

ESG AT QUADREAL

December 2022

OUR APPROACH TO ESG

QuadReal has a teamwide dedication to integrating environmental, social and governance (ESG) into our planning, decision making and performance evaluations. This dedication is vested in corporate, global real estate debt and equity due diligence, investing activities, and management. We take a systematic approach to understanding our ESG responsibilities—identifying and prioritizing our biggest levers for positive change. We do this in support of our commitment to stronger communities and because it aligns us fully with all of our stakeholders including BCI, RBC GAM, their clients and those who work for QuadReal.

OUR NET ZERO COMMITMENT

We are dedicated to lead in our performance, putting climate-related considerations at the forefront of our decision making. In 2022, QuadReal committed to an accelerated target to reach net zero carbon by 2050 across its global portfolio in alignment with science-based carbon reduction goals. This net zero strategy builds upon QuadReal's original 2016 mandate to achieve an 80% carbon reduction goal across its Canadian operations. This deepened commitment will allow us to meet our fiduciary responsibility to our stakeholders and clients while leading by example to build a foundation for resilient businesses, cities, communities, and ecosystems.

GRESB IS OUR BENCHMARK

The Global Real Estate Sustainability Benchmark (GRESB) assesses and benchmarks the ESG performance of managers of real assets, providing standardized and validated data to the capital and institutional markets. Participants receive comparative business intelligence on where they stand against their peers, a roadmap with the actions they can take to improve their ESG performance and a communication platform to engage with investors. We value GRESB because it is a comprehensive, research-based framework that has earned the respect of pension funds internationally for its rigour. GRESB counts more than 140 institutional investors with over USD 8.6 trillion in assets under management.

This process of annual ESG benchmarking on such a large scale has built a powerful global ecosystem of investors, lenders, managers, service providers and industry bodies working towards a shared vision of sustainable real assets. It demonstrates how a top-down demand for ESG transparency and benchmarking encourages a bottom-up response that drives the spread of sustainability best practices around the world, raising the standard of an entire industry.

As a committed organization, QuadReal is able to report comparative results in detail using GRESB criteria. Our commitment to participate in GRESB drives constant organizational improvement and initiatives. Other partnerships that we have developed include those with several not-for-profits such as the Center for Active Design which operates the Fitwel health and wellness certification. We also work with several industry organizations to advance ESG issues of common interest.

“The grass-roots commitment of QuadReal’s Canadian portfolio team to sustainability excellence sets a high bar for the entire industry. We also share strategic and practical guidance with our programmatic joint venture partners and operating company partners as they pursue excellence in sustainability. I am very proud of the journey we are on to bring about positive change and deliver strong returns.”

Jamie Gray-Donald

Senior Vice President, Sustainability & Environmental Health and Safety



QUADREAL'S 2022 RESULTS

1ST in the diversified real estate category in the Americas (out of 100)

4TH in the diversified real estate category globally (out of 259)

WHAT DOES GRESB MEASURE?

The GRESB scoring model is an automated system that uses a third-party technology platform. In order to ensure the integrity of submissions there is a three-layer validation process, including automated outlier checks, randomized audits of supporting documentation and in-depth audits. Not only does GRESB quantify results, they also benchmark organizational commitments to ESG. To score well on the benchmark, organizations must have a depth of policies, procedures and management practices, as well as continuous improvement in a range of performance indicators and operational programs.

Applicants must submit to GRESB based on all of the following categories:

PERFORMANCE INDICATORS

This section examines measures to improve energy and water efficiency of real estate portfolios and reduce greenhouse gas emissions based on the extent of participants' data collection, total resource consumption and overall building performance.

STAKEHOLDER ENGAGEMENT

Improving sustainability performance requires dedicated resources, a commitment from senior management and tools for measurement/management of resource consumption. It also requires the cooperation of other stakeholders, including tenants, suppliers, employees and the local community.

RISKS & OPPORTUNITIES

This category investigates the steps undertaken to manage material risks related to climate change, environmental legislation, market risks and governance practices. It also addresses opportunities for improvement throughout existing practices.

MONITORING & ENVIRONMENTAL MANAGEMENT SYSTEM

This category investigates the tools implemented to monitor energy, water, waste and GHG emissions.

BUILDING CERTIFICATIONS

What types of assets and how much of the portfolio hold certifications? Asset-level building certifications and ratings provide third-party verified recognition of sustainability performance in operations and new construction, informing investors and occupiers. These include certifications such as Energy Star, LEED and many others.

POLICY & DISCLOSURE

Institutional investors and other shareholders are primary drivers for greater sustainability reporting and disclosure among real estate companies and funds. Disclosure shows how ESG policies and management practices are being implemented by the entity, and what impact these practices have on the business.

MANAGEMENT

This section focuses on how the organization addresses sustainability implementation in the context of its overall business strategy.