top of everything else, they managed to reduce overall energy use while substantially increasing outdoor air flow within our buildings, in-line with Fitwel and ASHRAE guidance for safe building operations during the pandemic.

Tenant and guest health were at the forefront of our 2020 operations, and pandemic safety measures across Canada brought significant changes to our day-to-day building operations. QuadReal was one of the first companies to have our policies certified using Fitwel's Viral Response module in October 2020.

We kept up a culture of innovation and were able to run a range of pilot programs. For example, we tested heat pumps and other new technologies which offer residents improved efficiencies and comfort control for their suites. We also saw success with our water conservation programs in British Columbia and leak detection pilots in the Greater Toronto Area, and look forward to rolling them out across the domestic portfolio starting in 2021.

In 2020, our sustainability progress was validated by GRESB, which benchmarks ESG performance over more than USD 4.8 trillion in real estate value. Our diversified portfolio of office, industrial, retail and residential assets garnered the top spots in both Canada and North America as well as the 2nd highest score globally.

Over the year, our conviction deepened to provide healthy spaces while also reducing the carbon footprint of the portfolio. Transparently reporting on our sustainability progress using SASB metrics is an important part of our journey. Living our core values of collaboration, performance and responsibility is our commitment to excellence.

Remco Daal
President, Canadian Real Estate
QuadReal Property Group

2020 SASB DISCLOSURE

ABOUT THIS REPORT

This is QuadReal's 2020 disclosure report of the Real Estate SASB metrics for our Canadian portfolio. The reported portfolio excludes developments, mortgages and asset management-only properties.

These activity metrics describe the scale of QuadReal's business, enabling normalization and like-for-like comparison of the data in this report.

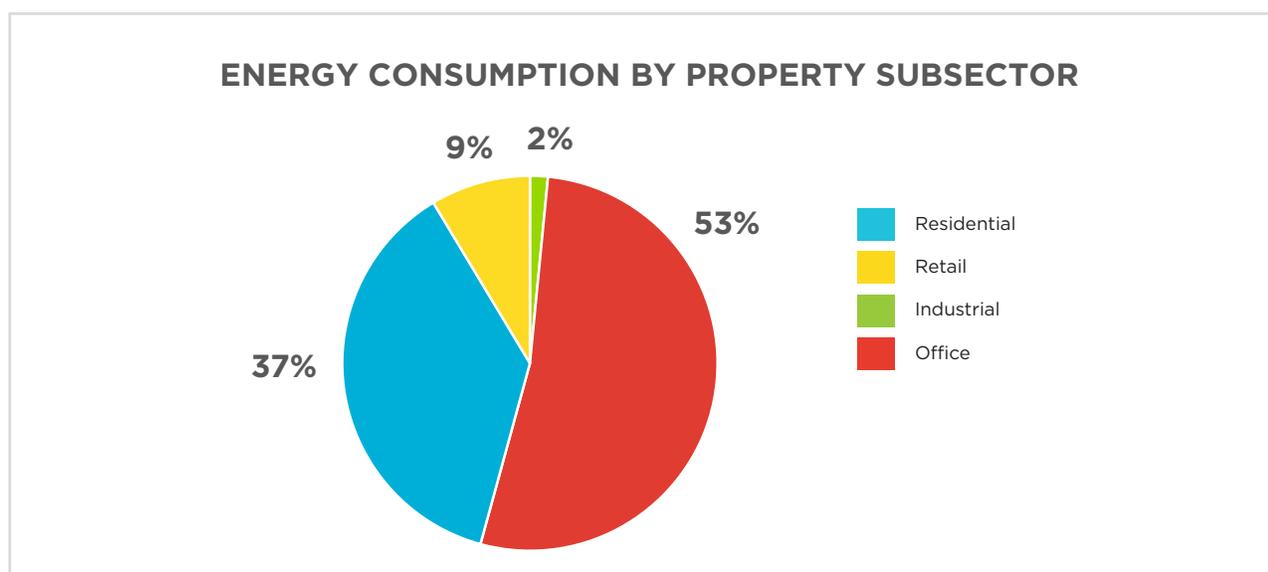
Activity Metric	Measurement	2018	2019	2020	SASB Code
Number of assets, by property subsector	Number of assets - Industrial	171	160	159	IF-RE-000.A
	Number of assets - Office	63	63	57	IF-RE-000.A
	Number of assets - Residential	48	49	52	IF-RE-000.A
	Number of assets - Retail	24	25	24	IF-RE-000.A
Leasable floor area, by property subsector	Square feet (ft ²) - Industrial	16,315,697	14,816,823	14,966,279	IF-RE-000.B
	Square feet (ft ²) - Office	16,249,383	15,276,885	15,014,315	IF-RE-000.B
	Square feet (ft ²) - Residential	9,240,398	9,449,976	8,919,970	IF-RE-000.B
	Square feet (ft ²) - Retail	5,728,344	5,871,268	5,179,972	IF-RE-000.B
Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area - Industrial	100	100	100	IF-RE-000.C
	Percentage (%) by floor area - Office	0	0	0	IF-RE-000.C
	Percentage (%) by floor area - Residential	0	0	0	IF-RE-000.C
	Percentage (%) by floor area - Retail	43	41	48	IF-RE-000.C
Average occupancy rate, by property subsector	Percentage (%) - Industrial	95	96	95	IF-RE-000.D
	Percentage (%) - Office	90	91	92	IF-RE-000.D
	Percentage (%) - Residential	96	97	95	IF-RE-000.D
	Percentage (%) - Retail	88	86	88	IF-RE-000.D



2020 SASB DISCLOSURE

ENERGY MANAGEMENT

In Canada, buildings consume 22% of the country's total energy used. Tracking energy use helps building owners improve efficiency and reduce emissions. Energy sources, consumption patterns and energy management strategies differ between both regions and asset classes.

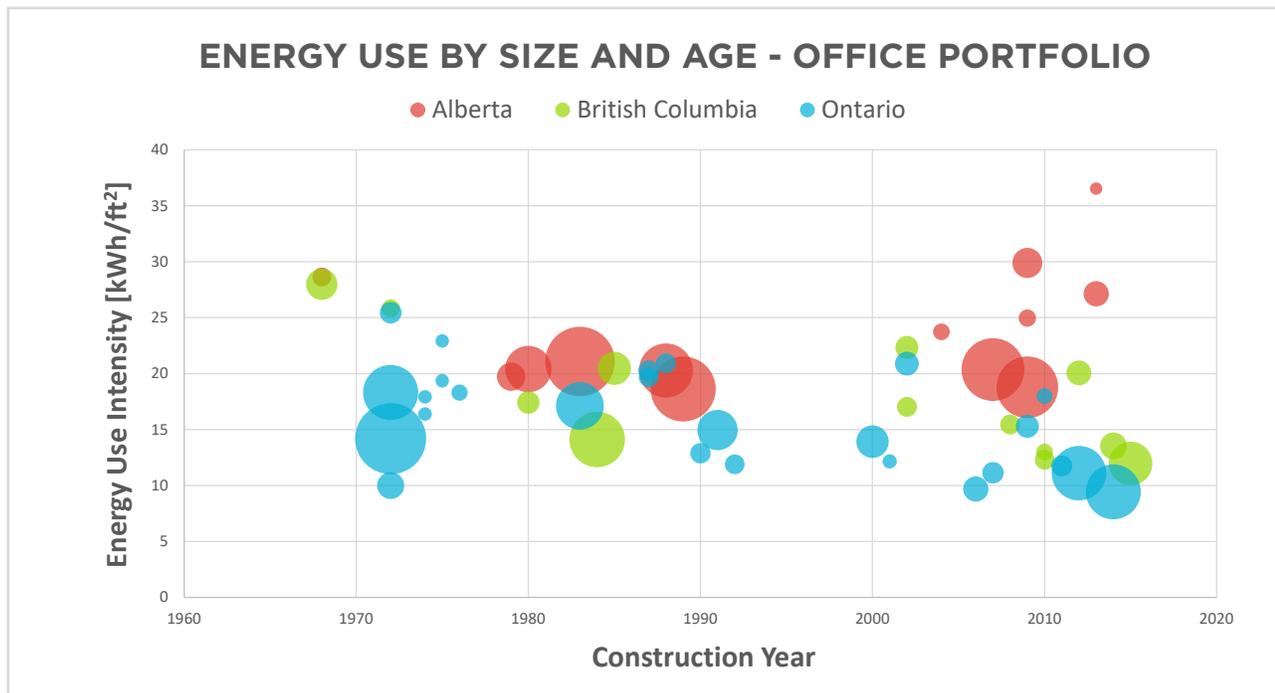


ACCOUNTING METRICS

Accounting Metric	Measurement	2018	2019	2020	SASB Code
Energy consumption data coverage as a percentage of floor area, by property subsector	Percentage (%) by floor area, Industrial	69	74	63	IF-RE-130a.1
	Percentage (%) by floor area, Office	97	98	98	IF-RE-130a.1
	Percentage (%) by floor area, Residential	100	100	100	IF-RE-130a.1
	Percentage (%) by floor area, Retail	100	100	99	IF-RE-130a.1
(1) Total energy consumed by portfolio area with data coverage, by property subsector	Gigajoules (GJ), Industrial	84,352 ✓	53,945	33,999	IF-RE-130a.2
	Gigajoules (GJ), Office	1,515,781 ✓	1,374,632	1,162,160	IF-RE-130a.2
	Gigajoules (GJ), Residential	870,238 ✓	894,415	818,850	IF-RE-130a.2
	Gigajoules (GJ), Retail	215,830 ✓	300,300	189,862	IF-RE-130a.2
(2) Percentage grid electricity, by property subsector	Percentage (%), Industrial	100 ✓	100	100	IF-RE-130a.2
	Percentage (%), Office	89 ✓	81	80	IF-RE-130a.2
	Percentage (%), Residential	100 ✓	95	95	IF-RE-130a.2
	Percentage (%), Retail	99 ✓	90	88	IF-RE-130a.2
(3) Percentage renewable, by property subsector	Percentage (%), Industrial	0 ✓	0	0	IF-RE-130a.2
	Percentage (%), Office	11 ✓	19	20	IF-RE-130a.2
	Percentage (%), Residential	0 ✓	5	5	IF-RE-130a.2
	Percentage (%), Retail	1 ✓	10	12	IF-RE-130a.2

2020 SASB DISCLOSURE

ENERGY MANAGEMENT



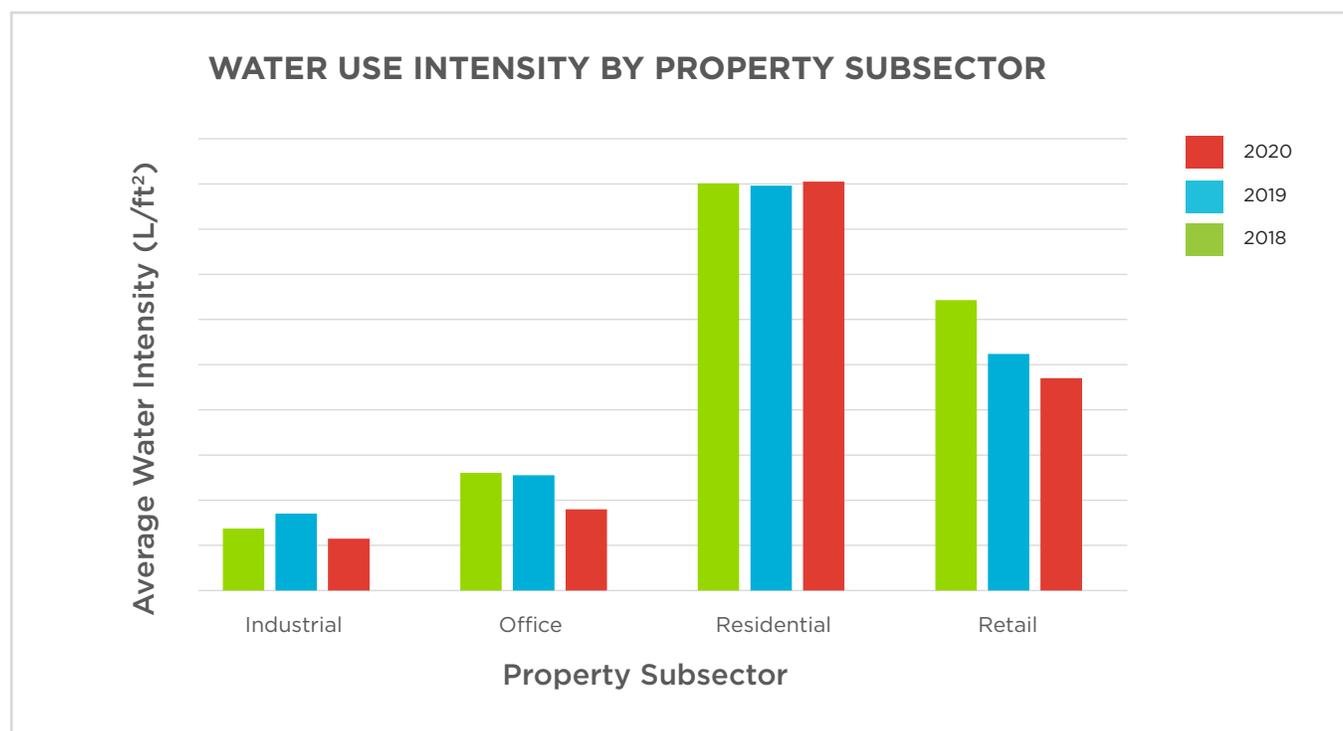
ACCOUNTING METRICS

Accounting Metric	Measurement	2018	2019	2020	SASB Code
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Percentage (%), Industrial	-7	-3	-9	IF-RE-130a.3
	Percentage (%), Office	1	-2	-14	IF-RE-130a.3
	Percentage (%), Residential	2	0	1	IF-RE-130a.3
	Percentage (%), Retail	9	-4	19	IF-RE-130a.3
Percentage of eligible portfolio that (1) has an energy rating by property subsector	Percentage (%) by floor area, Industrial	69	74	63	IF-RE-130a.4
	Percentage (%) by floor area, Office	97	98	98	IF-RE-130a.4
	Percentage (%) by floor area, Residential	100	100	100	IF-RE-130a.4
	Percentage (%) by floor area, Retail	100	100	99	IF-RE-130a.4
Percentage of eligible portfolio that (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area, Industrial	N/A	N/A	N/A	IF-RE-130a.4
	Percentage (%) by floor area, Office	54	56	65	IF-RE-130a.4
	Percentage (%) by floor area, Residential	N/A	N/A	N/A	IF-RE-130a.4
	Percentage (%) by floor area, Retail	N/A	N/A	N/A	IF-RE-130a.4
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Discussion and analysis			2020	IF-RE-130a.5
	QuadReal's target for the existing buildings we manage is to perform in the top 10% for energy efficiency of comparable buildings and as closely as possible to new buildings. To achieve this, property teams complete annual target setting to identify opportunities for improvement and to plan out capital investments. Proactive, thoughtful and systematic investments in upgrades that deliver energy efficiency improvements help avoid building obsolescence. Across our office portfolio we use Energy Star to benchmark performance against comparable buildings. In 2020 65% of the portfolio was certified to Energy Star, meaning they were in the top quartile of energy performance for similar office buildings in Canada.				

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WATER MANAGEMENT

Real estate practices can have a significant impact on our water supply. Water consumption rates and accompanying costs are influenced by asset class, tenant type, location, supply and other factors.



ACCOUNTING METRICS

Accounting Metric	Measurement	2018	2019	2020	SASB Code
Water withdrawal data coverage as a percentage of (1) total floor area, by property subsector	Percentage (%) by floor area, Industrial	87	87	91	IF-RE-140a.1
	Percentage (%) by floor area, Office	98	98	100	IF-RE-140a.1
	Percentage (%) by floor area, Residential	100	100	100	IF-RE-140a.1
	Percentage (%) by floor area, Retail	100	100	100	IF-RE-140a.1
Water withdrawal data coverage as a percentage of (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area, Industrial	93	91	76	IF-RE-140a.1
	Percentage (%) by floor area, Office	100	100	98	IF-RE-140a.1
	Percentage (%) by floor area, Residential	100	100	100	IF-RE-140a.1
	Percentage (%) by floor area, Retail	100	100	99	IF-RE-140a.1

2020 SASB DISCLOSURE

WATER MANAGEMENT



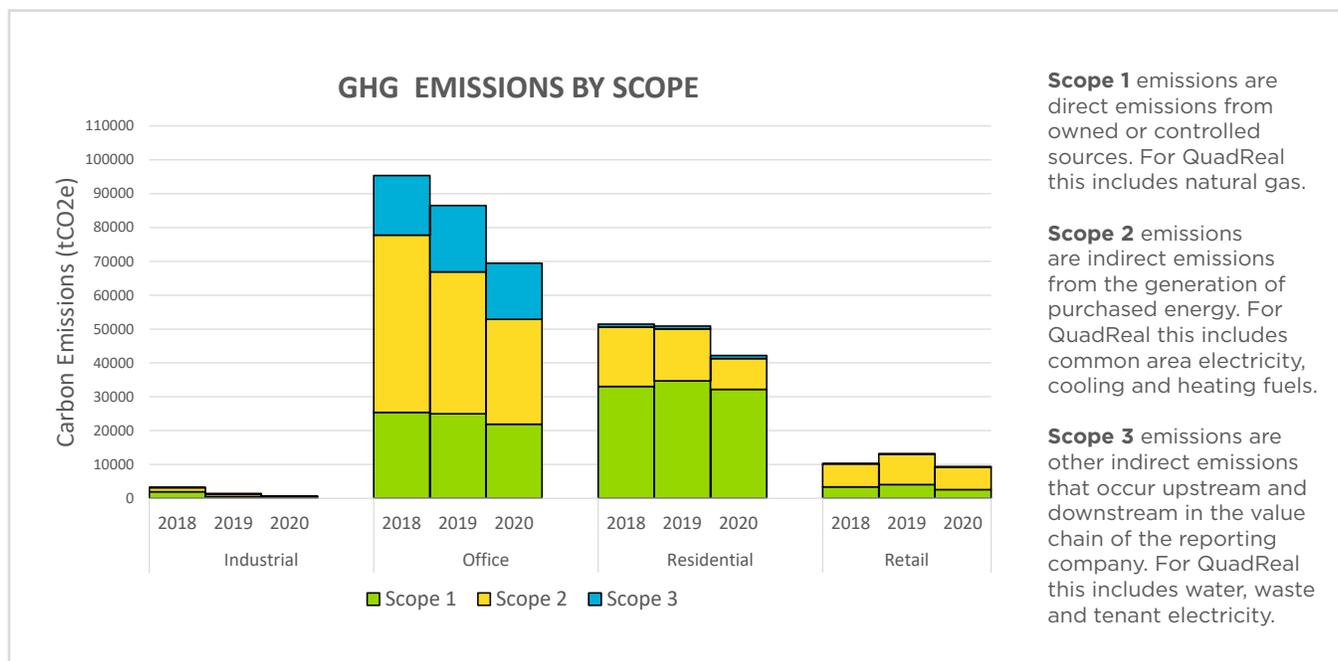
ACCOUNTING METRICS

Accounting Metric	Measurement	2018	2019	2020	SASB Code
(1) Total water withdrawn by portfolio area with data coverage, by property subsector	Thousand cubic meters (m ³), Industrial	365 ✓	367	277	IF-RE-140a.2
	Thousand cubic meters (m ³), Office	870 ✓	752	452	IF-RE-140a.2
	Thousand cubic meters (m ³), Residential	1,721 ✓	1,720	1,692	IF-RE-140a.2
	Thousand cubic meters (m ³), Retail	615 ✓	615	376	IF-RE-140a.2
(2) Percentage water withdrawn in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%), Industrial	10 ✓	8	14	IF-RE-140a.2
	Percentage (%), Office	25 ✓	24	29	IF-RE-140a.2
	Percentage (%), Residential	19 ✓	20	22	IF-RE-140a.2
	Percentage (%), Retail	11 ✓	9	12	IF-RE-140a.2
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Percentage (%), Industrial	-12	7	-23	IF-RE-140a.3
	Percentage (%), Office	1	-6	-40	IF-RE-140a.3
	Percentage (%), Residential	2	-1	7	IF-RE-140a.3
	Percentage (%), Retail	-11	-5	-24	IF-RE-140a.3
Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis			2020	IF-RE-140a.4
	<p>The majority of QuadReal's domestic portfolio is located in low water stressed areas. We monitor water consumption across the portfolio where we have operational control. Through data collected from interval meters and tenant submeters, we highlight areas for improvement. Recognizing that southern Alberta faces water constraints, we focus on enhanced water efficiency measures, xeriscaping and rainwater capture for that region. We also use our tenant and resident engagement program to communicate water conservation tips to our communities.</p>				

2020 SASB DISCLOSURE

GHG EMISSIONS

To reduce our greenhouse gas emissions, we focus on low-GHG operations for new developments, improving the energy efficiency of existing buildings, and increasing our use of renewable energy and less carbon-intensive fuels. As part of this strategy, we also assist tenants, residents and peers in meeting their own GHG reduction goals. QuadReal has chosen to voluntarily disclose our emissions data in accordance with the GHG Protocol, in addition to the SASB metrics. See our GHG emissions methodology on our website at <https://www.quadreal.com/sustainability/our-progress/>.



ACCOUNTING METRICS

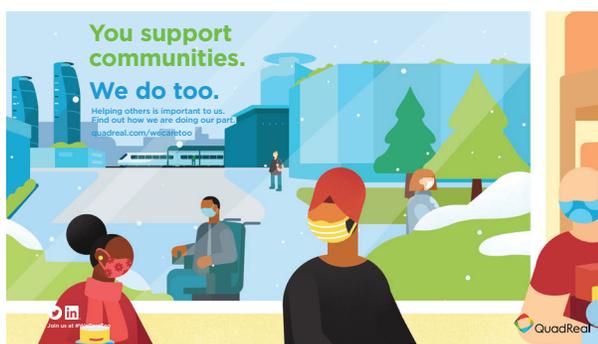
Accounting Metric	Measurement	2018	2019	2020	SASB Code
Total location-based portfolio GHG emissions, by scope	Tonnes of CO ₂ equivalent (tCO ₂ e), Scope 1	63,720 ✓	64,246	56,850	N/A
	Tonnes of CO ₂ equivalent (tCO ₂ e), Scope 2	77,966 ✓	67,028	47,096	N/A
	Tonnes of CO ₂ equivalent (tCO ₂ e), Scope 3	49,464	49,392	17,622	N/A
Total location-based portfolio GHG emissions	Tonnes of CO ₂ equivalent (tCO ₂ e)	191,150	180,666	121,568	N/A
Total market-based portfolio GHG emissions, by scope	Tonnes of CO ₂ equivalent (tCO ₂ e), Scope 1	63,720	64,246	56,850	N/A
	Tonnes of CO ₂ equivalent (tCO ₂ e), Scope 2	61,519 ✓	17,475 ¹	11,182	N/A
	Tonnes of CO ₂ equivalent (tCO ₂ e), Scope 3	37,890	29,241	1,815	N/A
	Tonnes of CO ₂ equivalent (tCO ₂ e), Offsets purchased	(15,090)	(14,982)	(34,271)	N/A
Total market-based portfolio GHG emissions net of offsets	Tonnes of CO ₂ equivalent (tCO ₂ e)	148,039	95,981	69,847	N/A

¹ QuadReal purchased and allocated a larger volume of renewable energy credits (RECs) in 2019. As a result, the portfolio experienced a significant reduction in market-based scope 2 emissions relative to 2018.

2020 SASB DISCLOSURE

MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS

Much of the impact of our business lies in how we build our buildings and how our tenants and residents work and live within them. Accordingly, we actively support our occupants to adopt sustainable behaviours and practices through our tenant and resident engagement program.



ACCOUNTING METRICS

Accounting Metric	Measurement	2018 ²	2019	2020	SASB Code
(1) Percentage of new leases and (2) associated leased floor area of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector		N/A	N/A	N/A	IF-RE-410a.1
(1) Percentage of tenants that are separately metered or submetered for grid electricity consumption, by property subsector	Percentage (%) by floor area, Industrial	100	100	100	IF-RE-410a.2
	Percentage (%) by floor area, Office	74	79	82	IF-RE-410a.2
	Percentage (%) by floor area, Residential	81	79	80	IF-RE-410a.2
	Percentage (%) by floor area, Retail	100	100	100	IF-RE-410a.2
(2) Percentage of tenants that are separately metered or submetered for water withdrawals, by property sub-sector	Percentage (%) by floor area, Industrial	100	100	100	IF-RE-410a.2
	Percentage (%) by floor area, Office	2	2	3	IF-RE-410a.2
	Percentage (%) by floor area, Residential	0	0	0	IF-RE-410a.2
	Percentage (%) by floor area, Retail	100	100	100	IF-RE-410a.2
Approach to measuring, incentivizing, and improving sustainability impacts of tenants	Discussion and analysis While QuadReal does not have a separate green lease addendum, we integrate key clauses in our standard leases. Most importantly, QuadReal includes cost recovery clauses in leases. We regularly communicate sustainability initiatives with tenants and residents across the portfolio through digital and in-property channels, including monthly posters, quarterly newsletters and tenant meetings. In the office portfolio, we are increasing the roll-out of tenant sub-meters, which lead to an approximately 9% reduction in tenant electricity use. In multi-residential, the electricity savings from in-suite sub-meters is approximately 30 to 40%. QuadReal's goal is to deploy sub-meters in all multi-residential suites by 2030. We also provide a green tenant fit-out guide and support tenants to achieve their sustainability targets.			2020	IF-RE-410a.3

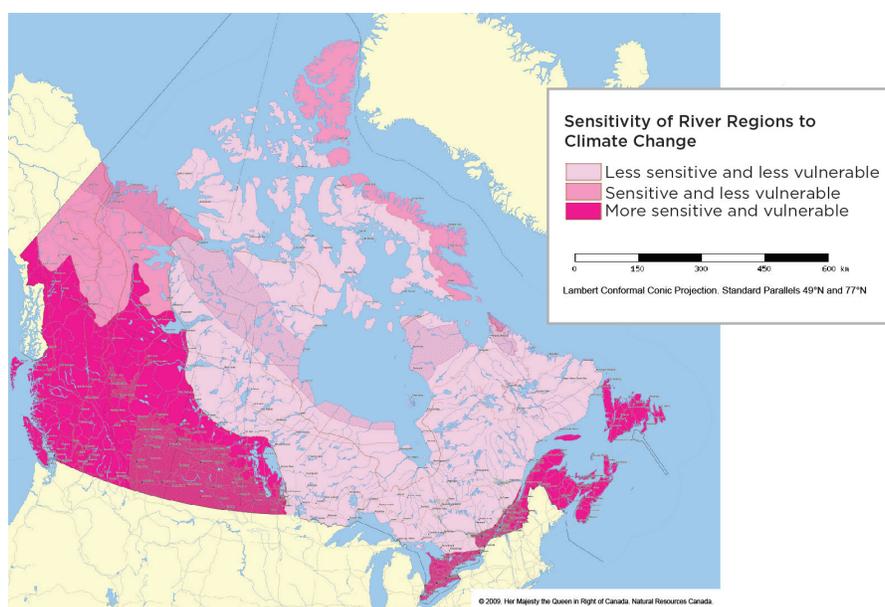
²Our 2018 SASB Disclosure excluded the percentage of tenants that were separately metered. We have revised the 2018 metrics to include the percentage of tenants that were either separately- or sub-metered for electricity and/or water during the reporting year.

CLIMATE CHANGE ADAPTATION

Real estate owners and operators must respond to the increasing frequency and severity of extreme weather events. QuadReal has aligned with our clients in taking a strategic approach to integrating climate risk management into our operations. QuadReal’s governance bodies have an active role in our approach, with the board of directors receiving annual updates on climate-related issues and the investment committee providing direct oversight to our resilience objectives. As a responsible fiduciary, we seek to integrate climate considerations throughout the life cycle of our investments, from evaluating risk exposure during acquisition, to incorporating resilient design into developments and retrofits.

ATLAS OF CANADA 6TH EDITION (ARCHIVAL VERSION)

POTENTIAL IMPACTS - SENSITIVITY OF RIVER REGIONS TO CLIMATE CHANGE



ACCOUNTING METRICS

Accounting Metric	Measurement	2018	2019	2020	SASB Code
Area of properties located in 100-year flood zones, by property subsector	Square feet (ft ²), Industrial	1,350,605	1,414,405	1,351,863	IF-RE-450a.1
	Square feet (ft ²), Office	364,176	364,176	364,176	IF-RE-450a.1
	Square feet (ft ²), Residential	823,472	879,282	879,282	IF-RE-450a.1
	Square feet (ft ²), Retail	414,426	1,505,375 ³	1,590,394	IF-RE-450a.1
Description of climate change risk exposure analysis, degree of systemic portfolio exposure, and strategies for mitigating risks	Discussion and analysis			2020	IF-RE-450a.2
	QuadReal continues to update our approach to resilience to maintain alignment with our clients. In 2019, we initiated a multi-phased approach to managing the physical climate risks of our investments. Our first step was to implement a process for evaluating climate risks during acquisition due diligence. For our existing assets, we conduct an annual portfolio-level exposure analysis. While we evaluate exposure to multiple climate hazards, we consider riverine and coastal flood risk to present the largest potential impacts to our portfolio. Our next step in improving portfolio resilience is assessing the vulnerability and preparedness of properties exposed to riverine and coastal flood risk under future climate scenarios.				

³Within the retail portfolio, additional property area was identified to be located in a 1-in-100-year flood zone. Previous modelling indicated a lower frequency of flooding for this area.

2018 INDEPENDENT LIMITED ASSURANCE REPORT



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Independent Limited Assurance Report

To the Management of QuadReal Property Group:

We have been engaged by the management of QuadReal Property Group ('QuadReal') to undertake a limited assurance engagement on selected sustainability key performance indicators (the 'Subject Matter Information') disclosed in the QuadReal's 2018 SASB Disclosure ('the Report') for the year ended December 31, 2018 as described below.

Subject matter and applicable criteria

The scope of our limited assurance engagement, as agreed with management, comprises of the following Subject Matter Information:

Subject Matter	Performance indicator	Applicable Criteria
Subject Matter 1	<ul style="list-style-type: none"> Scope 1 greenhouse gas ('GHG') emissions (tCO₂e) Location-based Scope 2 GHG emissions (tCO₂e) Market-based Scope 2 GHG emissions (tCO₂e) 	The World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol, Revised Edition ('GHG Protocol')
Subject Matter 2	<ul style="list-style-type: none"> Direct and indirect energy consumption (GJ) Total water consumption (m³) 	The Sustainability Accounting Standards Board Real Estate Sustainability Accounting Standard version 2018-10 ('SASB Standard')
Subject Matter 3	<ul style="list-style-type: none"> QuadReal's description of total annual waste collected (kg, text) 	QuadReal's own internal guidelines and definitions for sustainability reporting.
Subject Matter 4	<ul style="list-style-type: none"> Total energy consumed by portfolio area with data coverage (GJ, %) Percentage grid electricity (%) Percentage renewable (%) 	SASB Standard, IF-RE-130a.2
Subject Matter 5	<ul style="list-style-type: none"> Total water withdrawn by portfolio area with data coverage (m³, %) Percentage in regions with High or Extremely High Baseline Water Stress (%) 	SASB Standard, IF-RE-140a.2



The subject matter, contained within the Report and denoted by the symbol ✓, have been determined by management on the basis of QuadReal's assessment of the material issues contributing to sustainability performance and most relevant to its stakeholders.

There are no mandatory requirements for the preparation, publication or review of sustainability performance information, as such, QuadReal applies the GHG Protocol, the SASB Standard and its own internal reporting guidelines and definitions for sustainability reporting.

QuadReal's responsibilities

Management is responsible for the preparation and presentation of the Subject Matter Information in accordance with the Applicable Criteria. Management is responsible for determining the appropriateness of the use of the Applicable Criteria. Management is also responsible for determining QuadReal's objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility and professional requirements

Our responsibility in relation to the Subject Matter Information is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements ('ISAE') 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. ISAE 3000 and ISAE 3410 require that we plan and perform this engagement to obtain the stated level of assurance, in accordance with the applicable criteria.

Assurance approach

We planned and performed our work to obtain all of the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Subject Matter Information, and applying analytical and other evidence gathering procedures, as appropriate. Our procedures included:

- Inquiries with relevant staff at the corporate level as well as third-party service providers to understand the data collection and reporting processes for the Subject Matter Information,
- Where relevant, performing walkthroughs to test the design of internal controls relating to data collection and reporting of the Subject Matter Information;
- Comparing the reported data for the Subject Matter Information to underlying data sources on a sample basis;
- Inquiries regarding key assumptions and the re-performance of calculations on a sample basis; and,
- Reviewing the presentation of the Subject Matter Information in the Report to determine whether the information presented is consistent with our overall knowledge of, and experience with the environmental performance of QuadReal.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is obtained.



Independence, quality control and competence

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies *International Standard on Quality Control 1* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement was conducted with a multidisciplinary team, which included professionals with suitable experience in both assurance and in the applicable subject matter, including environmental performance and GHG accounting.

Our conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that for the year ended December 31, 2018, the Subject Matter Information, as described above and disclosed in QuadReal's 2018 SASB Disclosure, has not been prepared and presented, in all material respects, in accordance with the applicable criteria, current as at the date of our report.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

June 28, 2019
Vancouver, Canada



blueridge

THE PINK DOOR BOUTIQUE





FOR MORE INFORMATION, PLEASE CONTACT:

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QUADREAL.COM