

QUADREAL PROPERTY GROUP

Green Bond Framework

July 2020



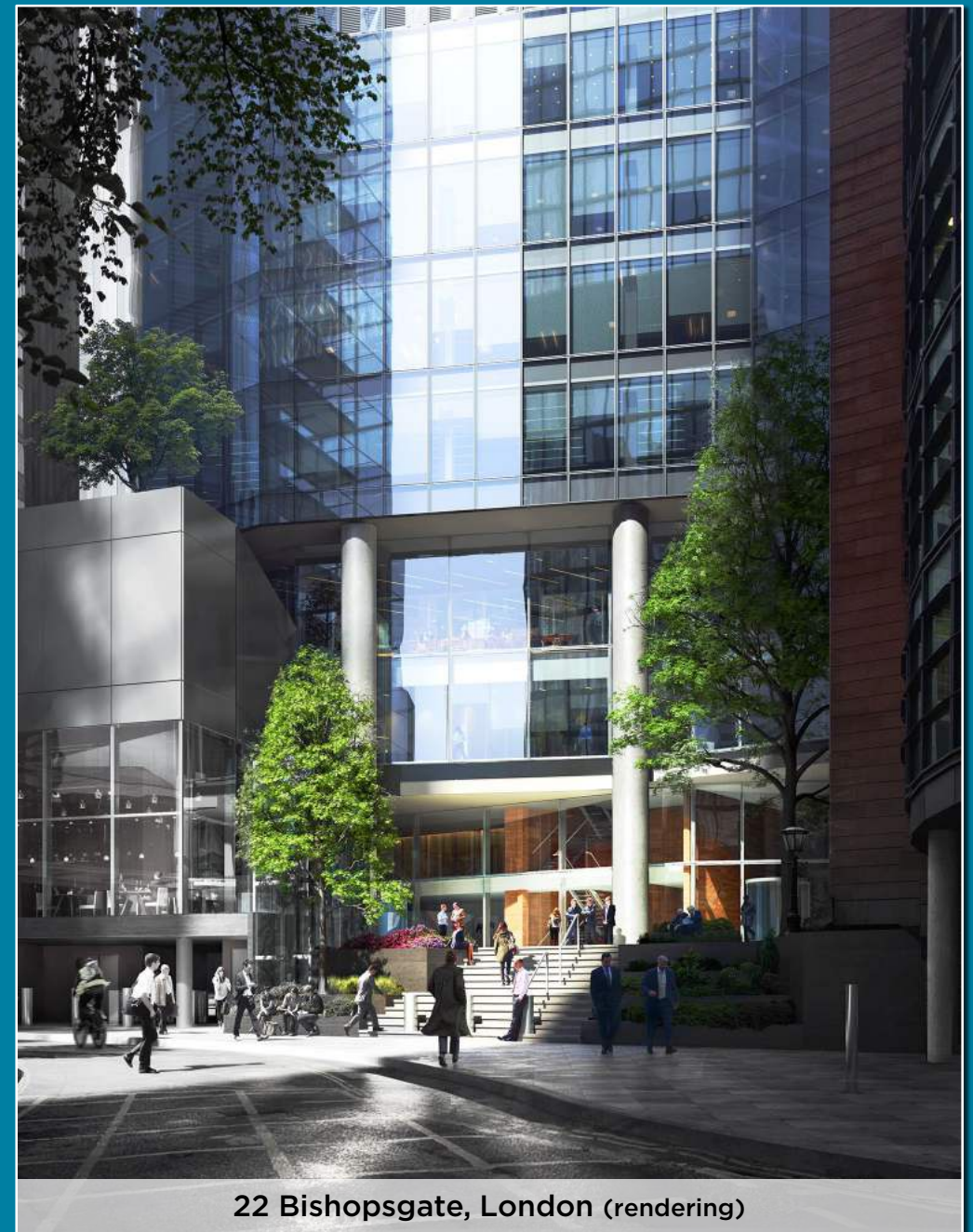
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22 Bishopsgate, London (rendering)



Southcore Financial Centre, Toronto, ON

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I. SUSTAINABILITY AT QUADREAL



QUADREAL'S PROGRESS IN SUSTAINABILITY

LEADER IN REAL ESTATE SUSTAINABILITY

- QuadReal aims to be a global sustainability leader. We are committed to continually exceed the expectations of our tenants, employees, and the communities in which we operate

Global Champion in Building Health

- In February 2020, QuadReal received the distinguished Industry Leadership award, which honours companies demonstrating exceptional innovation in advancing building health
- In 2020, QuadReal aims to have over 60 buildings certified by Fitwel, a building certification that supports healthy workplaces to improve occupant health and productivity

Proven Track Record in Sustainable Development

- In September 2019, QuadReal was ranked 1st for a diversified portfolio in Canada by the Global Real Estate Sustainability Benchmark (GRESB)
- QuadReal was ranked 5th in the global diversified portfolio category

LOOKING AHEAD

- QuadReal plans to roll out a portfolio-wide strategy that includes interval meter data for all utilities
- To ensure our developing properties align with energy targets, QuadReal will consider low carbon fast-growing technology in new construction
- To improve transparency in waste management, QuadReal is in the process of developing a comprehensive waste management strategy



Continuous Improvement Through Green Certifications

- Over 95% of QuadReal's Canadian portfolio has been green-certified by BOMA BEST or LEED
- In May 2020, QuadReal launched an annual BOMA recertification program using RealData, which continually tracks waste data requirements and waste hauler contracts

Industry Leader on Energy Benchmarking and Data Transparency

- As a founder of the Canada Green Building Council's Disclosure Challenge, QuadReal believes in doing its part to reduce global greenhouse gas emissions (GHG)
- Since March 2019, QuadReal has been reporting building information including energy use, GHG emissions, and water use

Collaborate with Stakeholders to Achieve Energy Targets

- Our energy targets align with criteria disclosed by BOMA BEST
- QuadReal has taken measures to achieve energy targets through engaging tenants and tenant submetering, temperature setpoint changes, scheduled LED lighting upgrades, and HVAC (heating, ventilation, air conditioning/cooling) system replacements and/or upgrades

QUADREAL'S COMMITMENT TO SUSTAINABILITY

2018

As of 2018, QuadReal reduced its CO₂e emissions by 38% from 2007 levels

In 2019:

2019

- QuadReal started the Energy Disclosure Challenge under which it encourages all building managers in Canada to disclose their energy and GHG data
- Established its Sustainability and Environmental Health and Safety Committee, whose mandate is to provide continuous guidance and ensure internal alignment for QuadReal to be a global sustainability leader

2020

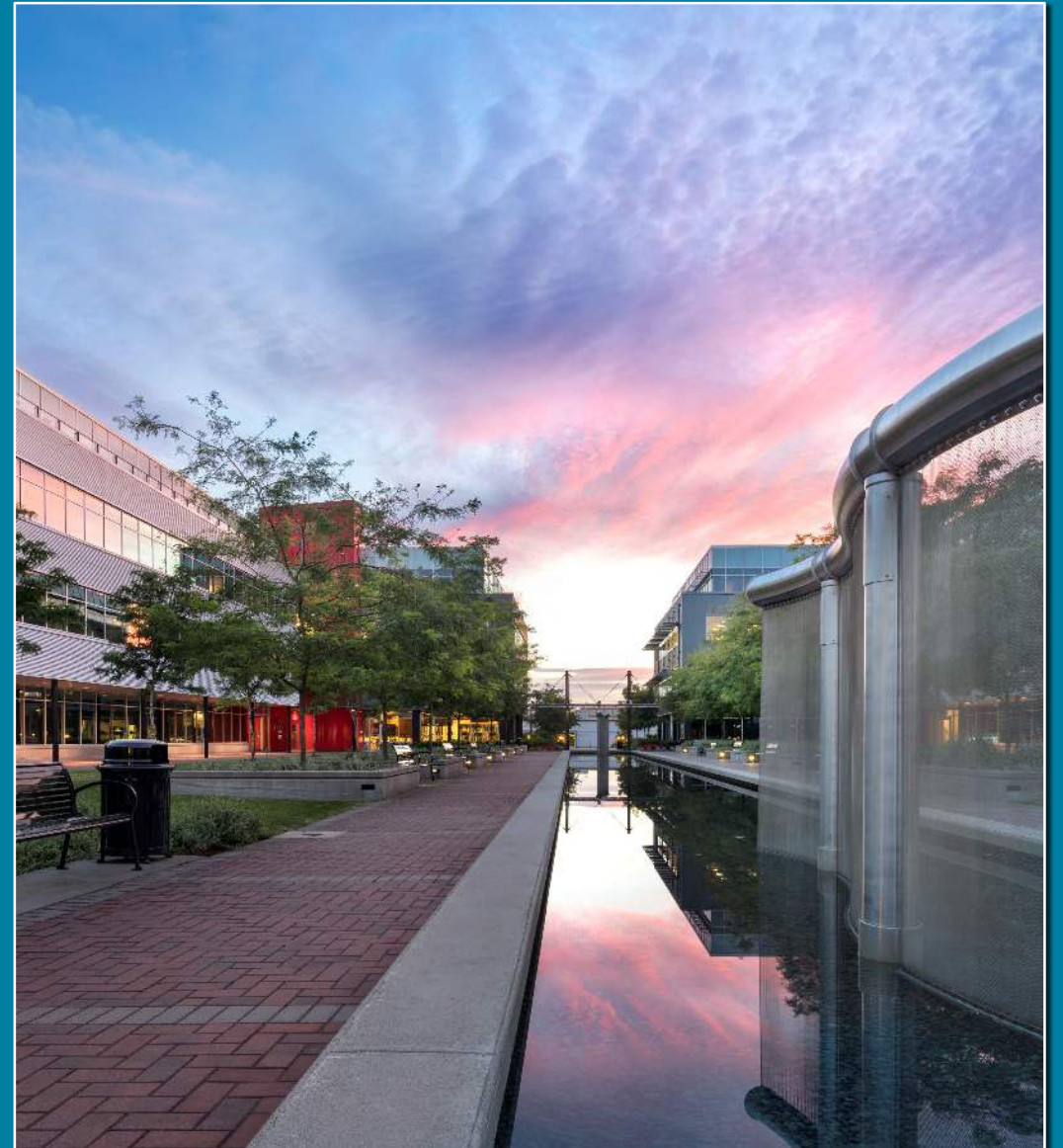
By the end of 2020, QuadReal aims to have greater waste data transparency through monitoring waste data requirements in RealData

2021

By the end of 2021, QuadReal expects to implement a plan to have all properties re-certified by BOMA BEST and/or LEED annually going forward

2050

By 2050, QuadReal aims to reduce its carbon footprint by 80% from 2007 levels



Broadway Tech, Vancouver, BC



II. GREEN BOND FRAMEWORK & CASE STUDIES

QUADREAL'S GREEN BOND FRAMEWORK

QuadReal has established its Green Bond Framework in line with the Green Bond Principles developed by the International Capital Market Association, and aims to provide transparency through its disclosure and reporting process:

Use of Proceeds

- Look-back period of up to 36 months prior to date of issuance, or within 24 months of the issuance
- Eligible categories include green buildings, renewable energy, resource and energy efficiency, pollution prevention and control, clean transportation, and climate change adaptation

Process for Project Evaluation and Selection

- A Green Bond Steering Committee (the "Committee") comprised of members from QuadReal's Sustainability, Finance, Portfolio Management, and Treasury and Capital Markets departments will provide oversight and management of the Green Bond Framework (the "Framework"), as well as determining eligible green projects that would qualify for proceeds from a green bond issuance
- 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

Management of Proceeds

- Net proceeds will be deposited to the general account and be made available to eligible green buildings or projects pre-identified in the Schedule
- QuadReal commits to allocating 100 percent of its proceeds within 24 months from issuance
- Unallocated proceeds will be reserved and held 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

Reporting

- QuadReal intends to publish a Green Bond Report (the "Report") within a year of its initial green bond issuance, which will be renewed annually until full allocation or in case of any material changes to the Framework
- The Report will maintain select KPIs such as but not limited to:
 - Green building certifications by building or square footage
 - Annual energy savings or generating levels
 - Energy capacity
 - Water consumption reduction
 - Greenhouse gas emission reduction
- 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

ELIGIBLE GREEN PROJECT CATEGORIES AND USE OF PROCEEDS

Project Categories	Examples of Eligible Green Projects
Green Buildings	<p>Eligible green building certifications include but are not limited to:</p> <ul style="list-style-type: none"> ▪ LEED (Gold or Platinum) ▪ BOMA BEST (Gold or Platinum) ▪ Other equivalent domestic or international certifications
Renewable Energy	<p>Projects aimed at providing renewable sources of energy such as:</p> <ul style="list-style-type: none"> ▪ Solar ▪ Wind ▪ Geothermal (projects that produce direct emissions of less than 100gCO₂/kWh)
Resource and Energy Efficiency	<p>Eligible investments can include:</p> <ul style="list-style-type: none"> ▪ Projects that improve efficiency of HVAC systems ▪ Lighting, electricity, energy storage, district heating powered >50% by renewable energy and/or waste heat
Pollution Prevention and Control	<p>Investments related to:</p> <ul style="list-style-type: none"> ▪ Reduction of greenhouse gas emissions ▪ Soil remediation ▪ Waste prevention ▪ Waste reduction ▪ Onsite composting and recycling
Clean Transportation	<p>Investments in clean transportation projects and infrastructure that:</p> <ul style="list-style-type: none"> ▪ Improve connectivity or promote multi-modal transportation and non-motorised methods ▪ Result in a reduction in greenhouse gas emissions through infrastructure or charging stations for clean energy vehicles and demonstrated increased usage of public transit
Climate Change Adaption	<p>Investments including:</p> <ul style="list-style-type: none"> ▪ Feasibility studies ▪ Information support systems that support a property's defence and adaption to extreme weather conditions or effects or climate change

CASE STUDY: 745 Thurlow

Designed with a sustainable vision, 745 Thurlow is committed to decreasing energy consumption and increasing diversion rates, with a transparent approach to energy consumption, energy efficiency, and waste management.

Location Vancouver, British Columbia

Certifications

- BOMA BEST Gold (December 2018)
- LEED Gold Core & Shell
- LEED Platinum (LEED Performance Path)

Building Size 430,000 sf

Green Features

- Triple glazed windows with advanced coating
- Smart lighting systems
- Green roofs located on the 3rd floor terrace & top levels
- High efficiency mechanical equipment to reduce energy consumption



CASE STUDY: The Post

Currently undergoing a substantial rehabilitation, the adaptive re-use of the heritage Post Office building in downtown Vancouver will allow for retail and office uses in the podium and will support two major office towers above. Upon completion, The Post is committed to achieve carbon neutral operations.

Location Vancouver, British Columbia

Certification LEED Platinum (expected upon completion)

Building Size 1,100,000 sf (office) / 200,000 sf (retail)

Contemplated Green Features

- Waste heat recovery
- Green mobility (electric vehicle charging stations)
- Rainwater management
- Passive solar shading
- Energy-conserving building envelope

