

# REPORT

# APPRECIATING THE ENVIRONMENT

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# EXECUTIVE STATEMENT

Dear Stakeholders,

I am pleased to present Morguard Corporation's 2020 Sustainability Report, reflecting our environmental, social and governance performance for the year.

COVID-19 continues to have a profound global impact. For many of our tenants, residents and stakeholders, the pandemic has changed the way we live and work. As one of Canada's Safest Employers for the 8th consecutive year, we are unwavering in our commitment to health and safety. As we look forward, we celebrate the work of our employees and service partners who continue to provide exceptional service to Morguard communities across North America.

Despite the uncertainty caused by the pandemic, our company-wide sustainability program, Sustainable Morguard, strives to increase the long-term value of Morguard for our stakeholders and communities. Building performance and resource optimization is essential in realizing the goals of Sustainable Morguard. This year, I am proud to share that both Etobicoke Wellness Centre, Toronto and 41 rue Victoria, Gatineau have achieved LEED Silver Certifications for new construction. In addition, 2920 Matheson Blvd., Mississauga earned a BOMA Earth Award for water system upgrades. These milestone achievements increase the percentage of our portfolio with such distinctions and are in line with our targets. We will continue to pursue industry best practices and green building certifications to demonstrate our leadership and increase our ability to attract and retain tenants and residents with shared green building expectations.

Sustainable Morguard is about more than just building performance and the environment, but about maintaining a workplace that empowers our people. We aim to foster an environment that retains, engages and attracts innovative talent that will contribute to the success of our sustainability journey. This year, upgrades to the new Human Capital Management System, myHR, were completed, enabling our Human Resources, Learning and Development, along with other people-centred teams to better support growth and the management of our employees.

As we continue forward, we remain focused on our commitment to real estate for the long term. Together with our stakeholders, we will continue to advance our sustainability management and performance, including our understanding of climate risk and societal impact, and ensure that these efforts continue to be disclosed transparently. And from this unprecedented moment in our journey, we are confident in our ability to emerge stronger and more resilient.

Sincerely,



**K. RAI SAHI**

Chairman and Chief Executive Officer  
Morguard Corporation



# PROFILE

Morguard Corporation (“Morguard”) is a fully integrated North American real estate organization, with 1,299 employees and total real estate assets owned and under management (“Morguard’s assets”) valued at \$14.7 billion. As a real estate owner, manager and developer, we recognize our responsibility to help build a sustainable future and strive to have a positive impact on the environment, the communities where we operate and the long-term value of our properties.

## ORGANIZATIONAL PROFILE

Morguard is primarily a real estate investment company whose principal activities include the acquisition, development and ownership of multi-suite residential, retail, office, industrial properties and hotels. Morguard is also one of Canada’s premier real estate investment advisers and management companies, representing major institutional and private investors. Morguard’s common shares are publicly traded and listed on the Toronto Stock Exchange (“TSX”) under the symbol “MRC”.

Morguard’s real estate strategy is to acquire a diversified portfolio of real estate assets both for our own accounts and for our institutional investor clients and investment partners. Morguard’s cash flows are well diversified given the funds from operations generated by our corporately owned assets, the cash distributions received from our investments in Morguard Real Estate Investment Trust and Morguard North American Residential Real Estate Investment Trust, as well as the revenue earned from our management advisory and services platforms. Diversification of our real estate portfolio, by both asset type and location, serves to reduce investment risk. Morguard will divest non-core assets when proceeds can be reinvested to improve returns. A primary element of our business strategy is to generate stable and increasing cash flow and asset value by improving the performance of our real estate investment portfolio and by acquiring or developing real estate properties in sound economic markets.

Morguard provides real estate advisory services to major institutional investors, private investors and our public company investments. Services include acquisitions, development, dispositions, leasing, performance measurement, asset management and property management. For over 45 years, Morguard has established itself as one of Canada’s leading providers of real estate asset and property management services.

In addition to real estate, Morguard’s 60% ownership interest in Lincluden Investment Management Limited (“Lincluden”) offers institutional clients and private investors a broad range of global investment products across equity, fixed income and balanced investment portfolios.

Morguard operates in Canada and the United States. Our head office is in Mississauga, Ontario, Canada.

For more information about Morguard’s organizational structure and financial performance, please see the Morguard Corporation Annual Information Form and other continuous disclosure materials available at [sedar.com](https://www.sedar.com) and at [morguard.com](https://www.morguard.com).

## ABOUT THIS REPORT

Morguard's 2020 Sustainability Report (the "Report") provides transparent information on our environmental, social and governance ("ESG") management approach and performance covering the period of January 1, 2020 to December 31, 2020. This Report covers our owned and managed real estate assets including commercial (retail, office and industrial), and multi-suite residential in Canada and the United States. Hotel information is not included in this Report, aside from green building certifications and awards achieved.

Each asset class and region is managed in response to a unique set of operating conditions, including sustainability risks and opportunities. The scope of control that Morguard has on each property will depend on management agreements and lease terms, among other factors. In turn, this means that the availability of property performance metrics may differ across asset types and regions. Acknowledging these differences, where there is variation in scope, it is individually defined within the appropriate area in the Report. In addition, as we acquire and sell assets throughout the reporting period, property performance metrics in this Report only reflect properties that were operational through the entire reporting period.

This Report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option, and references GRI's Construction and Real Estate Sector Supplement ("CRESS"). External quality assurance of our building performance data is provided by a third-party; however, formal assurance of the contents of this Report was not sought.

Morguard also publishes a separate 2020 Sustainability Highlights report that summarizes achievements, and profiles specific initiatives and properties. The Sustainable Morguard 2020 Highlights can be found at [morguard.com](https://morguard.com).

All information is presented as at December 31, 2020, unless otherwise indicated.

We welcome Report feedback or inquiries. Please contact [sustainability@morguard.com](mailto:sustainability@morguard.com)

**Beverley G. Flynn** Senior Vice President, General Counsel and Secretary  
**Christine Wickett** Manager, Corporate Sustainability and Responsibility  
55 City Centre Drive, Suite 1000  
Mississauga, ON  
L5B 1M3  
Canada  
T 905-281-3800  
[morguard.com](https://morguard.com)

# OUR SUSTAINABILITY STRATEGY

At Morguard, sustainability is a strategic priority. At the most fundamental level, real estate organizations provide an essential contribution to society through the development and management of shelter. Beyond this responsibility, we are also presented with opportunities to address pressing ESG topics of concern to our sector.

Our sustainability challenge is to create shared value, by identifying and implementing strategic innovative initiatives that contribute positively to society and the environment, while remaining competitive and supporting our diverse business model. Sustainable Morguard, our company-wide sustainability program, guides our efforts to operate an environmentally, socially and economically responsible business.

## OUR JOURNEY

All Morguard properties participate in the Sustainable Morguard program. Key aspects of this strategy include:

- Increasing building efficiency and reducing our use of natural resources, including energy, water, waste and emissions;
- Achieving green building certifications through environmental excellence;
- Engaging with stakeholders, including investors, employees, residents, tenants and business partners to support our initiatives;
- Maintaining consistent data tracking systems to understand and respond to emerging ESG risks and opportunities;
- Supporting sustainability objectives with sound and robust management approaches, including policies, programs and investments; and
- Continuing to disclose ESG information transparently, in accordance with global sustainability reporting frameworks.

Each property implements Sustainable Morguard with consideration of their unique operating conditions. With our diverse range of asset classes and regions, properties are at varying levels of development in pursuing our sustainability goals and objectives.

As part of the road ahead, we will continue to embrace a more expansive approach to our sustainability strategy. This year, we benchmarked ourselves against our historical performance, and our peers and competitors, to understand our strengths and areas for improvement throughout our organizational boundaries. As we look forward, our goal is to expand our sustainability strategy across our entire portfolio and to include the full scope of our operations in our reporting story. To do so, we look to increase the tracking and reporting of properties to expand our approach and develop our strategic company-wide outlook, moving us closer to achieving our long-term objectives.

## SUSTAINABILITY PROGRAM MANAGEMENT

Sustainable Morguard is sponsored by our Senior Vice President, Finance and Chief Financial Officer, Services, Morguard Investments Limited, Pamela McLean, and our Senior Vice President, General Counsel and Secretary, Beverley G. Flynn. We continue to expand the review of our long-term objectives through specific committees organized to further engage with our respective management groups, including operations, asset management, the risk and national programs, and our executive management team. Oversight of these strategies is addressed and advised through the ESG leadership team including Pamela McLean, Beverley Flynn, our Vice President of Risk Management and National Programs, Ken Cowan and our Manager of Corporate Sustainability and Responsibility, Christine Wickett. Overall oversight of Sustainable Morguard is provided by Morguard's Board of Directors.

Corporate Sustainability and Responsibility initiatives are integrated throughout Morguard and driven by senior management through several sustainability mandates. These mandates establish cross-functional working groups to implement specific initiatives aimed at mitigating environmental impacts, reducing costs, building employee engagement and more. The working groups bring sustainability to life – they engage people at all levels of the organization, accelerate innovation and drive performance improvements.

### Commitment to External Initiatives

To advance Sustainable Morguard, we work with several organizations that specialize in sustainability matters, including Energy Advantage Inc., CD Sonter Ltd., Quinn & Partners, and Risk Check Environmental Ltd.

Committed to advancing both our own sustainability performance as well as others in our industry, we leverage our networks and interact with several associations and committees to explore innovative solutions, share best practices, and encourage responsible business practices.

### EXAMPLES OF MEMBERSHIPS THAT WE SUBSCRIBE TO OR ENDORSE INCLUDE:

Membership	Actions and initiatives
Building Owners and Managers Association ("BOMA")	Participant on resiliency committee, contributions to Impact on Climate Change in Real Estate and Flood Prevention report
Canadian Green Building Council ("CaGBC")	Participant on Resiliency Committee Participant on Corporate Real Estate Sustainability Leaders Roundtable
Institute of Corporate Directors ("ICD")	Membership
Real Property Association of Canada ("REALpac")	Participant in NEUI, Corporate Responsibility & Sustainability, Human Resources, Energy, Climate Resilience Committees
Federation of Rental-Housing Providers of Ontario ("FRPO")	Participant as Board Directors
NAIOP Commercial Real Estate Development Association ("NAIOP")	Participant as Executive Officers and Directors

## EXAMPLES OF INITIATIVES THAT WE SUBSCRIBE TO OR ENDORSE INCLUDE:

External initiatives	Actions and initiatives
City of Mississauga's District Energy	Participant and collaborator on proposed district energy projects
Healthcare of Ontario Pension Plan ("HOOPP")	Participant on Sustainability Committee
GLOBE Sustainability Leaders Conference	Participant in roundtable discussions and lectures
Ivey School of Business	Guest lecturer discussing business case for sustainability in real estate

## Managing in The Age of COVID-19

Morguard acknowledges that this worldwide health crisis has affected us all profoundly. Health measures introduced by governments to slow the spread of COVID-19 impacted real estate as a whole and changed the way we manage our properties. As we navigated through 2020, and continue forward into 2021, Morguard's attention is focused on health and safety concerns and supporting our employees, residents and tenants as they adapt to new restrictions and guidelines. In adapting to the challenges posed by COVID-19, the following changes were necessary in 2020:

1. Activated Morguard's Crisis Management Team. The team included senior management executives from each asset class and discipline along with critical subject matter experts in Human Resources, Health and Safety, Risk and Communications.
2. Updated our Business Continuity, Infectious Disease and Crisis Management plans.
3. Addressed building automation and operational management strategies to ensure building optimization, operational efficiency and proper health and safety measures in accordance with government COVID-19 guidelines.
4. Increased engagement with employees, residents, tenants, guests and visitors on pandemic-related safety precautions and support services.
5. Strengthened data security to our systems to reduce cybersecurity risks.
6. Implemented changes and efficiencies to our organizational structure to ensure employees could work safely and effectively, either remotely or on-site at our properties.
7. Provided employees with extended benefits and more flexible hours to ensure employees and their families were supported.
8. Enhanced targeted data tracking of property performance metrics to help with decision-making.
9. Paused select capital investment projects to redirect resources, including time, capital and people into safety and support measures.

While some strategies applied were and are specific to pandemic preparedness, others, which have increased efficiency, performance and communication throughout 2020 will remain a part of our culture.



## CASE STUDY

**Responding to an Unprecedented Pandemic with a Balanced Approach**

The team at Morguard's Mississauga City Centre ("MCC") properties at 33, 55, 77 and 201 City Centre Drive continued to collaborate and engage with stakeholders, tenants and communities while elevating its best-in-class environmental practices.



MCC responded to the pandemic with an extensive list of health and safety protocols to keep people safe, along with programs to support our tenants and communities. The preventative maintenance programs for each property included elevator maintenance and management, water treatment and detailed janitorial maintenance. Additional supports included continuous tenant engagement, comprising of newsletters, quarterly tenant meetings, ongoing communications, and charitable and community activities.

For the ongoing excellence of the MCC team in delivering continuous improvements, BOMA presented the properties with its BOMA 360 label, demonstrating the properties' high level of performance across all areas of operations and management. This continued MCC's history of success after being awarded The Outstanding Building of the Year ("TOBY") award for Suburban Office Park at the BOMA Toronto Celebration of Excellence in 2019.

# OUR 2035 LONG-TERM OBJECTIVES

As part of the Sustainable Morguard program, we have established six long-term targets for 2035.



## Our Voice: Advocating for Sustainable Real Estate

We will communicate our sustainability journey with passion, integrity, transparency and pride. In doing so, we will not only inspire others to join us but assure our stakeholders' support on our continued journey.



## Responsible Property Investment: Creating Sustainable Returns

We will incorporate best practices and lessons learned on both ESG factors and financial factors to create new investment strategies and opportunities that align with our sustainability principles while managing risk effectively and creating lasting, real returns.



## Reaching Net Zero: Partnering to Achieve Sustainable Buildings

We will operate our buildings in alignment with our sustainability principles, neutralizing our environmental impacts. We will achieve this by partnering with our tenants and partners and systematically applying innovative building solutions to reduce our combined environmental footprint.



## Sustainable Development: Building and Supporting Our Communities

We will support the communities in which we operate through the construction of sustainable real estate and localized philanthropy. As a real estate developer, we have a significant impact on communities and, therefore, have a unique responsibility to contribute to their sustainability.



## Responsible Employer: Empowering Our People

We will create a culture of respect, inclusion, health, safety and equal opportunity by removing barriers to employees meeting their individual needs. We will empower employees to ensure that Morguard retains, engages and attracts innovative talent that will contribute to the success of our sustainability journey.



## Our Sustainable House: Leading by Example

We will set an example in our corporate offices and through our business practices – inspiring our stakeholders to follow our lead. As both a landlord and a tenant, we have a unique ability to demonstrate our commitment to sustainability in our properties. As a corporation, we will demonstrate best practices in responsible governance company-wide.

# OUR VOICE – ADVOCATING FOR SUSTAINABLE REAL ESTATE

Morguard uses our voice to advocate for sustainable business practices in the multi-suite residential and commercial real estate sectors. We look to support the communities in which we operate. In 2020, Morguard's commitment to our communities was strongly demonstrated by our response to the largest public health crisis in a generation. COVID-19 has impacted us all and at many different levels. Guided by government health and safety protocols, our approach provided timely support and frequent touchpoints to our stakeholders – employees, clients, residents and tenants. Morguard's *'New Days. New Ways'* campaign supported reopening efforts across our asset classes by providing tools, resources and information for navigating the new normal. We have taken decisive action to ensure the health and well-being of our stakeholders who work and live at our properties and we continue to be focused on supporting our employees, tenants and communities as we move forward.

## CASE STUDY

### Working Alongside the Community

New Sudbury Centre, located within the busiest retail node of Greater Sudbury as Northern Ontario's most dominant retail fashion centre, continued its history of community engagement with a pre-COVID event designed to bring vendors, businesses and participants together to celebrate green living.

The Centre's "Inspired Green Living" initiative featured tenant eco-products as well as community groups engaging and educating customers on sustainability. Workshops hosted by partners, demonstrations, eco-friendly vendors, green-minded businesses and a community cutlery drive made up the comprehensive event.

HOOPP awarded the Morguard team with a Community Impact LEAP Award in 2020, recognizing this strong engagement program that continues to impact the community positively.



## OUR STAKEHOLDERS AND MATERIALITY

We engage with key stakeholder groups on Sustainable Morguard including employees and management, key partners, residents and tenants, as well as panel discussions with external sustainability experts. Specifically in the past three years, Morguard has continued to develop its stakeholder engagement program on sustainability, embracing innovative research from industry groups, increasing engagement with property managers through our sustainability committee, increasing dialogue between Asset Managers and Landlords on capital planning exercises, and conducting regular discussions with Senior Management and Executive level stakeholders on the business case for sustainability and the drivers to change in our responsible investing journey. We also seek to inspire the next generation of sustainability professionals through participating in speaking engagements, such as Christine Wickett's recent address to Ivey Business School's Real Estate Club student members on the business case for sustainability.

### Our Material Topics

In 2017, we conducted a formal stakeholder engagement and materiality assessment. This process helped us gain insight from stakeholders on their views and expectations regarding specific ESG topics, and included:

- **Stakeholder identification:** Stakeholders engaged for the purpose of identifying our material topics were selected based on their importance to Morguard, familiarity with the company, and willingness to engage.
- **Topic selection and prioritization:** A long list of potentially relevant topics were identified for engagement, generated from industry research and reporting disclosure requirements from international and sector specific standards.
- **Engagement:** Stakeholders were engaged in a three-step process. First, two online surveys were generated, one for internal and one for external stakeholders. Respondents were asked to answer multiple choice and long answer questions to rank 20 ESG topics based on the importance to Morguard, as well as current performance in addressing them. Next, to gain deeper insights into key ESG topics, interviews were conducted with select stakeholders. Finally, the prioritized topics were reviewed with Morguard's senior leadership.

The outcome of the assessment revealed our material topics (as listed in the top right quadrant of the chart below), which are not only used to help guide our current disclosure, but also has informed sustainability initiatives over the years.

As we approach our next reporting cycle, we will again review opportunities to further define our impacts and material areas. Internal engagement initiatives introduced in 2020, formed to ensure we are managing to material topics and defining key impacts. These initiatives will continue to support the growth and definition of Sustainable Morguard on a bi-annual basis in 2021 and beyond.

Sustainability topics that are of high interest to our stakeholders and have a high impact on our business viability (the top right quadrant of the matrix below) are the most material and therefore require greater transparency and increased resources. These topics also have the greatest potential to drive business and provide value to our stakeholders.

<b>Significance to Stakeholders</b>	<b>HIGHLY MATERIAL</b>	<ul style="list-style-type: none"> <li>• Tenant engagement</li> <li>• Development and land management</li> <li>• Renewable energy</li> <li>• Climate change risk and mitigation</li> <li>• Labour practices in supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Energy, water and waste</li> <li>• Green building design and certification</li> <li>• Environmental regulatory compliance</li> <li>• Workplace health and safety</li> <li>• Employee engagement and satisfaction</li> <li>• Greenhouse gas emissions</li> <li>• Ethics and transparency</li> <li>• Board governance and oversight</li> <li>• Responsible property investing</li> </ul>
	<b>MATERIAL</b>	<ul style="list-style-type: none"> <li>• Development impacts on communities</li> <li>• Responsible material sourcing and supply chain</li> <li>• Employee diversity</li> <li>• Community investment</li> </ul>	<ul style="list-style-type: none"> <li>• Employee recruitment and retention</li> <li>• Indoor air quality</li> <li>• Senior management succession planning and development</li> </ul>
		<b>MATERIAL</b>	<b>HIGHLY MATERIAL</b>
<b>Significance to Business</b>			

The majority of the topics disclosed in this report were identified via the materiality assessment. Though, the Report also includes additional disclosures due to the importance to business, either through our positive contributions or reduction of negative impacts. These topics include: Tax, Local Communities and Biodiversity.

In the near future, we intend to refresh our material topics through a comprehensive materiality assessment.



# RESPONSIBLE PROPERTY INVESTMENT – CREATING SUSTAINABLE RETURNS

## MANAGEMENT APPROACH

To maintain the long-term value of Morguard's assets, it is essential that our approach to property investment considers a range of topics beyond traditional financial metrics, such as ESG matters. By implementing sustainability, we can both increase returns and value while mitigating risks.

In the property acquisition process, we first assemble a team to carry out an in-depth financial, physical and environmental risk analysis. This analysis includes a range of indicators specific to our sector, associated with owning and managing real property. The goal is to minimize our exposure to potential risks, such as those that can impact efficiency, and return, while identifying opportunities to improve property performance and value. Our in-house Sustainability Department leads the strategy in our property planning to increase partner and shareholder access to our ESG management platform. We also work with our investment partners, including institutional investors to deliver on their responsible investment and sustainability programs.

For property owners, sustainability information is embedded in our property business plans. Business plans for our commercial, and select multi-suite residential properties, include:

- An overview of our proprietary GREEN LINK program (which targets resource efficiency, waste reduction, interior environment quality and value creation) and detailed insights from property management on planned sustainability initiatives;
- Detailed property performance data including energy and water use, emission and waste generation;
- Green building awards, certifications and audits (energy, water, waste, air);
- Budget and capital planning recommendations;
- Leasing insights including tenant engagement efforts and feedback on sustainability initiatives; and
- Relevant laws and regulations that apply to the management of our properties.

We continue to develop our approach by further integrating ESG factors into all applicable decision-making processes and ensuring our investment strategies and opportunities align with our sustainability principles. This will help ensure that the value of our assets is preserved or enhanced while providing solid risk metrics to our shareholders and partners.

## CASE STUDY

### Commitment to Sustainability and Addressing Environmental Issues



The Lawson Heights Mall in Saskatoon, Saskatchewan actively worked to improve the property's positive environmental impact over the course of the year and overall goal of excellence in sustainability.

These endeavours to implement key programs and features included donating building materials to Habitat for Humanity, use of environmentally preferable fertilizers and weed control, water conservation efforts for washrooms and kitchen areas, and clean transportation initiatives such as promoting the use of public transportation and the addition of safe, secure bicycle racks.

BOMA Regina honoured the Lawson Heights team with the BOMA Earth Award, highlighting Morguard's commitment to strong property management and quality conservation practices.

## TAKING ACTION ON CLIMATE CHANGE

Economic and societal recovery from COVID-19 requires a response strategy that aims to rebuild in a way that results in a more resilient future. Mark Carney, the United Nation's special envoy for climate action and finance, and former Bank of Canada governor, advocates for seizing on the emerging values of sustainability, solidarity and fairness across generations to build a collaborative approach to climate change and transition to a low-carbon future.

Morguard has taken to this call to action amid continuing discussions of climate change and how it relates to our business strategy. Our internal Climate Change Resiliency Committee, chaired by our Manager, Corporate Sustainability and Responsibility, has prioritized a thorough examination of the preparedness and capability of our properties to withstand extreme weather events. This program will continue over the next three years delivering better strategies to protect and prepare our assets for the unpredictable effects of extreme weather events.

Additionally, we remain active members on climate change committees and in conversations organized by BOMA, REALpac, and the Intact Centre on Climate Adaptation and will continue to explore additional membership opportunities in the future.

# REACHING NET ZERO – PARTNERING TO ACHIEVE SUSTAINABLE BUILDINGS

## MANAGEMENT APPROACH

In 2020, the Global Status Report for Buildings and Construction published by the United Nations Environment Programme (“UNEP”) and Global Alliance for Buildings and Construction reported that globally, buildings and building construction sectors account for 35% of energy use, and 38% of carbon dioxide emissions.<sup>1</sup> Sustainable Morguard is committed to reducing our impact, while adding value to our real estate portfolio by identifying, recommending and implementing cost-saving sustainability initiatives that deliver positive returns and protect or enhance asset value. This means we manage our properties efficiently and professionally.

One of our objectives is to operate our buildings (in partnership with our stakeholders) in alignment with our sustainability principles. Our tenants are at various stages of their own sustainability journeys, ranging from residential tenants who can control their own utility usage, industrial businesses that effectively control most of their own environmental impacts, to small office tenants for whom we manage most building functions – from lighting to recycling. We work to meet these tenants “where they are at” and partner with them to apply innovative building solutions that lower costs and reduce our combined environmental footprint. Our management strategy starting in 2019 and going forward has been to align our properties with one strategic direction and approach to responsible property management. Given the varying needs of our tenants and constraints in collecting all-encompassing reporting for each asset class, this will prove to be a lofty task and a responsibility that Morguard accepts proudly.

## GREEN LINK AND TENANT ENGAGEMENT

Most of our Canadian commercial properties are supported by our proprietary GREEN LINK program, which targets resource efficiency, waste reduction, interior environment quality and value creation in preparation for additional external green building certification. GREEN LINK implements energy, waste and water audits and presents cost-saving initiatives such as lighting retrofits and water use reductions. GREEN LINK also ensures that properties implement best practices that result in long-term cost and risk reductions and enhanced tenant engagement and communication.

Commercial leasing is also a critical point of engagement with tenants. The standard Morguard lease includes green provisions that start a dialogue with tenants about our shared efficiency objectives. We look to increase our use of green provisions to align with evolving industry best practices and to meet the needs of our tenants and Sustainable Morguard.

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<sup>1</sup> For more, please refer to the 2020 Global Status Report for Buildings and Construction at <https://wedocs.unep.org/20.500.11822/34572>.

Innovative tenant engagement means providing new, more effective ways to engage tenants on current and future sustainability issues. One of the methods that Morguard uses to engage office tenants is property-level tenant satisfaction surveys that incorporate sustainability topics. These surveys are conducted in conjunction with our BOMA Building Environmental Standards (“BOMA BEST”) certification program.

The results of these satisfaction surveys provide us with greater insight into the sustainability needs of our tenants. Our results confirm that tenants desire and expect a rigorous sustainability program from a leading property manager, and that tenants view Morguard as an environmentally responsible company and property manager.

To increase tenant engagement in energy reduction, Morguard has been working over time to increase energy submetering at our Canadian residential properties. Studies<sup>2</sup> have shown that when residents pay for their own utilities, they become more conscious of their use. Since 2016, all eligible residential buildings are sub-metered, giving tenants the ability to review their utility use and enabling more control over their cost of living.

## CASE STUDY

### Working with Tenants and Guests for Environmental Stewardship



Morguard's 2920 Matheson Boulevard East office complex in Mississauga, Ontario continued to strengthen its sustainability initiatives in 2020 to adapt and respond to new needs and standards for resource efficiency.

The property features upgraded water supply pumps achieving 55% power reduction, the installation of low-consumption faucets and showerheads, upgraded pumps achieving optimum performance at a reduced capacity of 83% and collaboration with tenants to reschedule all HVAC systems, adjusting to spring and fall seasonal changeovers.

For these programs and features, BOMA Toronto awarded Morguard with a Gold BOMA Earth Award, recognizing outstanding achievements in environmental best practices. Additionally, 2920 Matheson received a BOMA BEST certification in the Gold category, which represents high environmental performance based on an independent assessment.

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<sup>2</sup> See Navigant studies from 2016, Evaluation of the Impact of Submetering on Multi-residential Electricity Consumption and the Potential Economic and Environmental Impact on Ontario (<https://www.submeteringcouncilontario.ca/wp-content/uploads/2018/11/enercare-navigant-sub-metering-report-04-19-16-final-v2.pdf>), and 2012, Evaluation of the Impact of Submetering on Multi-residential Electricity Consumption and the Potential Economic and Environmental Impact on Ontario (<https://www.enercare.ca/sites/default/files/submetering-conservation-report.pdf>).

## GREEN BUILDING CERTIFICATIONS

Green building certifications and award programs have become industry best practices in many asset classes. There are several benefits to these programs:

- Demonstrating our leadership in the real estate industry, bolstering our management platform;
- Attracting and retaining tenants by validating operating efficiencies;
- Ensuring rigour when implementing cost-saving and efficiency initiatives;
- Meeting the needs of tenants looking for space in certified buildings to attract and retain their workers, differentiate their offerings, improve their image, reduce costs and satisfy their own stakeholder demands; and
- Providing an opportunity for learning and improvement by allowing for the benchmarking of results, highlighting areas for potential enhancement, including emission reductions, increases in occupancy and rent premiums and ultimately value creation.

For example, this year, two of our older generation office towers were retrofitted to compete with new construction. The aim is to achieve LEED Gold designations, as well as Wired and Fitwel certifications. In addition to targeting reduced energy consumption and subsequently lowering operating costs (between 35% to 40%), the retrofits will improve tenant comfort and satisfaction.

A complete listing of our green building certifications by property can be found in [Appendix C – Property List](#).

### Leadership in Energy and Environmental Design (“LEED”) Certifications

Morguard targets CaGBC or LEED certification as a minimum standard on all new development projects in Canada. LEED provides a concise framework for identifying and implementing practical and measurable green building initiatives, including rating systems for the design, construction and operation of high-performance green buildings and neighbourhoods. All development projects targeting LEED certification establish individual efficiency goals according to the desired LEED certification level. Life cycle analysis tools are used in all LEED projects.

Our LEED certifications include Canadian and U.S. assets, including multi-suite residential and office. We added two new LEED-designated properties in 2020. As of December 31, 2020, Morguard managed 14 certified properties, with three additional projects underway targeting LEED designations.



## LEED CERTIFIED BUILDINGS IN OPERATION

Property	Asset Class	City	Province/ State	Level of Certification	Type of Certification
Petroleum Plaza	Office	Edmonton	AB	Silver	Commercial Interiors
11 <sup>th</sup> Avenue Place	Office	Calgary	AB	Gold	Core and Shell Development
Quarry Park	Office	Calgary	AB	Certified	New Construction
Performance Court	Office	Ottawa	ON	Gold	Core and Shell Development
77 Bloor Street West	Office	Toronto	ON	Gold	Existing Building
The Heathview North Tower	Residential	Toronto	ON	Gold	New Construction
Quinte Courthouse	Office	Belleville	ON	Gold	New Construction
York Research Tower	Office	North York	ON	Gold	New Construction
Archives of Ontario	Office	North York	ON	Silver	New Construction
Etobicoke Wellness Centre	Office	Toronto	ON	Gold	New Construction
41 rue Victoria	Office	Gatineau	QC	Silver	New Construction
Coast at Lakeshore East	Residential	Chicago	IL	Silver	New Construction
Marquee at Block 37	Residential	Chicago	IL	Certified	New Construction
Alta at K Station	Residential	Chicago	IL	Gold	New Construction

## LEED CERTIFICATIONS IN PROGRESS IN 2020

Property	Asset Class	City	Province/ State	Level of Certification	Type of Certification
Scotia Place	Office	Edmonton	AB	Silver	Existing Building
The Heathview South Tower	Residential	Toronto	ON	Silver	New Construction
60 Bloor Street West	Office	Toronto	ON	Gold	Existing Building

## CASE STUDY

### Continuing to Minimize Waste

11<sup>th</sup> Avenue Place, a Class A, multi-tenant office located in the heart of Calgary, Alberta features over 198,000 square feet, special amenities for tenants and features green building elements designed to achieve over 30% savings compared to conventional spaces.



The team continued to improve on this with a 78% waste diversion rate and maintained the building's LEED Gold certification, which includes initiatives such as dedicated carpool stalls, low-flow water fixtures, high-efficiency lighting, improved indoor air quality and an enhanced waste diversion program. This property also improved waste diversion by unifying its waste management from multiple haulers to one with a strong diversion program and by educating cleaning staff on recycling practices for hand towels in washrooms.

For the team's exemplary property management activities and sustainability results, HOOPP recognized the team with a LEAP award in the Waste Minimizer category in 2020.

## CANADIAN COMMERCIAL GREEN BUILDING CERTIFICATIONS

### BOMA BEST Certifications

Morguard participates in numerous industry awards and building certification programs. Most significantly, we obtain certification of our Canadian office properties and enclosed shopping centres through the BOMA BEST program, a national initiative that sets industry standards for the energy and environmental performance of buildings. We target BOMA BEST certification for all Canadian office properties over 100,000 square feet and all large, enclosed regional shopping centres, unless already certified through another program such as LEED.

In 2020, Morguard re-certified 19 properties in our office, retail and universal assets during the year. In total, Morguard manages 60 properties currently certified through the BOMA BEST program. There are an additional seven office properties that are currently progressing through the certification/re-certification process.

#### OFFICE PORTFOLIO

Level	Number of Properties	SF
Platinum	6	1,235,513
Gold	8	2,101,435
Silver	23	4,024,611

Properties noted in this table represent the total Canadian office portfolio.

27 properties, 56% of 48 office properties over 100,000 SF, have achieved BOMA certification, in line with our targets.

37 of 69 properties, or 54% of our total Canadian office portfolio, have achieved BOMA certification.

#### RETAIL PORTFOLIO

Level	Number of Properties	SF
Platinum	4	3,216,242
Gold	9	4,922,222
Silver	2	908,980
Bronze	1	294,611
Certified	3	1,253,918

Properties noted in this table represent the total Canadian retail portfolio.

19 properties, 100% of 19 enclosed retail properties, have achieved BOMA certification, in line with our targets.

19 of 37 properties, or 51% of our total Canadian retail portfolio, have achieved BOMA certification.

#### UNIVERSAL PORTFOLIO

Level	Number of Properties	SF
Gold	2	408,560
Silver	2	323,996

Properties noted in this table represent the total Canadian universal portfolio.

4 properties, 100% of 4 universal properties, have achieved BOMA certification.

4 properties, or 100% of our total Canadian universal portfolio, have achieved BOMA certification.

## Canadian Residential Green Property Certifications

The Certified Rental Building Program™ (“CRBP”) is North America’s first and only quality assurance assessment and certification program for the multi-suite residential rental housing industry. Established in 2008, and currently operating in both Ontario and British Columbia, CRBP focuses on environmental, social and corporate governance factors that help promote and differentiate quality within the multi-residential industry. It provides a third-party verified assurance that multi-res buildings are well-run, well-managed and well-maintained and that they represent a quality asset. Its quality commitment to renters includes the Living GREEN Together™ sustainability standards that promote environmental responsibility, reducing energy/water consumption, waste diversion and working with residents to create “green” apartment communities.

The Federation of Rental Housing Providers of Ontario (“FRPO”)’s Certified Rental Building Program is part of the GRESB list of recognized and approved green building certification programs. GRESB provides standardized and validated data to capital markets through the assessment of a company’s ESG performance of real assets.

Of the eligible properties in Ontario, we have reached 76% certification on our residential properties.

### RESIDENTIAL PORTFOLIO

<b>Certification</b>	<b>Number of Properties</b>
Certified Rental Building	19

## Hotel Green Property Certifications

Designed for the hotel and meetings industry, Green Key Global is a leading international environmental certification body. Green Key Eco-Ratings Programs help members leverage corporate sustainability and responsibility activities to support property-level sustainable initiatives and improve overall fiscal performance and community relations. Morguard currently owns 37 hotels, representing 5,510 rooms. A Green Key Eco-Rating has been achieved at 30 of our hotels, representing 81% of our portfolio.

### HOTEL PORTFOLIO

<b>Green Key Level</b>	<b>Number of Properties</b>
1-Key	2
2-Key	2
3-Key	14
4-Key	12

## Green Building Awards

Beyond industry certifications, Morguard properties and employees have been recognized by clients and industry partners for green initiatives. The table below outlines the awards Morguard received in 2020.

Property	Asset Class	City	Province	Award	Organization
11th Avenue Place	Office	Calgary	AB	LEAP	HOOPP
Mall at Lawson Heights	Retail	Saskatoon	SK	Earth	BOMA Regina
Place Rosemère	Retail	Rosemère	QC	LEAP	HOOPP
New Sudbury Centre	Retail	Sudbury	ON	LEAP	HOOPP
1601 Telesat Court	Office	Ottawa	ON	Race2Reduce	BOMA Ottawa
365 March Rd	Office	Ottawa	ON	Race2Reduce	BOMA Ottawa
77 Bloor Street West	Office	Toronto	ON	RHF Accessibility	BOMA Toronto
2920 Matheson Blvd. E.	Office	Mississauga	ON	Earth	BOMA Toronto
33 City Centre Drive	Office	Mississauga	ON	360 Performance Building	BOMA International
55 City Centre Drive	Office	Mississauga	ON	360 Performance Building	BOMA International
77 City Centre Drive	Office	Mississauga	ON	360 Performance Building	BOMA International
201 City Centre Drive	Office	Mississauga	ON	360 Performance Building	BOMA International

Morguard believes green building certifications and awards communicate to our stakeholders that we are among the leaders in the industry, take pride in our properties and work hard to manage our facilities with efficiency in mind. Certifications and awards help to validate sustainability initiatives that enhance property value, reduce emissions and operating costs, and have the potential to attract and retain tenants.

## CASE STUDY

### Reducing Energy Consumption for Savings and Sustainability



Place Rosemère located in Rosemère, Quebec, boasts 892,354 SF of high-profile fashion retailers surrounded by vast naturally lit promenades.

The team implemented a strategy to completely re-lamp the centre as old neon tube lights were replaced by new LED neon tubes. The old lighting system used approximately 123,674.50 Watts, compared to the new LED lighting which only uses 54,127.5 Watts.

To recognize this project, HOOPP awarded Place Rosemère with a LEAP award in the Energy Saver category for outstanding reduction in energy consumption. An estimated \$24,000 in savings was achieved in addition to reducing the number of watts used by the centre by over 50%.

## INNOVATION – BENCHMARKING AND RENEWABLES

### Energy Benchmarking – ENERGY STAR Portfolio Manager

ENERGY STAR enables benchmarking of like properties against a national standard to help prioritize necessary capital upgrades and operational improvements. In 2015, we began benchmarking our Canadian office portfolio and have since recognized the value of this tool, comparing our properties' energy performance and providing feedback on gaps and grading.

ENERGY STAR-certified buildings are verified to perform in the top 25% of buildings across Canada, based on weather-normalized source energy performance and many other metrics. On average, these buildings use 35% less energy, 35% fewer GHG emissions, and are less expensive to operate.

As ENERGY STAR has made its way into the Canadian market, Morguard teams have risen to the challenge of demonstrating their buildings' superior energy performance. We would like to congratulate the following property teams who received this certification.

### ENERGY STAR PROPERTIES

Property	Asset Class	City	Province	Certified in 2019	Certified in 2020
11 Dunsmuir Street	Office	Vancouver	BC	No	Yes
11 <sup>th</sup> Avenue Place	Office	Calgary	AB	Yes	Yes
Quarry Park Central	Office	Calgary	AB	Yes	Yes
505 & 3 <sup>rd</sup> Street	Office	Calgary	AB	Yes	Yes
Penn West Plaza	Office	Calgary	AB	Yes	Yes
400 St. Mary	Office	Winnipeg	MB	No	Yes
444 St. Mary	Office	Winnipeg	MB	No	Yes
123 Commerce Valley	Office	Markham	ON	Yes	Yes
33 City Centre Drive	Office	Mississauga	ON	No	Yes
77 City Centre Drive	Office	Mississauga	ON	No	Yes
201 City Centre Drive	Office	Mississauga	ON	Yes	Yes
2920 Matheson Blvd. E.	Office	Mississauga	ON	Yes	Yes



## Ontario Electricity Industrial Conservation Initiative

The Ontario Industrial Conservation Initiative (“ICI”) is a form of demand response that allows participating customers to manage their global adjustment (“GA”) costs by reducing demand during peak periods. GA is charged to consumers by the province to cover the cost of building new electricity infrastructure, maintaining existing resources and providing conservation and demand management programs. It is also used to provide price certainty to legacy Ontario nuclear and hydro generators. Commercial properties with an average monthly peak demand of over 1.0 megawatts (“MW”) are eligible to opt-in to the ICI program. In doing so, their GA costs are based upon their demand profile rather than their kilowatt hour (“kWh”) usage. The decision to opt-in is based upon an annual review by Morguard of the property’s usage and demand profile.

Customers who participate in the ICI pay GA based on their percentage contribution to the top five peak Ontario demand hours (i.e., peak demand factor) over a 12-month base period. By reducing demand during peak periods, ICI participants can both reduce their global adjustment costs and help defer the need for investments in new provincial electricity infrastructure.

During 2017, Morguard initially identified and implemented the program at four properties for which the ICI program looked favourable. Since program inception in July 2017, eligible locations have opted in or out based upon the annual review. Through participation in this program, Morguard has reduced electricity cost at these locations by a combined total of \$1,179,045.

### PROPERTIES PARTICIPATING IN INDUSTRIAL CONSERVATION INITIATIVE

Property	Asset Class	City	Prov.	Savings				Total
				2017	2018	2019	2020	
181 Queen Street	Office	Ottawa	ON	\$–	\$49,438	\$97,132	\$38,518	<b>\$185,088</b>
Albert and Bank	Office	Ottawa	ON	77,908	67,668	–	–	<b>145,576</b>
Jean Edmonds Tower Office		Ottawa	ON	–	–	–	57,588	<b>57,588</b>
33 City Centre	Office	Mississauga	ON	43,742	49,710	–	–	<b>93,452</b>
Performance Court	Office	Ottawa	ON	–	12,971	-16,385	–	<b>-3,414</b>
Standard Life	Office	Ottawa	ON	139,383	147,634	21,919	189,140	<b>498,076</b>
Bramalea City Centre	Retail	Brampton	ON	86,360	134,576	66,943	-85,200	<b>202,679</b>
<b>Total</b>				<b>\$347,393</b>	<b>\$461,997</b>	<b>\$169,609</b>	<b>\$200,046</b>	<b>\$1,179,045</b>

Notes:

- The ICI program runs on a July 1 to June 30 basis. Participants may opt-in or opt-out on an annual basis.
- For years marked “–”, the property did not participate.

## Renewable Energy Certificates (“REC”)

Renewable Energy Certificates are tradable, non-tangible energy commodities that represent proof that an amount of electricity (megawatt hours, or “MWh”) was generated from an eligible renewable energy resource and fed into the energy grid on behalf of the certificate owner.

Morguard partners with Bullfrog Power and ENMAX to purchase renewable energy credits, particularly for developments targeting LEED certification. In 2020, we purchased a total of 627.60 MWh of green electricity, displacing 226.25 tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>e”) for the following properties:

### PROPERTIES PURCHASING RENEWABLE ENERGY CERTIFICATES

Property	Asset Class	City	Province	Green Energy	tCO <sub>2</sub> e diverted
11th Avenue Place	Office	Calgary	AB	150.00	93.00
60 Bloor Street West	Office	Toronto	ON	258.36	72.08
Performance Court	Office	Ottawa	ON	219.24	61.17

Beyond purchasing RECs, we also seek to help our tenants and visitors reduce their own emission footprint. Across Canada and the U.S., at least 28 of our properties provide electric vehicle charging stations, up from 19 properties in 2019.

# BUILDING PERFORMANCE DATA – MONITORING OUR PROPERTIES

With a portfolio spanning across North America, the environmental performance of our buildings remains at the core of Sustainable Morguard. Our goal is to continuously work to reduce the amount of water and energy used at our properties, decrease GHG emission contributions, and increase waste diversion rates. From the first introduction of our environmental programs in 2010, we continue to see progress in our building performance data.

Since the inception of our sustainability program, we have gradually increased the number of properties and type of data we collect and manage. In 2010 our focus was on our commercial assets (office and retail), in 2015 through 2019 we began to include other assets continuing to keep our baseline within our commercial assets, but also included year-on-year comparison for U.S., Residential and Canadian residential and industrial properties. In 2020, we have once again increased our purview into our performance by adding additional U.S. properties, as well as additional Canadian residential and industrial into the baseline alongside existing commercial properties.

The performance highlights, below, demonstrate our continued accomplishments for our Canadian commercial assets. Canadian residential and industrial properties (as the performance for these asset classes was calculated in year over year comparisons), and Canadian industrial properties (as this asset class is a new inclusion to our sustainability reporting in 2020).

## 2020 PERFORMANCE HIGHLIGHTS FOR CANADIAN COMMERCIAL PORTFOLIO\*:



**Used  
8.3% less  
energy**



**Generated  
11.1% less  
GHG  
emissions**







**Consumed  
28.2% less water**



**Decreased  
waste diversion  
by 6.1%**

*\*Compared to 2019 new baseline.*

## OUR BUILDING PERFORMANCE PROGRESS SINCE 2010:

	Between 2010 and 2015, Morguard's Canadian office and retail portfolio:	Between 2015 and 2019, Morguard's Canadian office and retail portfolio:
	Used 14% less energy	Used 7.9% less energy
	Generated 24% less GHG emissions	Generated 8.5% less GHG emissions
	Consumed 19% less water	Consumed 5.4% less water
	Data was not tracked	Increased waste diversion by 1.3%

Results from the 2020 reporting period show the impact COVID-19 has had on our operations. Through the year, patterns of building usage changed. To maintain physical distancing many companies moved their employees to work from home rather than from their offices. Retail properties operated under operating restrictions including periods of significant closures due to lockdowns, reduced operating hours and increased vacancy as retailers struggled to survive. This contributed to water, energy, emissions and waste changes across our assets.

Less energy was required to light our buildings as they operated at partial capacity, while energy used to power HVAC systems increased, as we increased the intensity of building ventilation and installed higher-grade air filtration systems. Waste diversion amounts were reduced due to an overall lower waste volume and associated changes to waste mix (for example, retail tenants that generate uncontaminated cardboard, office tenants that generate clean stream of paper recyclables were not operating as normal). Additionally, both Canadian and U.S. residential assets experienced an increase in energy use, reflecting increased time people are spending in their homes.

## REPORTING BOUNDARY

Building performance data included in this section covers our Canadian retail, multi-suite residential, office and industrial, and U.S. multi-suite residential and retail assets. For energy and GHG emissions, the data represents approximately 97.6% (47.0 million square feet) of the current square footage of the sites selected for inclusion in this report based on gross leasable area ("GLA"). For each region and asset class, information is provided to communicate performance observed since the baseline. Only buildings that were fully operational over the entire baseline and reporting period are included in the data, while newly acquired and developed buildings, and buildings sold during the period, are excluded.

In 2020, we updated our baseline year from 2015 to 2019, to reset the bar from which to measure current performance and also allow the inclusion of a more current set of properties in a like-for-like comparison. Overall, this update increased the total number of properties from 153 in 2019 to 204 in 2020, representing a 20.9% increase in square footage. Increases occurred across our portfolio, but most importantly due to the new inclusion of Canadian industrial properties (25 properties, accounting for 4.7 million square feet), and inclusion of new Canadian office properties (increasing from 55 in 2019 to 66 properties in 2020, increasing square footage by 27.6%). In this process, we have restated historical data from 2016 to 2019, to account for updated number of properties now included in the baseline. We will continue to update our baseline every five years, consistent with industry best practices and will also continue to include at least five years of historical data, where possible.

This year, we have included weather adjustments for Canadian and U.S. residential portfolios, and will continue to do so moving forward, consistent with our retail and office portfolios. For a full list of properties included in this section, see [Appendix C – Property List](#).

We continue to align our reporting practice with the latest GRI Standards, including new requirements on water and effluents. Water is used throughout our properties – for drinking, cleaning and operating building equipment, such as chillers. The vast majority of this is sourced from, and discharged into, third-party municipal systems. Though, it was found that while the majority of water used in the U.S. is sourced from third-party sources, small amounts are sourced from ground water and surface water sources, including wells and lakes, for use in landscaping irrigation. Through 2020 and into 2021, we are working with our operation managers across all regions to increase data capture capacity to enhance our reporting.

## ENHANCED WASTE DATA COLLECTION

Since 2018, we have worked to improve our waste data reporting for our Canadian retail and office portfolio by contracting a third-party to obtain waste records directly from the waste-haulers who service our properties. This has resulted in a more efficient waste collection process and more accurate waste data. As part of our waste management program, we compile a quarterly report detailing total waste, recycling and waste to landfill by property by month, which is distributed to our asset managers and property management teams.

There has been a significant reduction in waste generated at both our retail and office properties due to the COVID-19 pandemic and its impact on building operations. This decrease in waste has resulted in a decrease in waste-related GHG emissions as evidenced in the waste and GHG performance as reported in the Canadian Retail Properties and Canadian Office Properties sections below. The combined waste diversion rate for office and retail properties, for 2020, was 46.8%.

## ENERGY, WATER, WASTE AND GHG PERFORMANCE

GHG emissions are derived from energy sources using the most recent emissions factors provided by Environment Canada, Greenhouse Gas Division, National Inventory Report for our Canadian assets (2020), the U.S. Environmental Protection Agency's Emission Factors for Greenhouse Gas Inventories (2018), and Emissions & Generation Resource Integrated Database ("eGRID," 2020), and Documentation for Greenhouse Gas Emission and Energy Factors Used in the Waste Reduction Model ("WARM," 2019) for our U.S. assets.

## WEATHER ADJUSTMENT AND NORMALIZATION

To increase the comparability of our performance data, we have conducted a weather-adjusted comparison between 2020 and 2019. For the data presented in this section, all percentage changes are based upon a comparison between 2020 to the weather-adjusted 2019 baseline (with the exception of Canadian industrial and U.S. retail, for which no weather adjustment was applied to the baseline).

Details of our weather normalization process are outlined in [Appendix B – Building Performance – Weather Adjustment and Normalization Model](#).



## CANADIAN RETAIL PROPERTIES

For our Canadian retail properties, we are currently managing to energy, GHG emissions, water and waste.

### ANNUAL ENERGY CONSUMPTION – CANADIAN RETAIL

Energy use decreased 9.7% in 2020 versus the 2019 weather-adjusted baseline. When considered as abated costs, the annual operating cost savings are approximately \$2.4 million.

	Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019			ABATED ENERGY COSTS
		2016	2017	2018	2019	2020	2019	2020	Change	Change
Purchased electricity	ekWh	144,839,593	140,276,460	136,917,956	131,852,073	<b>113,454,565</b>	131,672,640	<b>113,454,565</b>	-13.8%	\$2,423,004
Purchased natural gas	ekWh	42,237,329	46,161,142	48,667,184	50,688,985	<b>46,922,102</b>	45,877,949	<b>46,922,102</b>	2.3%	(28,302)
Energy intensity	ekWh/SF	14.7	14.7	14.6	14.4	<b>12.6</b>	14.0	<b>12.6</b>	-9.7%	
<b>Total energy consumed</b>	ekWh	187,076,922	186,437,602	185,585,140	182,541,058	<b>160,376,667</b>	177,550,589	<b>160,376,667</b>	-9.7%	\$2,394,702

### ANNUAL EMISSIONS – CANADIAN RETAIL

Direct and indirect emissions decreased 17.9% versus the 2019 weather-adjusted baseline, in part due to the impact of the COVID-19 pandemic and related government mandated closures and reduced occupancy policies.

	Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
		2016	2017	2018	2019	2020	2019	2020	Change
Direct emissions	tCO <sub>2</sub> e	7,791	8,518	8,973	9,345	<b>8,657</b>	8,460	<b>8,657</b>	2.3%
Indirect emissions	tCO <sub>2</sub> e	33,368	30,266	33,006	32,464	<b>25,044</b>	32,602	<b>25,044</b>	-23.2%
Emission intensity	tCO <sub>2</sub> e/1,000SF	3.2	3.1	3.3	3.3	<b>2.7</b>	3.2	<b>2.7</b>	-17.9%
<b>Total emissions</b>	tCO <sub>2</sub> e	41,159	38,783	41,979	41,809	<b>33,701</b>	41,062	<b>33,701</b>	-17.9%

Notes:

- Direct (Scope 1) emissions cover: Natural gas consumed onsite.
- Indirect (Scope 2 & 3) emissions cover: Purchased electricity and steam, and emissions generated from water use and waste to landfill.

### ANNUAL WATER CONSUMPTION – CANADIAN RETAIL

Water consumption decreased by 29.0% versus the 2019 weather-adjusted baseline, in part due to the impact of the COVID-19 pandemic and related government mandated closures and reduced occupancy policies.

	Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
		2016	2017	2018	2019	2020	2019	2020	Change
Water withdrawal	m <sup>3</sup>	1,133,990	1,105,507	1,099,949	1,132,498	<b>804,660</b>	1,133,680	<b>804,660</b>	-29.0%
Water intensity	L/SF	89.5	87.2	86.8	89.4	<b>63.5</b>	89.5	<b>63.5</b>	-29.0%
<b>Total water consumed</b>	m <sup>3</sup>	1,133,990	1,105,507	1,099,949	1,132,498	<b>804,660</b>	1,133,680	<b>804,660</b>	-29.0%

## ANNUAL WASTE PERFORMANCE – CANADIAN RETAIL

Waste diversion decreased by 8.1% compared to 2019. Total waste generated was down over 40% or approximately 6,200 tonnes in 2020, resulting in less waste to landfill and less waste recycled. The overall diversion rate was 50.5% in 2020, falling from 55.0% in 2019.

		ACTUAL				
	Unit	2016	2017	2018	2019	2020
Properties represented	#	27	25	34	34	34
Total waste generated	tonnes	9,891	9,499	13,459	15,156	8,961
Total recycled	tonnes	5,367	5,159	6,759	8,329	4,526
Total landfilled	tonnes	4,524	4,344	6,700	6,827	4,435
<b>Diversion rate</b>	%	54.3%	54.3%	50.2%	55.0%	50.5%

## CASE STUDY

### Waste Diversion Awards Honouring Ottawa Properties



Strengthened collaboration between our Ottawa, Ontario property teams and their tenants allowed for innovation through thoughtful and regular improvements and upgrades, adding to the existing successes in sustainability.

Morguard's 365 March Road team worked with Innovapost to upgrade all washroom fixtures to achieve high efficiency and improved water conservation. Water consumption decreased by 39% after these efforts and installations, including hands-free faucets, auto-flush toilets and low-flow urinals across 10 full-sized washrooms on the property.

The property management team at 1601 Telesat Court in Ottawa worked alongside the building's original single tenant, Telesat Canada, to develop a commercial office waste management program adhering to the three Rs: Reduce, Reuse and Recycle. This longstanding program has focused on streamlining the building's waste processes to reduce costs and the impact on the environment.

For these collaborations and commitments to sustainability, BOMA Toronto awarded the 365 March Road and 1601 Telesat Court teams with the race2reduce ("R2R") Commercial Real Estate Trailblazer ("CREST") Performance Leadership Award for waste diversion in the categories of buildings under 100,000 square feet and 100,000 to 500,000 square feet, respectively.

## CANADIAN OFFICE PROPERTIES

For our Canadian office properties, we are currently managing to energy, GHG emissions, water and waste.

### ANNUAL ENERGY CONSUMPTION – CANADIAN OFFICE

Energy use decreased by 7.6% versus the 2019 weather-adjusted baseline. When considered as abated costs, the annual operating cost savings are approximately \$3.4 million.

	Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019			ABATED ENERGY COSTS
		2016	2017	2018	2019	2020	2019	2020	Change	Change
Purchased electricity	ekWh	211,354,018	206,102,376	208,042,087	218,396,314	<b>195,839,293</b>	219,495,263	<b>195,839,293</b>	-10.8%	\$3,264,524
Purchased steam	ekWh	2,698,559	2,335,712	1,766,618	2,177,438	<b>1,663,228</b>	2,038,734	<b>1,663,228</b>	-18.4%	30,726
Purchased natural gas	ekWh	100,034,431	111,121,775	123,775,897	146,743,846	<b>131,350,903</b>	134,195,200	<b>131,350,903</b>	-2.1%	73,792
Energy intensity	ekWh/SF	29.1	28.9	27.7	30.5	<b>27.3</b>	29.6	<b>27.3</b>	-7.6%	
<b>Total energy consumed</b>	ekWh	314,087,008	319,559,863	333,584,602	367,317,598	<b>328,853,424</b>	355,729,197	<b>328,853,424</b>	-7.6%	\$3,369,042

### ANNUAL EMISSIONS – CANADIAN OFFICE

Direct and indirect emissions decreased by 6.2% versus the 2019 weather-adjusted baseline.

	Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
		2016	2017	2018	2019	2020	2019	2020	Change
Direct emissions	tCO <sub>2</sub> e	18,544	20,602	22,941	27,169	<b>24,343</b>	24,851	<b>24,343</b>	-2.0%
Indirect emissions	tCO <sub>2</sub> e	43,854	40,605	34,818	33,431	<b>30,358</b>	33,484	<b>30,358</b>	-9.3%
Emission intensity	tCO <sub>2</sub> e/1,000SF	5.8	5.5	4.8	5.0	<b>4.5</b>	4.8	<b>4.5</b>	-6.2%
<b>Total emissions</b>	tCO <sub>2</sub> e	62,398	61,207	57,758	60,600	<b>54,701</b>	58,335	<b>54,701</b>	-6.2%

Notes:

- Direct (Scope 1) emissions cover: Natural gas consumed onsite.
- Indirect (Scope 2 & 3) emissions cover: Purchased electricity and steam, and emissions generated from water use and waste to landfill.

### ANNUAL WATER CONSUMPTION – CANADIAN OFFICE

Water consumption decreased by 26.8% versus the 2019 weather-adjusted baseline, in part due to the impact of the COVID-19 pandemic and related government mandated work from home policies.

	Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
		2016	2017	2018	2019	2020	2019	2020	Change
Water withdrawal	m <sup>3</sup>	615,912	578,175	610,813	677,979	<b>501,198</b>	686,068	<b>501,198</b>	-26.9%
Water intensity	L/SF	66.9	62.3	59.7	63.3	<b>46.8</b>	64.1	<b>46.8</b>	-26.9%
<b>Total water consumed</b>	m <sup>3</sup>	615,912	578,175	610,813	677,979	<b>501,198</b>	686,068	<b>501,198</b>	-26.9%

### ANNUAL WASTE PERFORMANCE – CANADIAN OFFICE

Total waste generated was down 35.3% or approximately 1,600 tonnes in 2020, resulting in less waste to landfill and less waste recycled. The overall diversion rate was 35.7% in 2020, compared to 46.1% in 2019.

	Unit	ACTUAL				
		2016	2017	2018	2019	2020
Properties represented	#	58	57	58	59	<b>58</b>
Total waste generated	tonnes	4,327	4,216	5,141	4,649	<b>3,007</b>
Total recycled	tonnes	2,246	2,199	2,524	2,143	<b>1,072</b>
Total landfilled	tonnes	2,079	2,017	2,617	2,506	<b>1,934</b>
<b>Diversion rate</b>	%	51.9%	52.2%	49.1%	46.1%	<b>35.7%</b>

## CANADIAN RESIDENTIAL PROPERTIES

For our Canadian residential properties, we are currently managing to energy, GHG emissions and water.

### ANNUAL ENERGY CONSUMPTION – CANADIAN RESIDENTIAL

Energy use decreased 0.5% versus the 2019 weather-adjusted baseline.

Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
	2016	2017	2018	2019	2020	2019	2020	Change
Purchased electricity ekWh	62,867,228	61,610,362	63,496,082	62,061,947	<b>61,222,775</b>	62,101,162	<b>61,222,775</b>	-1.4%
Purchased natural gas ekWh	151,234,448	150,986,788	160,374,906	165,590,136	<b>157,405,322</b>	157,544,467	<b>157,405,322</b>	-0.1%
Energy intensity ekWh/SF	28.8	28.6	30.1	30.6	<b>29.4</b>	29.5	<b>29.4</b>	-0.5%
<b>Total energy consumed</b> ekWh	214,101,676	212,597,151	223,870,989	227,652,082	<b>218,628,098</b>	219,645,628	<b>218,628,098</b>	-0.5%

### ANNUAL EMISSIONS – CANADIAN RESIDENTIAL

Direct and indirect emissions decreased by 0.4% versus the 2019 weather-adjusted baseline.

Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
	2016	2017	2018	2019	2020	2019	2020	Change
Direct emissions tCO <sub>2</sub> e	27,878	27,823	29,576	30,538	<b>29,026</b>	29,053	<b>29,026</b>	-0.1%
Indirect emissions tCO <sub>2</sub> e	6,106	4,738	5,193	4,922	<b>4,826</b>	4,933	<b>4,826</b>	-2.2%
Emission intensity tCO <sub>2</sub> e/1,000SF	4.6	4.4	4.7	4.8	<b>4.6</b>	4.6	<b>4.6</b>	-0.4%
<b>Total emissions</b> tCO <sub>2</sub> e	33,984	32,561	34,768	35,461	<b>33,853</b>	33,986	<b>33,853</b>	-0.4%

Notes:

- Direct (Scope 1) emissions cover: Natural gas consumed onsite.
- Indirect (Scope 2 & 3) emissions cover: Purchased electricity and emissions generated from water use.

### ANNUAL WATER CONSUMPTION – CANADIAN RESIDENTIAL

Water consumption decreased by 2.0% versus the 2019 weather-adjusted baseline.

Unit	ACTUAL					ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
	2016	2017	2018	2019	2020	2019	2020	Change
Water withdrawal m <sup>3</sup>	1,944,094	1,934,312	2,001,227	1,959,018	<b>1,898,502</b>	1,937,712	<b>1,898,502</b>	-2.0%
Water intensity L/SF	256.3	255.0	263.8	258.3	<b>250.3</b>	255.4	<b>250.3</b>	-2.0%
<b>Total water consumed</b> m <sup>3</sup>	1,944,094	1,934,312	2,001,227	1,959,018	<b>1,898,502</b>	1,937,712	<b>1,898,502</b>	-2.0%

## CANADIAN INDUSTRIAL PROPERTIES

For our industrial properties, we are currently managing to energy, water and GHG emissions. There is no weather adjustment for the industrial properties. The industrial portfolio is small in size compared to office, retail and residential, and with smaller common spaces, and in many cases, are single tenant. Morguard's scope of control over energy, water and GHG emissions is therefore smaller in comparison. For these reasons, marginal changes in use year-on-year, or new tenants show a greater change in usage compared to other portfolios.

### ANNUAL ENERGY CONSUMPTION – CANADIAN INDUSTRIAL

Energy use decreased by 7.6% versus the 2019 baseline. There is no weather adjustment applied to Canadian industrial properties.

	Unit	ACTUAL					2020 VERSUS 2019
		2016	2017	2018	2019	2020	Change
Purchased electricity	ekWh	6,998,299	7,680,479	7,724,871	7,617,281	<b>6,738,279</b>	-11.5%
Purchased natural gas	ekWh	4,343,060	6,448,492	6,365,695	6,078,392	<b>5,921,102</b>	-2.6%
Energy intensity	ekWh/SF	2.5	3.2	3.0	2.9	<b>2.7</b>	
<b>Total energy consumed</b>	ekWh	11,341,359	14,128,971	14,090,566	13,695,673	<b>12,659,381</b>	-7.6%

### ANNUAL EMISSIONS – CANADIAN INDUSTRIAL

Direct and indirect emissions increased by 0.9% versus the 2019 baseline. Although industrial energy consumption decreased overall, emissions increased due to high usage at properties located in provinces with higher emission factors (Alberta), having a larger relative impact on overall emissions.

	Unit	ACTUAL					2020 VERSUS 2019
		2016	2017	2018	2019	2020	Change
Direct emissions	tCO <sub>2</sub> e	814	1,209	1,193	1,140	<b>1,110</b>	-2.6%
Indirect emissions	tCO <sub>2</sub> e	1,155	1,032	814	729	<b>775</b>	6.4%
Emission intensity	tCO <sub>2</sub> e/1,000SF	0.4	0.5	0.4	0.4	<b>0.4</b>	0.9%
<b>Total emissions</b>	tCO <sub>2</sub> e	1,969	2,241	2,008	1,868	<b>1,885</b>	0.9%

Notes:

- Direct (Scope 1) emissions cover: Natural gas.
- Indirect (Scope 2 & 3) emissions cover: Electricity and emissions generated from water use.

### ANNUAL WATER CONSUMPTION – CANADIAN INDUSTRIAL

Water consumption increased by 22.6% versus the 2019 baseline.

	Unit	ACTUAL					2020 VERSUS 2019
		2016	2017	2018	2019	2020	Change
Water withdrawal	m <sup>3</sup>	96,602	90,242	96,503	79,118	<b>96,974</b>	22.6%
Water intensity	L/SF	22.3	20.8	22.3	18.3	<b>22.4</b>	22.6%
<b>Total water consumed</b>	m <sup>3</sup>	96,602	90,242	96,503	79,118	<b>96,974</b>	22.6%

## U.S. RESIDENTIAL PROPERTIES

We are currently managing to energy, and GHG emissions.

### ANNUAL ENERGY CONSUMPTION – U.S. RESIDENTIAL

Energy use increased by 0.9% versus the 2019 weather-adjusted baseline.

	Unit	ACTUAL			ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
		2018	2019	2020	2019	2020	Change
Purchased electricity	ekWh	17,690,423	17,154,210	<b>16,383,595</b>	17,095,486	<b>16,383,595</b>	-4.2%
Purchased natural gas	ekWh	22,370,717	20,334,069	<b>20,567,478</b>	19,543,633	<b>20,567,478</b>	5.2%
Energy intensity	ekWh/SF	5.0	4.7	<b>4.6</b>	4.6	<b>4.6</b>	0.9%
<b>Total energy consumed</b>	ekWh	40,061,140	37,488,280	<b>36,951,073</b>	36,639,119	<b>36,951,073</b>	0.9%

### ANNUAL EMISSIONS – U.S. RESIDENTIAL

Direct and indirect emissions decreased by 0.5% versus the 2019 weather-adjusted baseline.

	Unit	ACTUAL			ACTUAL 2020 VERSUS WEATHER ADJUSTED 2019		
		2018	2019	2020	2019	2020	Change
Direct emissions	tCO <sub>2</sub> e	3,900	3,545	<b>3,585</b>	3,407	<b>3,585</b>	5.2%
Indirect emissions	tCO <sub>2</sub> e	8,672	8,399	<b>8,149</b>	8,392	<b>8,149</b>	-2.9%
Emission intensity	tCO <sub>2</sub> e/1,000SF	1.6	1.5	<b>1.5</b>	1.5	<b>1.5</b>	-0.5%
<b>Total emissions</b>	tCO <sub>2</sub> e	12,571	11,944	<b>11,734</b>	11,799	<b>11,734</b>	-0.5%

Notes:

- Direct (Scope 1) emissions cover: Natural gas consumed onsite.
- Indirect (Scope 2 & 3) emissions cover: Purchased electricity.

### ANNUAL WATER CONSUMPTION – U.S. RESIDENTIAL

Water consumption increased by 6.8% versus the 2019.

	Unit	ACTUAL			2020 VERSUS 2019
		2018	2019	2020	Change
Water withdrawal	m <sup>3</sup>	1,197,988	1,147,145	<b>1,224,772</b>	6.8%
Water intensity	L/SF	159.0	152.2	<b>162.6</b>	6.8%
<b>Total water consumed</b>	m <sup>3</sup>	1,197,988	1,147,145	<b>1,224,772</b>	6.8%



## U.S. RETAIL PROPERTIES

We are currently managing to energy, GHG emissions and water.

### ANNUAL ENERGY CONSUMPTION – U.S. RETAIL

U.S. retail electricity use decreased by 18.7% in 2020 versus 2019, in part due to the impact of the COVID-19 pandemic and related government mandated closure and reduced occupancy policies. There is no weather adjustment applied to U.S. retail.

	Unit	ACTUAL			2020 VERSUS 2019
		2018	2019	2020	Change
Purchased electricity	ekWh	6,787,253	5,571,296	<b>4,527,938</b>	-18.7%
Energy intensity	ekWh/SF	3.2	2.7	<b>2.2</b>	-18.7%
<b>Total energy consumed</b>	ekWh	6,787,253	5,571,296	<b>4,527,938</b>	-18.7%

### ANNUAL EMISSIONS – U.S. RETAIL

U.S. retail emissions decreased by 19.0% in 2020 versus 2019, in part due to the impact of the COVID-19 pandemic and related government mandated closure and reduced occupancy policies. There is no weather adjustment applied to U.S. retail.

	Unit	ACTUAL			2020 VERSUS 2019
		2018	2019	2020	Change
Indirect emissions	tCO2e	3,009	2,424	<b>1,965</b>	-19.0%
Emission intensity	tCO2e/1,000SF	1.4	1.2	<b>0.9</b>	-19.0%
<b>Total emissions</b>	tCO2e	3,009	2,424	<b>1,965</b>	-19.0%

Notes:

- Direct (Scope 1) emissions cover: Scope 1 emissions not included as Morguard is not responsible for energy consumed on site related direct emissions.
- Indirect (Scope 2 and 3) emissions cover: Purchased electricity.

### ANNUAL WATER CONSUMPTION – U.S. RETAIL

U.S. retail water decreased by 26.7% in 2020 versus 2019, in part due to the impact of the COVID-19 pandemic and related government mandated closure and reduced occupancy policies. There is no weather adjustment applied to U.S. retail.

	Unit	ACTUAL			2020 VERSUS 2019
		2018	2019	2020	Change
Water withdrawal	m <sup>3</sup>	62,307	57,920	<b>42,428</b>	-26.7%
Water intensity	L/SF	32.9	30.5	<b>22.4</b>	-26.7%
<b>Total water consumed</b>	m <sup>3</sup>	62,307	57,920	<b>42,428</b>	-26.7%

## OUR COMMITMENTS TO CONTINUOUS DATA CAPTURE IMPROVEMENTS

As a property manager, we understand that building performance data is important to our stakeholders, including our increasing number of sustainability-focused clients and tenants. Each year, our aim is to improve our data capture systems to more accurately pinpoint any changes in water, energy and waste performance as well as the reasons behind it, to ensure that our end of year data accurately reflects sustainability investments and engagements with tenants throughout the year rather than fluctuations in occupancy, and to increase the boundary scope.

For example, in 2020 we observed a notable increase in water consumption at our industrial properties. Alongside data capture improvements efforts, there are opportunities for engagement with our stakeholders, such as property managers and tenants, to analyze and respond through behavioural change strategies, including tenant engagement practices, green leases and pay-per-use programs to the extent that these changes are controllable.

In 2020, we have endeavoured to expand on the data we capture at all our assets. In the coming year, we aim to increase visibility at the property level to enable improved property performance management, allowing for easy benchmarking, and to support our efforts to set goals and targets. We look forward to our next iteration review and updates to our existing data management systems with a goal to extend our data capture and reporting capabilities to an expanded portfolio.

# SUSTAINABLE DEVELOPMENT – BUILDING AND SUPPORTING OUR COMMUNITIES

## MANAGEMENT APPROACH

At Morguard, sustainable development initiatives mean managing through a complex set of challenges to deliver best-in-class real estate solutions and create value for our portfolio. While the social benefits and impact of initiatives are clear, the projects have returned real economic value to owners, creating a portfolio that is socially conscious and financially sound.

Morguard focuses on enhancing the performance and competitiveness of our existing portfolio with green retrofit programs and leveraging relationships with municipal and provincial authorities to incorporate and encourage transit-oriented projects across the country, while also ensuring there are no significant impacts on biodiversity from our products or services.

Any entitlement work to modify land use designation to create mixed-use development opportunities requires close collaboration with municipal and provincial authorities, as well as community stakeholders. Aging or inadequate infrastructure to support new development is studied and Morguard pursues sustainable solutions to these challenges.

For example, in the case of Bramalea City Centre, Morguard engaged with the Conservation Authority, City of Brampton and Region of Peel, as well as tenants, to propose solutions to reduce the risk of onsite flooding caused by inadequate drainage from aged municipal systems. Through the entitlement process, Morguard's plan incorporated additional capacity to an existing aged municipal culvert system, by adding landscaping, bioswales, pedestrian footpaths, bicycle lanes and lighting. Approval from the City of Brampton is expected in the coming months, and the project will serve as a catalyst for new mixed-use development and will also target water conservation and renewable energy sources in the development.

Across Canada, Morguard is working on both entitlements and redevelopments of existing shopping centres. Many of these centres are in excess of 15 acres and are at or near transit sites – a key driver for new development. We have worked closely with the cities of Coquitlam, Edmonton and Brampton to encourage the use of public transit. Increased use of public transit reduces traffic at our sites allowing parking areas to be transformed into public parkland and community green spaces. At the same time, the land can be re-purposed into plazas and new developments, supporting the local economy and bringing more jobs to the area. Though municipalities require public space as part of their planning process, Morguard's approach is to go above and beyond – providing more public space and parkland than what is required by the city. This commitment is evident in the upcoming planning for Bonnie Doon Shopping Centre in Edmonton, and the first phase rezoning application of Coquitlam Shopping Centre which is under consideration by the City of Coquitlam.

The United Nations' Sustainable Development Goals ("SDG") are a set of 17 global goals that serve as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The way in which we approach building design, development through management demonstrate our ability to contribute to these goals.

Social responsibility is woven into our projects. For new developments and major renovations, Morguard partners with communities to meet their environmental objectives and their efforts to support social well-being initiatives. We view community partnerships, such as that with Alveole (detailed below), as key indicators of success. On the individual level, project teams are encouraged to engage and support their communities. Over this past holiday season, teams from every development site supported local food banks.

Execution of Morguard's carefully considered development plans result in the creation of parks, streetlighting, sidewalks, and other forms of privately owned accessible land that are welcoming and inclusive, and can be enjoyed by all guests, visitors and passersby. Specific examples include playgrounds and park equipment (The Heathview); public art displays (1200 St. Laurent); support to local charitable causes (The Heathview, MCC and Performance Court); and local hospital and school improvements (Bramalea City Centre, The Heathview).

Beyond placemaking, we support and engage with local communities. For example, we are members of two committees of the Coquitlam River Watershed Roundtable, a community-based group originally founded in 2011 whose purpose is to coordinate and implement activities that promote the long-term health and sustainability of the Coquitlam River watershed. Active members include representatives from the City of Coquitlam, Kwikwetlem First Nation, Fisheries and Oceans Canada, and a diverse group of local citizens; all involved share a commitment to protecting the future of the watershed.

## HABITAT PROTECTION AND SITE SELECTION

We are committed to protecting and supporting local habitats and, where appropriate, selecting sites that can be redeveloped and remediated and/or can undergo environmental restoration, thereby contributing to the sustainability of the community and the greater region.

During site development, it is our standard practice to use a range of low-impact tools such as local planting materials and comprehensive storm water management programs (including systems for retaining and purifying water before release).

Place Innovation, an 896,352 square foot office property is located adjacent to a protected wetland and natural habitat. Our development team continues to work closely with the local municipality to ensure the land is properly protected. The wetland area, at 82,242 m<sup>2</sup>, has been preserved. The natural forested area at 15,700 m<sup>2</sup> is currently protected under Morguard as part of our certificate of authorization for development. The area is a protected bird nesting wetland protected by both le Ministère de l'Environnement et de la Lutte contre les changements climatiques and the Service des grands parcs for the City of Montreal.

The Development group has worked closely with Ducks Unlimited, the Ministry of the Environment and the City of Terrebonne to preserve and support valuable wetland for wildlife and plant species while ensuring that the new development meets the highest environmental standards, aligned to the requirements of the approved master plan for development. Similarly, in Ottawa, we have an ongoing project for providing alternative suitable habitats for species at risk, such as the bobolinks, during the development of a town centre in Riverside.

At both our U.S. and Canadian properties, we use rooftop gardens and green roofs. Doing so naturally works to protect buildings from latent heat-reducing cost and consumption of energy, provides a rainwater buffer, purifies the air, reduces ambient temperature, regulates indoor temperature, saves energy and encourages biodiversity in the city. Some of the properties which have incorporated green roofs and gardens include Northgate Shopping Centre, Coast at Lakeshore East, Bramalea City Centre, and Performance Court, which has also incorporated a cistern to capture rainwater for reuse in the toilets on the first seven floors of the office tower.

## CASE STUDY

### Morguard Supports Pollination Efforts Across Canada



Ongoing initiatives to incorporate beehives and naturalized gardens at Morguard's properties have continued to make a positive impact on the bee community across the country.

In partnership with Alveole, beehives have been installed at 18 Morguard-managed properties. These properties have supported the crucial pollination role bees play in our ecosystem. Two upcoming beehives for Coquitlam Centre in British Columbia are planned to be activated in spring 2021 thanks to the ongoing efforts of the Morguard and Alveole teams.

## CHARITY PROGRAMS – SUPPORTING OUR COMMUNITIES

Morguard is a committed partner in the communities in which we operate. We strive to have a lasting, positive impact through responsible development and property management, supporting community initiatives and encouraging employee volunteerism. Morguard's BeYou is a national campaign created to increase self-esteem and empower women and girls aged nine years and older. In partnership with Big Brothers Big Sisters Canada ("BBBSC"), the five-year initiative is presented in Morguard's portfolio of 21 shopping centres. BeYou has given young girls access to personal and professional development tools, while celebrating their growth, diversity and self-worth.

To help our communities prosper, Sustainable Morguard supports a broad range of social causes through partnerships with established charitable organizations. When it comes to our people, we focus efforts on teamwork and education. We allow the passions of Morguard's employees to motivate them to help make our communities better places to live and do business.

Using Morguard's North American presence, we champion issues at the local, regional and national levels that have an impact on the built environment. This year was particularly unique in that our communities were significantly impacted by the COVID-19 pandemic. The unprecedented events of 2020 may have been like no other, but our teams were able to pivot and ensure our communities were both socially and physically supported.

### CASE STUDY

#### Longstanding *BeYou* Initiative Continues to Help Youth During a Challenging Year



Morguard's fifth annual BeYou initiative has helped girls across Canada with educational and empowering activities and events in collaboration with BBBSC. Given limitations on gatherings, it was especially important to keep youth connected. The 2020 campaign was delivered entirely online to engage with young women and men on a digital platform while raising funds to support programs lead by BBBSC.

Social media influencers and online activities replaced live events and workshops to keep everyone safe. A TikTok challenge, additional social media engagement on Facebook, Instagram and Twitter, and a call to action for volunteers and donations helped to empower youth to succeed. The 2020 BeYou Campaign garnered 924,000 online social views and 124,000 engagements while raising \$4,300 during this year's campaign period.

Morguard followed through on its promise to match up to \$10,000 in donations towards these positive causes.

Our efforts to strengthen the communities in which we operate include both direct charitable giving and providing support to social cause campaigns. In 2020, once again Morguard employees, tenants and other business partners came together to raise funds and awareness for a wide variety of charitable causes. Among them include:

### **Donations to Canadian Food Banks**

Morguard's various asset classes used their community focus to recommit to their communities and delivery support to those who were most greatly impacted by the pandemic. From retail centres to office properties, our teams collected a combination of over 3,400 lbs of food and nearly \$80,000 in donations. For instance, Centerpoint Mall collected food, for a third consecutive year, towards the North York Harvest Food Bank. The drive was held for four days and collected over 1,000 lbs of food that would be distributed to local groups and families. The normal collection for a four-day event was 500 lbs. Centerpoint Mall doubled the amount.

### **Drive-In Community Events**

Several Morguard retail centres pivoted from in-mall events to drive-in activities that brought people together while partnering with local community groups to support community engagement. Adapting to new dynamics brought on by COVID-19, Morguard's Bonnie Doon Centre in Edmonton launched Opera in the Movies Drive-In, an initiative to provide local residents an opportunity to get out of their homes and into their vehicles for a night at the opera while supporting local artists. The Bonnie Doon Mall team collaborated with Mercury Opera and La Cite Francophone to present a Drive-in opera experience in the heart of the community.

### **Supporting Frontline Workers in Seniors' Homes**

Due to COVID-19 protocols for communities and the impact of additional measures imposed on seniors, Prairie Mall saw an opportunity to help frontline workers safely provide meals to seniors in the community. There was a growing need for in-suite dining at assisted living and seniors' homes in Grande Prairie, Alberta. To lend a hand, the team donated 1,000 unboxed food court trays to seven Assisted Living and seniors' homes in Grande Prairie and the County of Grande Prairie. The trays provided an additional layer of safety to delivering warm meals to seniors.

### **Tree Planting in Partnership with Junction Creek Stewardship Committee**

New Sudbury Mall hosted a one-day event in association with the Junction Creek Stewardship Committee to plant 61 trees and 49 shrubs of various species along the West & Southwest border of the property. The goal of this initiative is to improve watershed and riparian restoration. Restoring and adding vegetation along this area by planting native trees and shrubs provides multiple benefits to the local ecosystems as well as the community. It will offer habitat, food and shade for local wildlife, retain precipitation, and act as carbon sinks to mitigate flooding and climate change; as a result roots stabilize the shore and act as natural filters for run off entering the creek.

### **Partnership with Health Access Thorncliffe Park/Ontario Early Years**

In April 2020, the East York Town Centre partnered with Health Access Thorncliffe Park to provide a 3,720 square foot COVID-19 testing site. The space had been formerly used by the Ontario Early Years Unit and was repurposed and utilized to diagnose COVID-19 in an effort to slow the spread of the virus in the Thorncliffe Park community.



## Electronics Recycling Event in partnership with the Rotary Club of Leaside

As part of our sustainability initiatives East York Town Centre partners with Leaside Rotary Club to host an Electronic Recycling Event. A large bin was placed in the parking lot and customers dropped off their unwanted electronic devices. Leaside Rotary reported that they collected over 12,000 lbs and their proceeds were over \$1,800. All will benefit their programs.

## Children's Hospital of Eastern Ontario Foundation

The annual event went virtual with an online auction and fashion show. The St. Laurent Centre donated \$1,000 in gift cards for the online gala.

## Giving Old Appliances a Chance to Serve Others

At 1643 Josephine, a 116-suite residential property located in the Garden District in New Orleans, Louisiana, recent renovations modernized the building to improve the space for the community with sustainability as a high priority. The team made a significant investment to boost energy efficiency within the building, including replacing old appliances. The replaced appliances were donated to the local affiliate of Habitat for Humanity, a non-profit helping build and improve homes for those in need, and The Green Project, which educates and promotes a culture of creative reuse through affordable materials. Contributing to these organizations' work to improve the lives of the surrounding communities represents a continuation of our community support and sustainability priorities.

## CASE STUDY

### Hosting a Socially Distanced Golf Event to Donate \$200,000 to Five GTA Food Banks

In September 2020, Morguard hosted its 10<sup>th</sup> annual Charity Golf Classic designed to help make a positive impact for charitable organizations in the GTA.

This socially distanced event implemented several COVID-19 protocols to maintain low risk. The number of teams was limited to 40, distanced over two 18-hole courses, with set tee times starting seven minutes apart. Hosting designated lunch times, using a limited number of volunteers with no registration desk and adjustments to the course's signage were other precautions put in place.

Long-time supporters demonstrated their appreciation for Morguard moving forward with the event by selling out limited spaces in record time, continuing the tournament's record of success.

The Mississauga Food Banks, Kerr Street Mission in Oakville, Orangeville Food Bank, Georgetown Bread Basket and Milton Salvation Army received \$40,000 each as a result of the successful day.

## MORGUARD'S CHARITABLE DONATIONS

The chart below outlines our direct financial charitable donations as a percentage of earnings before taxes and market value adjustment. These figures include donations to charitable organizations and corporate sponsorships.

### MORGUARD'S QUARTERLY DONATIONS

	2018	2019	2020
Q1 Total	\$37,171	\$33,118	<b>\$36,709</b>
Q2 Total	34,466	72,647	<b>4,866</b>
Q3 Total	75,659	44,283	<b>2,231</b>
Q4 Total	120,090	166,728	<b>95,312</b>
<b>Total net charitable contributions and sponsorships</b>	<b>\$267,386</b>	<b>\$316,776</b>	<b>\$139,118</b>
Earnings before income taxes and market value adjustment	\$248,833,000	\$217,760,000	<b>\$174,161,000</b>
Charitable giving as percentage of earnings before income taxes and market value adjustment	0.11%	0.15%	<b>0.08%</b>

Striving to improve the communities in which we operate, either by reducing the impacts of our developments or through localized philanthropy, is not only our responsibility – it is also good business. It enhances public relations efforts, mitigates related risks, reduces costs and, ultimately, ensures that our properties add value to our communities. Morguard has historically used its charitable financial contributions in support of fundraising activities driven by other organizations and partners. During 2020, the pandemic significantly reduced the number of opportunities for Morguard to donate through this channel, as many events were cancelled. Instead, our teams found ways to support their communities through events and non-financial donations that required the donation of space, time or equipment.

## TAX RESPONSIBILITY

Taxes are vital to achieving sustainable development, used to incentivize investment in critical infrastructure, research and development, employment and training, as well as encourage positive social or environmental outcomes. Consistent with our mission as a responsible property manager, Morguard complies with all regulatory taxation requirements, including income tax.

Day-to-day management of Morguard's tax function obligations is the responsibility of the internal tax team, with annual strategy review and confirmation completed by Morguard Corporation's Chief Financial Officer ("Morguard's CFO"). To ensure compliance with current and emerging legislation, Morguard uses experienced internal tax professionals and external accounting firms, along with oversight by Morguard's CFO, and the Audit Committee of the Board of Directors. Morguard also uses its internal audit team to verify the control procedures in respect of tax are properly followed. Any inquiry from tax authorities is responded to in a timely and professional manner.

For tax purposes, Morguard and its subsidiaries are residents in either Canada or the U.S., providing rental of residential, commercial and industrial real properties in both countries.

Information on Morguard's tax positions, including taxes paid in 2020 in Canada and the U.S., and the reasons for the difference between effective tax rate and statutory tax rate, can be found in Morguard's audited consolidated financial statements for the year ended December 31, 2020 at [sedar.com](https://www.sedar.com) and [morguard.com](https://www.morguard.com).

# RESPONSIBLE EMPLOYER – EMPOWERING OUR PEOPLE

## MANAGEMENT APPROACH

Sustainable Morguard is about more than just properties and the environment – it is also about people. We strive to create a workplace culture of respect, inclusion, health, safety and equal opportunity. By empowering our people, we aim to attract, retain and engage the high-quality talent needed to drive business success and ultimately lead to a socially responsible, ethical and sustainable company.

Our management approach includes regular follow-up with employees to discern ways to improve company agility, innovation and leadership, review how we are supporting growth and learning opportunities for our staff, managing risks associated with health and safety, ensuring that we are informing our people of these risks and addressing procedures to mitigate future risk.

As we continue to make improvements to our sustainability reporting approach, this year new information is presented in our human resources performance data. New joiners, including number and rate of new hires, is presented for the first time. This new data point will remain standard practice in our reporting, to better demonstrate our ability to attract a diverse and qualified workforce.

## CODE OF CONDUCT, EQUAL OPPORTUNITY AND DISCRIMINATION

Our Code of Business Conduct and Ethics (“Code”) addresses matters of equal opportunity and workplace harassment. A concern for personal dignity and the individual worth of each person is an indispensable element of the standards established under our Code. Morguard provides equal employment opportunity to all qualified persons.

When joining Morguard, all employees sign and agree to abide by our Code and to maintain a workplace free of harassing or discriminating behaviour, particularly with respect to race, colour, gender, age, faith, national or ethnic origin, sexual orientation, gender identity, or disability. We define harassment to include a variety of unacceptable conduct, including violence, unwelcome sexual advances, gestures, jokes, slurs, bullying and verbal or physical conduct that upsets the work performance of another. Violation of our Code can result in a range of disciplinary actions, including termination of employment. Employees are required to review and re-sign the code every two years.

## COLLECTIVE AGREEMENTS

Less than 2% of our workforce is unionized. Four employees in Canada are governed by a collective agreement between Morguard and the International Union of Operating Engineers (Local 772). Seventeen employees in Canada are governed by a collective agreement between Morguard and the Universal Workers Union L.I.U.N.A. (Local 183). There are no collective bargaining agreements in the U.S.

All employees are treated with dignity and respect, and annual reviews are undertaken to ensure that compensation and benefits programs are competitive within the relative markets. Further, Morguard respects the applicable employment legislation in any jurisdiction in which it operates including abiding by Employment Standards Acts and provincial Ministries of Labour regarding minimum notice periods.

## OUR PEOPLE

Our people drive our business. Our mandate is to ensure our people are engaged and productive, to hire and retain top talent, and ensure we are valuing and creating value for our employees. Since 2019, we have been working to better meet the needs of sustainable human capital management and continuing to best support our people. To provide better insight, we have updated our Human Capital Management System (“HCMS”).

The new HCMS is expected to provide detailed data in meaningful reports to inform decision-making, providing full visibility to global key performance indicators which support growth and proper management of our teams. The goal is to continue our focus on the development and implementation of a people-focused strategy, finding and developing the right leaders, embracing diversity, and valuing and creating value for our people.

The update of the HCMS was completed in 2020. In 2021, we will continue the evaluation of our Employee Value Proposition (Total Rewards), and employee engagement surveys. It is anticipated that goals and initiatives to support employees, culture and engagement improvements will be approved in 2021 and implemented over the next two to three years.

COVID-19 impacts us all. To support the health and wellness of our employees and their families Morguard provides access to resources through our internal website. The website provides employees with information on updated COVID-19 benefit packages, health and safety protocols and access to a variety of wellness resources.

## CASE STUDY

### Empowering Women at Morguard and in the Community

Morguard continues to innovate to support women. Longstanding and new initiatives to empower and celebrate women’s achievements remained crucial during the pandemic.

Over the years, International Women’s Day has continued to be a milestone at Morguard. In each celebration, we challenge stereotypes, fight bias and broaden perceptions about the role women play in society while celebrating their social, economic, cultural and political achievements. The 2020 event hosted by Morguard brought employees together to help create a gender-equal world through education and open discussions about the celebration’s meaning and ways to encourage and honour women beyond the day in March.

Morguard has also found innovative ways to support women across communities. Initiatives such as BeYou empower and educate girls and young women across Canada, encouraging them to celebrate their growth, diversity and self-worth. To expand our work supporting women, our teams at 77 Bloor St. W., 65 Overlea Blvd. and 200 Yorkland Blvd. in Toronto donated honey and honey-derived goods produced at their bee hotels to The Redwood, a women’s and children’s shelter that received 150 beeswax candles and 300 lip balms and soap bars in late 2020.

In 2020, Morguard employed 1,299 people (1,050 in Canada and 249 in the U.S.). This number includes employees on a leave of absence (maternity, long-term disability and unpaid inactive leave) but excludes employees of our hotel portfolio as they fall under the management practices of external, individual hotel management companies. In Canada, provincial government stay-at-home orders occurred throughout the year to slow the spread of COVID-19, resulting in the temporary closure of several of our Canadian retail properties. Ongoing health orders also reduced the operating hours at various properties. As a result, the number of temporary part-time employees decreased, of which accounts for a large number of our female workforce. In the U.S., data below shows notable changes between 2019 and 2020 in Administrative/ Operations and Professional/ Technical categories due to a reclassification of job families to be more consistent with both U.S. labour law and company-wide job family categorization, not as a result of turnover or new hires. In the future, we will continue to use this categorization for our employment figures.

### EMPLOYEES BY EMPLOYMENT CONTRACT

<b>Employment by Employment Contract – Canada</b>		2019	%	2020	%
Permanent Full-Time	Canada	926	80%	<b>910</b>	87%
Permanent Part-Time	Canada	124	11%	<b>108</b>	10%
Temporary Full-Time	Canada	40	3%	<b>24</b>	2%
Temporary Part-Time	Canada	74	6%	<b>8</b>	1%
Total Employees	Canada	1,164		<b>1,050</b>	

### Employment by Employment Contract – U.S.

Permanent Full-Time	U.S.	253	99%	<b>246</b>	99%
Permanent Part-Time	U.S.	2	1%	<b>3</b>	1%
Temporary Full-Time	U.S.	0	–	<b>0</b>	–
Temporary Part-Time	U.S.	0	–	<b>0</b>	–
Total Employees	U.S.	255		<b>249</b>	

### EMPLOYEES BY EMPLOYMENT TYPE

<b>Employment by Employment Type – Canada</b>		2019	%	2020	%
Administrative/Operations	Canada	740	63%	<b>648</b>	62%
Professional/Technical	Canada	228	20%	<b>211</b>	20%
Middle Management	Canada	96	8%	<b>93</b>	9%
Senior Management	Canada	80	7%	<b>79</b>	8%
Executives	Canada	20	2%	<b>19</b>	2%

### Employment by Employment Type – U.S.

Administrative/Operations	U.S.	144	56%	<b>124</b>	50%
Professional/Technical	U.S.	57	22%	<b>64</b>	26%
Middle Management	U.S.	43	17%	<b>45</b>	18%
Senior Management	U.S.	10	4%	<b>15</b>	6%
Executives	U.S.	1	<1%	<b>1</b>	<1%

## DIVERSITY BY GENDER AND EMPLOYMENT TYPE

Employment by Gender and Type – Canada		2019	%	2020	%
Male	Canada	528	45%	<b>506</b>	48%
Female	Canada	636	55%	<b>544</b>	52%

**Male**

Administrative/Operations	Canada	329	44%	<b>316</b>	49%
Professional/Technical	Canada	95	42%	<b>86</b>	41%
Middle Management	Canada	40	42%	<b>41</b>	44%
Senior Management	Canada	48	60%	<b>48</b>	61%
Executive	Canada	16	80%	<b>15</b>	79%

**Female**

Administrative/Operations	Canada	411	56%	<b>332</b>	51%
Professional/Technical	Canada	133	58%	<b>125</b>	59%
Middle Management	Canada	56	58%	<b>52</b>	56%
Senior Management	Canada	32	40%	<b>31</b>	39%
Executive	Canada	4	20%	<b>4</b>	21%

Employment by Gender and Type – U.S.		2019	%	2020	%
Male	U.S.	125	49%	<b>117</b>	47%
Female	U.S.	130	51%	<b>132</b>	53%

**Male**

Administrative/Operations	U.S.	83	58%	<b>35</b>	28%
Professional/Technical	U.S.	20	35%	<b>54</b>	84%
Middle Management	U.S.	14	33%	<b>18</b>	40%
Senior Management	U.S.	7	70%	<b>9</b>	60%
Executive	U.S.	1	100%	<b>1</b>	100%

**Female**

Administrative/Operations	U.S.	61	42%	<b>89</b>	72%
Professional/Technical	U.S.	37	65%	<b>10</b>	16%
Middle Management	U.S.	29	67%	<b>27</b>	60%
Senior Management	U.S.	3	30%	<b>6</b>	40%
Executive	U.S.	0	0%	<b>0</b>	0%

## EMPLOYMENT BY AGE AND GENDER – CANADA

By Age		2019	%	2020	%
Under 30	Canada	233	20%	<b>136</b>	13%
30–50	Canada	487	42%	<b>462</b>	44%
50+	Canada	444	38%	<b>452</b>	43%

## Male

Under 30	Canada	79	34%	<b>52</b>	38%
30–50	Canada	230	47%	<b>223</b>	48%
50+	Canada	219	49%	<b>231</b>	51%

## Female

Under 30	Canada	154	66%	<b>84</b>	62%
30–50	Canada	257	53%	<b>239</b>	52%
50+	Canada	225	51%	<b>221</b>	49%

## EMPLOYMENT BY AGE AND GENDER – U.S.

By Age		2019	%	2020	%
Under 30	U.S.	53	21%	<b>48</b>	19%
30–50	U.S.	129	51%	<b>129</b>	52%
50+	U.S.	73	28%	<b>72</b>	29%

## Male

Under 30	U.S.	23	43%	<b>23</b>	48%
30–50	U.S.	63	49%	<b>57</b>	44%
50+	U.S.	39	53%	<b>37</b>	51%

## Female

Under 30	U.S.	30	57%	<b>25</b>	52%
30–50	U.S.	66	51%	<b>72</b>	56%
50+	U.S.	34	47%	<b>35</b>	49%



## EMPLOYEE TURNOVER

<b>Employee Turnover – Canada</b>		2019	%	2020	%
Employee Turnover	Canada	212	18%	188	18%

### By Gender

Male	Canada	87	41%	92	49%
Female	Canada	125	59%	96	51%

### By Age

Under 30	Canada	56	26%	66	35%
30–50	Canada	89	42%	62	33%
50+	Canada	67	32%	60	32%

<b>Employee Turnover – U.S.</b>		2019	%	2020	%
Employee Turnover	U.S.	111	44%	97	39%

### By Gender

Male	U.S.	55	50%	49	51%
Female	U.S.	56	50%	48	49%

### By Age

Under 30	U.S.	29	26%	30	31%
30–50	U.S.	59	53%	46	47%
50+	U.S.	23	21%	21	22%

Employee turnover in the U.S. is greater due to a different system of employment called “At Will Employment.” Through this system, there is no requirement for employees or employers to give warning to leave or termination of employment. That system, coupled with changes in ownership as Morguard acquires or divests property assets, can significantly affect employee turnover rates. Morguard’s turnover rate is standard within the multi-suite residential industry in the U.S. In 2020, turnover consisted of voluntary and involuntary separations.

One area of future review for Morguard is to investigate programs or services we can provide to employees to increase retention and what strategies we can employ to help retrain employees for other positions when their existing role or property to which the role serves, is eliminated/divested.

## EMPLOYEE NEW HIRES

<b>Employee New Hires – Canada</b>		<b>2020</b>	<b>%</b>
Employee new hires	Canada	<b>94</b>	9%

**By Gender**

Male	Canada	<b>42</b>	45%
Female	Canada	<b>52</b>	55%

**By Age**

Under 30	Canada	<b>29</b>	31%
30–50	Canada	<b>45</b>	48%
50+	Canada	<b>20</b>	21%

<b>Employee New Hires – U.S.</b>		<b>2020</b>	<b>%</b>
Employee new hires	U.S.	<b>81</b>	33%

**By Gender**

Male	U.S.	<b>38</b>	47%
Female	U.S.	<b>43</b>	53%

**By Age**

Under 30	U.S.	<b>31</b>	38%
30–50	U.S.	<b>38</b>	47%
50+	U.S.	<b>12</b>	15%

## EMPLOYMENT COMPENSATION AND BENEFITS

Our compensation and benefits program is intended to attract, motivate and retain high-quality employees. Base salary and bonus programs reward performance and scope of responsibility.

In Canada, we deliver and review annual third-party employment surveys to ensure that our compensation and benefits plans are competitive with those of our peers in the real estate industry. In the U.S., we attend annual stewardship meetings with our third-party benefits advisor, who provides statistical data and advises on what we need to offer to remain competitive.

Employment	Vacation	Group Life Insurance, Extended Health Care, Employee Assistance, and Travel Assistance	Short-Term Disability Coverage	Long-Term Disability Coverage	Morguard Pension Plan
<b>Canada Permanent</b>	Paid vacation allowance; 15 days per annum, up to sixth year; increases thereafter	Yes, based on a minimum 20 hours of work per week	Yes – Full-time and part-time (working more than 20 hours/week) salaried employees  Hourly paid employees or those working fewer than 20 hours/week through Canada Employment Insurance Program	Salaried or hourly employees (working more than 20 hours/week), except those employees receiving lodging benefits	Salaried employees eligible
<b>U.S. Permanent, Full-time</b>	One to five years' service: 80 hours paid, up to sixth year; increases thereafter	Employer paid 1X annual salary life with AD&D; employer paid LTD; employer shares cost of medical, dental, vision and vision coverage	Employee pays 100% for STD. We provide FMLA, and accrued time in catastrophic illness bank	Full-time only (35+ hours); salaried or hourly employer pays 100% of LTD premium	401k plan; employer matches up to 5% of compensation if employee participates
<b>Canada Temporary</b>	4% of earnings	n/a	Canada Employment Insurance Program	n/a	n/a

## CASE STUDY

### Maintaining Relationships with Mental Health Initiatives

Morguard's employees are always top-of-mind when it comes to new initiatives. Caring for the well-being of the community continues to be important during the pandemic to ensure that people are safe, healthy and feeling as positive as possible. Developed resources like the COVID-19 wellness page on Agora and constant employee communication are continuations of Morguard's recognition as one of Canada's Safest Employers.

Part of Morguard's approach to keep employees connected during COVID-19 was to encourage online interaction. Allowing for personal relationships to develop in a relaxed environment was an important priority for mental health while working from home. The Community Corner was created by a diverse team at Morguard to bring together the Canadian and U.S. teams with initiatives to interact and keep the conversation positive. Coffee chats, lighthearted questions and meditation classes have brought together 322 members and guests, including individuals who would have never met without the initiative and increased interaction with senior members of staff.

As a result, Morguard staff had an additional incentive to learn the ins-and-outs of Microsoft Teams and the IT team further prioritized uptime and network capabilities to make this important initiative happen.

## HEALTH AND SAFETY PROGRAMS

Morguard is committed to providing all employees, residents, tenants, contractors and the public with clean, safe and healthy environments. By setting the expectations Morguard looks to constantly ensure that a safe and healthy workplace is maintained. We strive to continuously improve occupational health and safety ("OHS") and to remain a recognized leader in workplace safety.

To achieve this goal, all employees:

- Recognize a shared responsibility;
- Follow all safety rules, procedures and practices;
- Cooperate with the government officials who enforce safety legislation;
- Take necessary steps to protect themselves and fellow employees;
- Attend required safety training; and
- Immediately report all accidents, injuries and unsafe practices or conditions.

Employees are focused on compliance with regulatory requirements and risk management principles to support key success factors:

- Uphold reputation – Protects and enhances reputation by keeping people safe at work.
- Mitigate operational risk – Allows Morguard to attract the best people by ensuring not just the safety of our employees, but also their well-being.
- Control costs – Manages business costs and disruption of service.
- Employee performance – Improves employee retention and lower rates of absenteeism.

Due to COVID-19, new policies and procedures were implemented to continue to safeguard the health and wellness of our employees, residents, tenants, guests and communities. Protocols and procedures, including Fit-To-Work self-assessments, are accessible to all employees on our internal website.

In this year's Report, we have expanded our disclosure on regional health and safety management approaches and performance metrics to align with the latest reporting requirements of GRI Standards. In line with new requirements, the threshold for injury reporting is now lower and includes work-related injuries that require any medical aid, even if the employee can return to work the same day. This change in methodology has resulted in a higher recorded number and rate of work-related injuries.

## HEALTH AND SAFETY PROGRAMS – CANADA

We work to continuously improve our approach to OHS and to remain a recognized leader in workplace safety. An occupational health and safety management system ("OHSMS") is utilized, containing policies, procedures and safe work practices. In the development of the management system, we incorporated regulatory requirements in addition to seeking good practices by referencing ISO 45001, the Certificate of Recognition ("COR") program for construction contractors, health and safety indicators of BOMA BEST standards, and the Federation of Rental-Housing Providers of Ontario. The OSHMS applies to all of those who visit, work and live in our properties, including employees, contractors, tenants/residents, visitors and the public.

In Canada, the management system is overseen by our qualified National Manager of Health, Safety and Security, who has obtained both Canadian Registered Safety Professional ("CRSP") and Environmental Professional ("EP") designations. Property management teams at buildings are required to have both qualified and trained Safety Representatives or Safety Committees, who complete formal training on the health and safety program and specific job hazards. External consultants are also engaged as required to help facilitate plans and measures during construction and renovations.

Across the country, joint health and safety committees operate to identify, evaluate and make recommendations concerning workplace health and safety issues to appropriate senior management, perform inspections and make recommendations that improve management of health and safety, as outlined in the Health & Safety Committees and Representatives' Terms of Reference. Committees meet monthly to quarterly, depending on regulatory requirements.

Hazard identification and risk assessment is a critical component of the management system and our commitment to safer workplaces for all. Morguard has implemented a comprehensive program to evaluate every job for hazards and risks. The collaborated process includes participation from supervisors, employees, Joint Health and Safety Committee ("JHSC") members, OHS/Risk Management and Human Resources members, and from time to time, consultants. Once these hazards and risks have been mapped, our hierarchy of controls seeks to first avoid risks, substitute processes or materials, implement safety awareness training and outsourcing to service providers where appropriate. The last line of defence is personal protective equipment. Workers are entitled to refuse any work they deem unsafe and are protected against reprisals.

Given the participatory approach, it is important that employees are up to date in their safety training. Employees receive both a safety orientation manual as well as access to the online training portal, 'Path to Learning' ("PATH"), that provides specific job training. Training is planned based on the employee group, training element, and hazard knowledge, and considers training frequency and refresher prompts to sustain safety awareness.

Our approach has won us recognition as one of Canada's Safest Employers in the Service Sector for eight consecutive years from Safest Employer Award of Key Media.

Above safety related to work tasks, Morguard has adopted a holistic approach to Employee Wellness. We believe that an all-encompassing attitude towards well-being is the best approach, implementing a focus on our Wellness Pillars: Nutrition, Physical Fitness, Mental Well-Being, Financial Health, Inspiration, Giving Back to the Community, and the Environment. Programs we run include, smoking cessation program, LifeSpeak Diabetes Awareness and Screening program, Heart Health Awareness and Screening program, Healthy Lifestyles program includes monthly wellness communications and LifeSpeak 'On Demand' healthy lifestyle seminars through online media, the Stress Reduction program, and Mindfulness 101.

## HEALTH AND SAFETY PROGRAMS – U.S.

In the U.S., the team understands and acknowledges that without the proper health and safety protocols in place and employee support, we could not operate as effectively at the level we currently do. Our perspective and procedures have allowed us to minimize workplace injuries and illnesses while providing one of the safest places to work.

To better our safety practices and to ensure all team members are prepared to maintain and contribute to top health and safety practices, Safety Meetings are held monthly at each property. The Safety Meetings will cover topics such as injury and illness prevention, emergency response, proper use of personal protective equipment (“PPE”), fire safety, slip and falls, electrical safety, ladder safety, along with many more. Teams will also hold meetings to discuss, review and acknowledge topics specific to their site. Employees can advance their knowledge of OHS through specific required courses, as well as additional courses that can be taken at any time.

To identify hazards and assess risks, teams are required to identify, and report concerns or liabilities daily, to minimize risks and act quickly. Throughout the year, U.S. teams conduct property inspections, including the Detailed Property Inspection (“DPI”) which is completed in the first quarter of each year for residential and retail assets. The DPI identifies future capital project requirements, mechanical components, life safety issues, safety tools/equipment, identifying current liabilities, and/or risks on each of our assets. Furthermore, the residential portfolio completes a second annual property audit in the final quarter of the year. This extensive audit covers both maintenance and operational compliance, including mechanical inspections. Included in both inspections is a review and readiness assessment of Safety Data Sheet (“SDS”) manuals, Health & Safety Manuals, Hurricane Preparedness Manuals and Operation and Maintenance Plans. Any findings are shared with appropriate teams to ensure life-safety issues are addressed immediately, and a plan of action is established to address remaining tasks. Depending on the task, rectification is performed by employees, consultants or external vendors, as required. Identifying liabilities is vitally important to our everyday operations as they assist with not only providing a safe workplace, but also a safe home to our residents.

An important element to the OHS approach in the U.S. is establishing close working relationships with vendors and contractors. Should emergencies occur, such as Hurricane Sally that made landfall in Florida in September 2020, a team of contractors was readily available the following day to mitigate any damages. Similarly, when the COVID-19 pandemic made its way to the U.S., our vendors were able to quickly provide us with PPE and disinfectants to ensure we maintain a safe and healthy place to live and work.

As part of our approach to health and safety, we encourage and value employee wellness. Rally Health, the wellness program is available to all employees and managed via an insurance provider, designed to help improve, manage and maintain employee health by creating healthy habits through gradual change. There are also company-sponsored Guidance Resources, providing counselling, financial information and resources for important life decisions, legal support and work-life balance solutions.



## OCCUPATIONAL HEALTH & SAFETY<sup>1</sup>

### OCCUPATIONAL HEALTH AND SAFETY BY REGION – CANADA

<b>Workplace injuries</b>		2019	2020
Number of recordable work-related injuries	Canada	20	13
Rate of recordable work-related injuries <sup>2</sup>	Canada	1.7	1.2
<b>High-consequence injuries</b>			
Number of high-consequence work-related injuries	Canada	1	0
Rate of high-consequence work-related injuries <sup>2</sup>	Canada	0.1	0.0
<b>Workplace fatalities</b>			
Number of workplace fatalities	Canada	0	0
Rate of workplace fatalities <sup>2</sup>	Canada	0.0	0.0
<b>Total employees</b>			
Total employees	Canada	1,164	1,050

### OCCUPATIONAL HEALTH AND SAFETY BY REGION – U.S.

<b>Workplace injuries</b>		2019	2020
Number of recordable work-related injuries	U.S.	8	6
Rate of recordable work-related injuries <sup>2</sup>	U.S.	3.1	2.4
<b>High-consequence injuries</b>			
Number of high-consequence work-related injuries	U.S.	0	1
Rate of high-consequence work-related injuries <sup>2</sup>	U.S.	0.0	0.4
<b>Workplace fatalities</b>			
Number of workplace fatalities	U.S.	0	0
Rate of workplace fatalities <sup>2</sup>	U.S.	0.0	0.0
<b>Total employees</b>			
Total employees	U.S.	255	249

### OCCUPATIONAL HEALTH AND SAFETY BY REGION – CANADA & U.S.

<b>Workplace injuries</b>		2019	2020
Number of recordable work-related injuries	Canada & U.S.	28	19
Rate of recordable work-related injuries <sup>2</sup>	Canada & U.S.	2.0	1.5
<b>High-consequence injuries</b>			
Number of high-consequence work-related injuries	Canada & U.S.	1	1
Rate of high-consequence work-related injuries <sup>2</sup>	Canada & U.S.	0.1	0.1
<b>Workplace fatalities</b>			
Number of workplace fatalities	Canada & U.S.	0	0
Rate of workplace fatalities <sup>2</sup>	Canada & U.S.	0.0	0.0
<b>Total employees</b>			
Total employees	Canada & U.S.	1,419	1,299

Notes:

<sup>1</sup> Calculations for OHS are based on total employees, excluding the hotel division.

<sup>2</sup> For injury rate calculations, including recordable work-related injuries, high-consequence work-related injuries and workplace fatalities, 200,000 represents the total number of hours worked by 100 employees in one year, based on 50 work weeks at 40 hours per 2,000 total hours per employee.

Note – Canada: The two main injury categories are injury from slip, trip and fall and musculoskeletal (pains and strains) from lift, bend and carry activities.

Note – U.S.: In 2020, a total of six injuries occurred in the workplace. These injuries consisted of a two slip and falls, a cut on the hand, contusion of the hand, a dog bite, and a scratch to an eye.

## TRAINING AND PROFESSIONAL DEVELOPMENT

At Morguard, as part of our corporate vision we work to ensure our people will recognize us as the best place to work, grow and prosper. With this in mind, we deploy targeted trainings so that employees can succeed both within the workplace and beyond.

### Learning and Development – Canada

In 2020, the Learning Services team refreshed the approach to training, including building new programs which featured subject matter experts to improve both quality and relatability of the content. As well, the LMS is now fully embedded within Morguard's new human resources platform, myHR, creating a centralized point of access for employees.

Embedded within the myHR is the learning management system ("LMS"), used as the key content delivery platform for Morguard's training and development program. The system offers on-demand resources with eLearning courses, videos, sessions and materials on topics that align to Morguard's specific requirements including the company's processes and tools, and compliance. These offerings allow for knowledge transfer, course upgrades and assist in career goal setting for our employees.

Most of the material delivered in 2020 familiarized employees with the new myHR platform and rolled out globally in phases. Starting in March, we developed 13 libraries using training materials that had been categorized based on geographic location and function, with 92 curated "microlearning" modules. Through the year, the modules were accessed over 6,000 times. With plenty of live sessions to pick from, learners select offerings that fit best into their calendar or watch the material on-demand, after the live event.

During the year, the Canadian Learning Services team also added the Morguard Podcast, a collaboration with Morguard's Internal Comms and Learning. In total, 11 episodes were released covering themes including information about rollout of new technology and updates on COVID-19 efforts.

The chart below offers further information into our current training practices and performance for Canada. For several reasons, there was a notable reduction in our overall training numbers compared to 2019.

As Morguard's workforce is spread across many different geographies, the company maintains a well-established virtual instructor-led training program which enabled a smooth transition during COVID-19. In addition, COVID-19 virtually eliminated the ability for employees to access in-person learning, often accessed at conferences and workshops, as well as deferred non-mandatory trainings to focus on life, health and safety priorities. Decrease in training completed is also due to the transition period of the new LMS compounded with the period of employees transitioning to home office and learning new processes and norms.

## TRAINING – CANADA

	2019			2020		
	Non- Management	Management	Total	Non- Management	Management	Total
<b>Total employees eligible for training<sup>1</sup></b>	861	254	1,115	798	260	1,058

### Training hours by employee category

Total training hours per employee category	8,961	3,611	12,572	4,343	1,654	5,997
Training hours per user	10.4	14.3	11.3	5.4	6.4	5.7

### Total training hours by training type

eLearning	4,839	1,512	6,351	2,207	709	2,916
Self-learning (user documentation and videos)	765	377	1,142	256	83	339
Class/WebEx-powered sessions	1,302	969	2,271	1,558	935	2,493
External	2,056	754	2,810	216	33	249

### Total training hours by subject

Morguard processes and tools	2,169	1,620	3,789	2,040	1,090	3,130
Compliance	4,687	1,216	5,903	1,970	634	2,604
Desktop productivity	24	10	35	5	2	7
Other soft and technical skills	2,081	765	2,846	219	33	252

Training data is based on yearly training of management and non-management staff. Management includes all employees with direct reports. Non-management refers to employees that have no direct reports.

<sup>1</sup> Represents an average number of employees in Canada who are eligible for access to the Morguard Learning Management System. Temporary employees who are with us on a term less than six months are excluded.)

## Learning and Development – U.S.

In the U.S., our LMS, called Morguard Management Training (“MMT”) is provided through Grace Hill, a third-party industry leader who develops online training courseware and administration solely for the property management industry. MMT offers a library of on-demand resources crafted by Grace Hill and Morguard. In 2020 over 100 new courses were added to the training library.

At this time, the library houses over 380 eLearning courses, videos, sessions and materials on topics that align to Morguard’s specific requirements including core competencies, company processes and tools, compliance, and other soft and technical skills. Additionally, through Grace Hill’s partnership with the National Apartment Association Education Institute, MMT now provides team members with access to courses that meet annual “Continuing Education” requirements necessary to maintain professional designations such as Certified Apartment Manager (“CAM”), National Apartment Leasing Professional (“NALP”), and more.

The chart below offers further information into our current training practices and performance for the U.S.

### TRAINING – U.S.

	2019			2020		
	Non- Management	Management	Total	Non- Management	Management	Total
<b>Total employees eligible for training<sup>1</sup></b>	198	48	246	189	48	237

#### Training hours by employee category

Total training hours per employee category	3,578	825	4,403	4,019	1,131	5,150
Training hours per user	18.1	17.2	17.9	21.3	23.6	21.7

#### Total training hours by training type

Online courses	3,535	785	4,320	3,857	1,021	4,879
Instructor led	29	39	68	161	110	271
External	15	0	15	0	0	0

#### Total training hours by subject

Morguard processes and tools	519	163	682	779	310	1,089
Compliance	2,502	554	3,056	2,206	532	2,738
Desktop productivity	–	–	–	–	–	–
Other soft and technical skills	557	108	665	1,034	289	1,323

#### Notes:

Training data is based on yearly training of management and non-management staff. Management includes all employees with direct reports. Non-management refers to employees that have no direct reports.

## PERFORMANCE REVIEWS

By ensuring that all eligible employees receive an annual performance review, we foster a culture of responsibility and recognition for the contributions that employees make toward achieving business goals. This initiative is a critical tool for engaging employees in the organization's strategic priorities and providing effective feedback and opportunities for professional development.

We track performance review matters separately in Canada and the U.S. In Canada, temporary or new permanent employees with fewer than three months of service, and employees on leave for the entire performance review period, are ineligible for annual reviews. In the U.S., temporary or new permanent employees with fewer than six months of service are ineligible for annual reviews.

### ANNUAL EMPLOYEE PERFORMANCE REVIEWS (CANADA)

		2019	2020
Performance reviews completed	Canada	882	<b>862</b>
Eligible employees	Canada	980	<b>937</b>
Percent coverage	Canada	90.0%	<b>92.0%</b>

### ANNUAL EMPLOYEE PERFORMANCE REVIEWS (U.S.)

		2019	2020
Performance reviews completed	U.S.	184	<b>210</b>
Eligible employees	U.S.	184	<b>211</b>
Percent coverage	U.S.	100.0%	<b>99.5%</b>

People are the means through which any organization takes action to improve its performance. We strongly believe that an engaged and motivated workforce is our greatest asset in enhancing stakeholder value and, ultimately, leading to a sustainable company.

# OUR SUSTAINABLE HOUSE – LEADING BY EXAMPLE

## MANAGEMENT APPROACH

As both a landlord and a tenant, Sustainable Morguard strives to take action in our corporate offices first, inspiring our stakeholders to join us. We regularly pilot innovative sustainability initiatives in our own offices before applying them in tenant spaces.

As a corporation, we demonstrate our commitment to sustainability through compliance in environmental affairs and implementation of responsible governance practices.

## GREENING OUR SUPPLY CHAIN

Morguard understands our responsibility to not only manage our own direct emissions, but also the emissions of our suppliers in areas including cleaning, carpeting, building/development, maintenance and property supplies.

As part of our GREEN LINK program, we have included green procurement strategies in both our sustainability and purchasing policies. Our properties participate in greening their supply chain through the purchase of building and maintenance products that meet leading environmental standards, including EcoLogo and Green Seal. Our policies consider green cleaning and demolition standards, including provincial and state regulations and ensure low volatile organic compounds in all chemical products to prevent harmful chemicals from reaching our environment.

To reduce the effects of our office materials going to landfill we have partnered with third-party recycling companies to properly relocate materials that have not yet reached end of life. In so doing we have diverted both furniture and office materials from landfill.

As part of the requirements of BOMA, we engage with suppliers that have a positive focus on environmental and ethical materials. The types of products received range from environmentally preferred cleaning products, to glues and office supplies.

## GREENING OUR OFFICES

Morguard is actively working to reduce the environmental impacts of operations at our 13 corporate offices across Canada and the U.S. Our strategy is to engage our employees to do their part and, in turn, use the lessons learned to engage our tenants to green their spaces. Office representatives follow an internal best practice information guide on reducing our offices' environmental footprint and addressing opportunities such as consumable supplies, kitchen and cleaning materials, catering and composting. Most recently, we introduced a Sustainability Committee to encourage dialogue at the property and office level on corporate sustainability and responsibility ("CSR") related objectives, concerns and local innovations.

In 2019, Morguard began recording the recycling of electronic waste across our North American offices with our partners – Revolution, Electronic Recycling Association and Computer Recycling Services of Florida in the U.S.

Items recycled included laptops, desktops, mobile phones, printers, monitors, keyboards and mice. The chart below offers a breakdown of our collection and disposal.

### ELECTRONIC MATERIALS DIVERTED FROM LANDFILL

Office	Types of Electronic Equipment Collected	Materials Collected and/or Diverted/ Recycled (kg)	Name of Current Provider
Canada	Laptops, Desktops, Mobile phones, Printers, Monitors, Keyboards, Mice	967	Quantum Lifecycle Partners LP
U.S.	Laptops, Desktops, Mobile phones, Printers, Monitors, Keyboards, Mice	108	Computer Recycling Services of Florida

Through our process of product capture and renew, electronic equipment is brought to the most local office and materials are transported securely through internal means. Through this secure transport of materials, collection of electronics is recorded from a centralized pickup location, not specific properties. However, before disposal (either at the local or head office) materials are recorded and discarded responsibly.

Morguard's partnership with technological and furniture recycling companies will assist us in further managing to our Scope 2 and 3 emissions. In 2020 and over the next five years, we will continue to work on our recycling initiatives, working closely with our offices and assets to create a fulsome tracking program for our supplies and diversion rate over time.

## ENVIRONMENTAL/SOCIAL IMPACTS

The Environmental Affairs Department continues to provide in-house remediation services with a goal to minimize the negative impact on environmental receptors and ensure the health and well-being of our occupants. This is done by successfully remediating soil, groundwater, asbestos and mould at our buildings.

## ENVIRONMENTAL POLICIES AND PROCEDURES – ENVIRO LINK

Morguard monitors the compliance of all Morguard properties with relevant environmental legislation, identifies potential risks, and implements environmental policies and procedures using our environmental management system (“EMS”).

Our EMS incorporates policies, procedures and reporting related to environmental legislative compliance, best practices and employee training. It is applied to remediations and assessments during all stages of the property cycle, including acquisition, development and daily property management. It is tailored to issues surrounding Polychlorinated biphenyls (“PCB”), asbestos, Chlorofluorocarbons (“CFC”), mould and storage tanks, as well as tenant relations and incident reporting.

A key component of our EMS is ENVIRO LINK – a web-based portal that is used to track all work and assessments completed at every Morguard property by property management, our Environmental Affairs group and third-party consultants.

## LAND CONTAMINATION, REMEDIATION AND COMPLIANCE

We are committed to environmental compliance and best practices in safe land remediation, the removal or treatment of toxic materials/hazardous waste and the restoration of natural environments.

Morguard applies significant resources to ensure that environmental matters meet legislative compliance and the needs of our tenants, partners and community. Spills, as well as other environmental incidents, are reported by employees and third-party security personnel employed by Morguard via a Claims Reporting System, which is controlled by the Risk Management Department. The graphic below provides information on our 2019–2020 spill comparison.

### ENVIRONMENTAL METRICS COMPARISON 2019 AND 2020

Environmental Issue	2019 Results	2020 Results
Department Operating Budget	\$1.135 million	<b>\$1.15 million</b>
Number of Total Spills	28	<b>18</b>
Volume of Fluid Spills	22 @ 3,773.5 L*	<b>16 @ 870 L*</b>
Volume of Airborne Spills	6 @ 3,036 lbs**	<b>2 @ 80.5 lbs**</b>
Asbestos Removal Resources	\$1,186,013	<b>\$797,633</b>

• This represents a decrease of 2,903.5 L in the volume of fluid spilled in 2020 when compared to 2019.

\*\* This represents a decrease of 2,955.5 lbs in the volume of airborne releases in 2020 when compared to 2019.



In 2020, the operating budget for our internal environmental team was approximately \$1.15 million. Project costs and resources go toward environmental matters ranging from Phase 1 Environmental Site Assessments and annual asbestos inspections to full-scale soil and groundwater remediation.

In 2020, ENVIRO LINK tracked 18 spills – 16 spills were fluid spills with an approximate volume of 870 L, and two spills were airborne spills with an approximate volume of 80.5 lbs. The airborne spills consisted of one release of R-134a from a pinhole leak in a chiller unit and one release of R-404a from a leaking air-conditioning unit. The liquid spills consisted primarily of fuel leaks from vehicles and hydraulic fluid spills due to minor mechanical failures. Only one large volume liquid spill (glycol/water mix) of 400 L, due to a broken hose on a residential mechanical unit, was reported and comprises almost half the liquid spill volume recorded.

Spills are reported to state, provincial or national government authorities, as required, though none of the spills that occurred in 2020 would be considered significant as they are effectively removed without causing any environmental harm.

When compared to 2019, 2020 had ten fewer spills, and a spill volume decrease of 2,903.5 L for fluid spills and a spill volume decrease of 2,955 lbs for airborne spills. Tracking includes even very minor spills such as a fuel leak from a tenant's dirt bike at a residential site. Morguard was not fined or sanctioned for non-compliance with environmental laws and regulations in 2020.

As part of Morguard's continued effort to improve the environmental health of our managed properties, our Asbestos Management Program takes a proactive approach to the removal of asbestos containing materials. The removal of asbestos not only creates a healthier and risk-free environment for our tenants and occupants, but it alleviates future regulatory expenditures for these materials and strengthens relationships with tenants. In 2020, \$797,633 was spent on the removal of asbestos across our portfolio.

Along with our EMS and sustainability principles, we have applied tools such as the "precautionary approach" to our sustainability activities. The precautionary approach states that where there are threats of serious or irreversible damage, a lack of full scientific certainty will not be used as a reason for postponing cost-effective measures to prevent environmental degradation or public harm.

## OUR ENVIRONMENTAL MISSION

We believe that taking responsibility for identifying and managing the environmental impacts of our business is a vital step toward achieving sustainability. It adds value to our properties, ensures that employees and tenants are safe, reduces legal and public relations risks and demonstrates a commitment to leadership in property management.

Our commitment to lead by example, from the greening of Morguard's offices to utilizing first-class EMS, is intended to inspire others to join us on our sustainability journey.

# RESPONSIBLE GOVERNANCE

## MANAGEMENT APPROACH

Morguard is committed to excellence in corporate governance and recognizes that it is essential to the well-being of our business. Our Chairman and CEO, and our Board of Directors support increased alignment across all organizational, asset and regional boundaries as it relates to sustainability performance and program development.

For full disclosure of Morguard's governance practices, including executive compensation, please see Morguard Corporation's most recent Management Information Circular and Annual Information Form, which are posted to SEDAR and accessible from the Investor Relations section of [morguard.com](https://morguard.com).

Our Board of Directors and its four subcommittees (Audit; Investment; Human Resources, Compensation and Pension; and Corporate Governance and Nominating) regularly review and update governance practices in keeping with their fiduciary duties and our strategic vision. The Board receives routine information from management on all topics of the Morguard operation, including sustainability risks and opportunities, and is involved in a yearly corporate planning process that culminates in an annual strategic and budget plan. The annual strategic and budget plan forms the basis on which the Board evaluates the performance of management, both in executing the plan and in identifying corporate risks and opportunities. All Morguard Directors are provided with a membership to the Institute of Corporate Directors, which provides education, tools and other resources to help directors perform their role effectively and make an appropriate contribution to good governance practices and in the boardroom. The Corporate Governance and Nominating Committee of the Board provides review, guidance and approval of this Report and, in so doing, ensures that ESG performance indicators are reviewed at least annually.

## BUSINESS CONDUCT

Our commitment to high ethical standards and corporate responsibility is reflected in our Code of Business Conduct and Ethics (the "Code"), which applies to all directors, officers and employees, as well as the Code of Conduct and Conflict of Interest Guidelines for Directors. The Human Resources, Compensation and Pension Committee of the Board monitors compliance. Employees are required to review and sign the Code when onboarding, and again every two years.

We strive to maintain positive, professional and appropriate relationships with public officials and government agencies and strictly forbid any inappropriate lobbying activities. Our Code provides specific guidance with respect to customer and government relationships, gifts and entertainment, bribery, money laundering and the avoidance of conflicts of interest. It specifically forbids the giving, offering, authorizing or taking of bribes of any kind, including, but not limited to, money, favours, unusual gifts or entertainment, or the like.

Known or suspected violations of our Code must be immediately reported to a supervisor or other senior authority within the company. Our Whistleblower Policy ensures that nobody who, in good faith, reports such a violation will suffer any negative consequences. Detailed procedures are available to all staff and include a confidential Ethics Hotline.

## RESPONSIBLE CONTRACTING

We require contractors and suppliers to maintain rigorous operational and ethical standards. Prequalification guidelines incorporate strong standards for hiring building service contractors, including maintenance, security and cleaning staff. These guidelines serve to reduce public relations risk, increase goodwill and ensure that contractors provide professional service to Morguard's properties and tenants while respecting their own employees. These processes have been externally reviewed and ranked as leading practices among commercial real estate companies. The principles of our national prequalification contractor agreement include:

1. Responsible employment practices;
2. Fair wages and benefits;
3. Working hours;
4. Working conditions;
5. Discrimination and harassment;
6. Freely chosen employment; and
7. Child labour.

Morguard has updated its Morguard GREEN LINK Environmental Sustainability Policies to include sustainable procurement practices and has Green Purchasing Guidelines embedded into material services for property management and development, and will continue to update vendors on changes to our policy and programs that will heighten our responsiveness to meeting the needs of our industry and reducing our emissions.

# FUTURE PLANNING

Morguard understands that the changing space of sustainability requires continuous improvement and a strategic outlook which endeavours to create long-term goals and targets that drive sustainable change. While we have achieved strong savings in energy, waste and water, we intend to further our practices in 2021 to involve innovative solutions to old ways of doing business. Our plans include the application and management of occupant engagement programs, further insight into climate change mitigation and resiliency best practices and an increase in our internal data management strategies to ensure we are managing to our own performance while creating reasonable goals and objectives for our 5–10-year planning cycle.

With these goals in mind, Morguard has partnered with organizations such as BOMA's Climate Resiliency Committee and CaGBC's Corporate Real Estate Sustainability Leaders Roundtable to further dialogue on prominent issues facing our industry and define creative solutions to solving some of the world's most pressing ESG issues.

We continue to work closely with our partners to further our role as a responsible property investor and frequently participate in strategic discussions and awards programs designed to increase our stakeholder stewardship and develop proactive relationships that enable shared value to ESG initiatives.

Some examples of areas of focus for 2021 include:

- Further review and updating of existing ESG data management systems with a goal to extend our data capture and reporting capabilities;
- Aligning our CSR strategies and programs across all organizational boundaries;
- Increasing engagement with valued stakeholders;
- Advancing our understanding of climate risk;
- Addressing our energy management goals and targets with updated goals set for 2021; and
- Collaborating with industry partners and creating opportunity for more active oversight from members of the Board.

To be viewed as a strong player in the market, customers are demanding that businesses increase their triple bottom line approach to include more than just fiscal requirements – true value means something more. At Morguard, we believe creating stronger partnerships with our clients, residents, tenants and owners while embracing inclusion, not only in our own reporting, but in our interest to participate in pertinent industry discussions surrounding sound and sustainable investment practices, has enabled us to stay on the cusp of innovative approaches in the application of responsible business. Some areas of deeper consideration in the next five years include:

- Climate change mitigation and resiliency to determine strategies to lower risk and cost to our stakeholders, including our tenants and residents;
- Tenant and employee engagement to create positive and progressive change where we live and work;
- Looking beyond the building as we approach wellness strategies and certification; and
- Embracing partnerships that enable sustainable communities in which we live, work and play.

On the road ahead, our plan is for the Board of Directors and management team to continue advancing their active role in ESG oversight – both in terms of this Report, as well as the risks and opportunities it presents to our business. We continue to move forward on this journey we embarked on almost a decade ago and look forward to your feedback as we create best practice approaches to responsible property investing.

# APPENDIX

## APPENDIX A – GLOSSARY

BBBSC	Big Brothers Big Sisters Canada	HCMS	Human Capital Management System
BOMA	Building Owners and Managers Association	JHSC	Joint Health and Safety Committee
BOMA BEST	BOMA Building Environmental Standards	kWh	Kilowatt-hour
CaGBC	Canada Green Building Council	LEED	Leadership in Energy and Environmental Design
CAM	Certified Apartment Manager	LMS	Learning management system
CFC	Chlorofluorocarbon	MCC	Morguard's Mississauga City Centre
COR	Certificate of Recognition program	MMT	Morguard Management Training
CRBP	Certified Rental Building Program™	NALP	National Apartment Leasing Professional
CRESS	Construction and real estate sector supplement	OHS	Occupational health and safety
CREST	Commercial Real Estate Trailblazer	OHSMS	Occupational health and safety management system
CRSP	Canadian Registered Safety Professional	PATH	Path to Learning
CSR	Corporate sustainability and responsibility	PCB	Polychlorinated biphenyl
DPI	Detailed Property Inspection	PPE	Personal protective equipment
ekWh	Equivalent kilowatt-hours	r2r	race2reduce
EMS	Environmental management system	REALpac	Real Property Association of Canada
EMS	Environmental management system	REC	Renewable Energy Certificate
EP	Environmental Professional	SDG	Sustainable Development Goals
ESG	Environment, social and governance	SDS	Safety Data Sheet
EVO	Efficiency Valuation Organization	SF	Square foot
FRPO	Federation of Rental-Housing Providers of Ontario	tC02e	Tonnes of carbon dioxide equivalent
GHG	Greenhouse gas	TOBY	BOMA's The Outstanding Building of the Year
GLA	Gross leasable area	UNEP	United Nations Environment Programme
GREEN LINK	Morguard's proprietary green building program	USGBC	United States Green Building Council
GRI	Global Reporting Initiative		

## APPENDIX B – BUILDING PERFORMANCE – WEATHER ADJUSTMENT AND NORMALIZATION MODEL

In both the U.S. and Canada, utility use on an individual property level can differ significantly year-on-year due to climate. Extreme temperatures require additional energy to heat and cool buildings to optimal conditions for tenants, residents and guests. By calculating our building performance in isolation of these external factors, Morguard can better understand the successes and areas for improvement within Sustainable Morguard on an individual property level.

In 2020, we continued to use a rigorous weather adjustment model. The weather adjustment modelling was expanded from the Canadian retail and office properties to include both Canadian and U.S. residential. This involved completing a regression analysis of energy and water performance versus weather data specific to the nearest weather station of each individual property. This allows current and future energy and water performance to be measured against a weather-adjusted 2019 baseline.

The weather modelling is produced on a utility account basis. For each utility account, an equation is developed based upon statistical analysis, which relates energy and water use to the heating and cooling-degree days specific to a facility's weather conditions, and heating and cooling balance points specific to the property. The set of equations represent the weather model. Weather data from multiple weather stations is collected daily and applied on a monthly basis to derive the weather-adjusted baseline. It is important to note that not all utility accounts correlate to usage. For an account with no correlation to weather, the baseline for that accounts remains as the actual baseline usage, in this case 2019 actual usage.

To conduct weather adjustment calculations, we engage an external consultant that reviews energy and water performance versus weather data specific to the nearest weather station of each individual property. The methodology used complies with the International Performance Measurement and Verification Protocol (October 2016) as produced by the Efficiency Valuation Organization ("EVO").

In 2020, weather adjustments were completed on two additional asset classes, Canadian and U.S. residential properties, and we continued to calculate weather adjustments for our Canadian retail and office properties. Regressive analysis was conducted to enable current and future energy and water performance to be measured against a weather-adjusted 2019 baseline.

Historically, occupancy had been a factor in normalization. Adjustments based on occupancy have been removed in 2020 due to the unique impact of COVID-19 on operations.

## APPENDIX C – PROPERTY LIST

### Multi-suite Residential

#### CANADA

BPR Property	Compliance/ Certifications	Prov.	Ownership
● The Pinnacle		AB	3rd Party
● Wyldewood Estates		AB	3rd Party
● Mayfair Village South		AB	MRC
● Square 104		AB	MRG
● Margaret Place	CRBP	ON	MRG
● Aspen Grove I	CRBP	ON	MRC/3rd Party
● Aspen Grove II	CRBP	ON	MRC/3rd Party
● Meadowvale Gardens	CRBP	ON	MRG
● The Arista	CRBP	ON	MRG
● The Elmwoods	CRBP	ON	MRG
● The Forestwoods	CRBP	ON	MRG/3rd Party
● The Maplewoods	CRBP	ON	MRG/3rd Party
● The Valleywoods	CRBP	ON	MRG/3rd Party
● Tomken Place	CRBP	ON	MRG
● 126 Sparks		ON	MRC
● 160 Chapel	CRBP	ON	MRG
● Fifty on the Park	CRBP	ON	3rd Party
● Leaside Towers	CRBP	ON	MRC
● Rideau Towers I	CRBP	ON	MRG/3rd Party
● Rideau Towers II	CRBP	ON	MRG
● Rideau Towers III	CRBP	ON	MRG
● Rideau Towers IV	CRBP	ON	MRG
● Rouge Valley Residence		ON	MRG
● The Bay Club	CRBP	ON	MRC
● The Heathview	LEED Gold, LEED Silver*	ON	MRC
○ The Colonnade	CRBP	ON	MRC

#### U.S.

BPR Property	Compliance/ Certifications	State	Ownership
○ Sunset & Gordon	EHO	CA	MRC
● Retreat at City Center	EHO	CO	MRG
● Settlers' Creek	EHO	CO	MRG
● The Retreat at Spring Park	EHO	TX	MRG
● Grand Venetian at Las Colinas	EHO	TX	MRG
● Verandah at Valley Ranch	EHO	TX	MRG
● The Georgian Apartments	EHO	LA	MRG
● Greenbrier Estates	EHO	LA	MRG
● Alta at K Station	EHO, LEED Gold	IL	MRC
● Coast at Lakeshore East	EHO, LEED Silver	IL	MRG
○ The Marquee at Block 37	EHO, LEED Certified	IL	MRC/MRG
● Briarhill Apartments	EHO	GA	MRG
● The Savoy Luxury Apartments	EHO	GA	MRG
● Barrett Walk Luxury Apartment Homes	EHO	GA	MRG
● 210 Watermark	EHO	FL	MRG
● Santorini Apartments	EHO	FL	MRC
○ Vizcaya Lakes	EHO	FL	MRC
● Blue Isle Apartment Homes	EHO	FL	MRG
● 2940 Solano at Monterra	EHO	FL	MRG/3rd Party
● Emerald Lake Apartments	EHO	FL	MRC
● Governors Gate I	EHO	FL	MRG
● Governors Gate II	EHO	FL	MRG
● Jamestown Estates	EHO	FL	MRG
● Woodcliff Apartment Homes	EHO	FL	MRG
● Woodbine Apartment Homes	EHO	FL	MRG
● Mallory Square	EHO	FL	MRG
● Village Crossing Apartment Homes	EHO	FL	MRG
● The Lodge at Crossroads	EHO	NC	MRG
● Perry Point Ultimate Apartments	EHO	NC	MRG
● Northgate at Falls Church	EHO	VA	MRG
● The Fenestra at Rockville Town Square	EHO	MD	MRC/MRG

2020 building performance results (BPR)

● Property included ○ Property excluded

\* Certification Pending



## Retail

### CANADA

BPR Property	Compliance/ Certifications	Prov.	Ownership
● Sevenoaks Shopping Centre	BOMA Gold	BC	3rd Party
● Coquitlam Shopping Centre	BOMA Platinum	BC	3rd Party
● Pine Centre Mall	BOMA Gold	BC	MRT
● Shelbourne Plaza		BC	MRT
● Airdrie Co-op Centre		AB	MRT
● Airdrie RONA Centre		AB	MRT
● Heritage Towne Centre		AB	MRT
● Bonnie Doon Shopping Centre	BOMA Gold	AB	3rd Party
● Prairie Mall	BOMA Certified	AB	MRC/MRT
● Parkland Mall	BOMA Certified	AB	MRT
● The Centre	BOMA Certified	SK	MRT
● Lawson Heights	BOMA Silver, BOMA Regina 2020 Earth Award	SK	3rd Party
● Shoppers Mall	BOMA Gold	MB	MRT
● Charleswood Centre		MB	MRT
● Crossroads Station Shopping Centre		MB	3rd Party
● Southdale Centre		MB	MRT
● Aurora Centre		ON	MRT
● Bramalea City Centre	BOMA Platinum	ON	MRC/3rd Party
● Cambridge Centre	BOMA Platinum	ON	MRT
● Market Square		ON	MRT
● Wonderland Corners		ON	MRT
● Kingsbury Centre		ON	MRT
● Northgate Shopping Centre	BOMA Gold	ON	3rd Party
● Hampton Park Plaza		ON	MRT
● St. Laurent	BOMA Gold	ON	MRT
● New Sudbury Centre	BOMA Gold, HOOPP LEAP – Community Impact	ON	3rd Party
● Intercity Centre	BOMA Gold	ON	3rd Party
● Centerpoint Mall	BOMA Silver	ON	MRC
● East York Town Centre	BOMA Bronze	ON	MRC
● Holt Renfrew Centre	BOMA Platinum	ON	3rd Party
● Guildwood Village Shopping Centre		ON	MRC
● Woodbridge Square		ON	MRT/3rd Party
● Place Rosemere	BOMA Gold, HOOPP LEAP – Energy Manager	QC	3rd Party

### U.S.

BPR Property	Compliance/ Certifications	State	Ownership
● Gonzales Plaza		LA	MRC
● Southland Mall		LA	MRC
● Airline Park Shopping Center		LA	MRC
● North Shore Square		LA	MRC
○ Alta at K Station	LEED Gold	IL	MRC
● Boynton Town Center		FL	MRC
● Weeki Wachee Village		FL	MRC
● Rainbow Square		FL	MRC
● Florida Shores Plaza		FL	MRC
● Lantana Plaza		FL	MRC
● Town & Country Shopping Center		FL	MRC
● Westward Shopping Center		FL	MRC

2020 building performance results (BPR)

● Property included ○ Property excluded

\* Certification Pending

## Office

### CANADA

BPR	Property	Compliance/ Certifications	Prov.	Ownership
●	111 Dunsmuir	BOMA Gold, Energy Star Cert.	BC	MRT
●	Chancery Place	BOMA Gold	BC	MRT
●	969 Robson Street		BC	3rd Party
●	Seymour Place		BC	MRT
●	11th Avenue Place	LEED Gold, BOMA Gold, HOOPE LEAP – Waste Minimizer, Energy Star Cert.	AB	3rd Party
●	207 and 215 9th Avenue SW	WiredScore Gold, Energy Star Cert.	AB	MRT
●	505 3rd Street SW	Energy Star Cert.	AB	MRT/3rd Party
●	7315 8th Street NE		AB	MRT
●	Centre 810		AB	MRT
●	Citadel West		AB	MRT
●	Deerport Centre	BOMA Silver	AB	MRT
●	Duncan Building	BOMA Silver	AB	MRT
●	NovAtel Building		AB	3rd Party
●	Quarry Park	LEED Certified, Energy Star Cert.	AB	3rd Party
●	44 Capital Blvd	BOMA Silver	AB	3rd Party
●	Petroleum Plaza	LEED Silver, BOMA Silver	AB	MRT/3rd Party
●	Scotia Place	LEED Silver*, BOMA Gold	AB	MRT/3rd Party
●	Ford Credit Building		AB	3rd Party
●	Whitemud Business Park		AB	3rd Party
●	YEGRE West Campus A		AB	3rd Party
●	Keewatin Square		SK	MRC
●	155 Carlton Ltd.	BOMA Silver	MB	3rd Party
●	175-185 Carlton Street	BOMA Silver	MB	3rd Party
○	325 Broadway Avenue	BOMA Silver	MB	3rd Party
●	363 Broadway Avenue	BOMA Silver	MB	3rd Party
●	400 St. Mary	BOMA Gold, Energy Star Cert.	MB	MRC/3rd Party
●	444 St. Mary	BOMA Silver, Energy Star Cert.	MB	MRC/3rd Party
●	Bramalea City Centre (Office)		ON	MRC/3rd Party
●	365 March Road LP	BOMA Race2Reduce – Water (Performance Leadership Award)	ON	3rd Party
●	123 Commerce Valley Drive	BOMA Platinum, Energy Star Cert.	ON	MRC
●	201 City Centre Drive	BOMA Platinum, Energy Star Cert., BOMA 360 Performance Building	ON	MRC/3rd Party
●	2920 Matheson East	BOMA Platinum, Energy Star Cert., BOMA Toronto 2020 Earth Award	ON	MRC/3rd Party

2020 building performance results (BPR)

● Property included ○ Property excluded

\* Certification Pending

BPR	Property	Compliance/ Certifications	Prov.	Ownership
●	33 City Centre Drive	BOMA Platinum, Energy Star Cert., BOMA 360 Performance Building	ON	MRC/3rd Party
●	55 City Centre Drive	BOMA Platinum, BOMA 360 Performance Building	ON	MRC/3rd Party
●	77 City Centre Drive	BOMA Platinum, Energy Star Cert. BOMA 360 Performance Building	ON	MRC/3rd Party
●	586 Argus Road	BOMA Gold	ON	MRC
●	301 Laurier Avenue		ON	MRT/3rd Party
●	350 Sparks Street	WiredScore Gold	ON	MRC
●	59 Camelot Drive	BOMA Silver	ON	MRC
●	99 Metcalfe Street	BOMA Silver	ON	MRC
●	Blair Road	BOMA Silver WiredScore Silver BOMA Race2Reduce – Water (Performance Leadership Award)	ON	3rd Party
●	CBC Ottawa Broadcast Centre	BOMA Silver	ON	MRC
●	Green Valley Office Park	BOMA Silver	ON	MRT
●	Heritage Place	BOMA Silver	ON	MRT/3rd Party
●	Jean Edmonds Towers		ON	MRC
●	Performance Court	LEED Gold, BOMA Gold Bullfrog Powered	ON	MRC/3rd Party
●	St. Laurent Business Centre	BOMA Silver	ON	MRT
●	Standard Life	BOMA Silver	ON	MRT/3rd Party
●	200 Yorkland	BOMA Silver	ON	MRT
●	60 Bloor Street West	LEED Gold* WiredScore Gold Bullfrog Powered	ON	3rd Party
●	77 Bloor Street West	LEED Gold, BOMA Gold, WiredScore Gold, RHF Accessibility – BOMA Toronto	ON	MRT/3rd Party
○	945 Wilson Avenue		ON	MRC
●	Etobicoke Wellness Centre	LEED Gold	ON	MRC
●	Leaside Corporate Centre	BOMA Silver	ON	MRC/3rd Party
○	Plenary / Archives of Ontario	LEED Silver	ON	3rd Party
○	York Research Tower	LEED Gold	ON	3rd Party
●	41 Rue Victoria	LEED Silver	QC	MRC

## Industrial

### CANADA

BPR	Property	Compliance/ Certifications	Prov.	Ownership
●	Annacis Island		BC	3rd Party
●	15110 54A Avenue		BC	3rd Party
●	5355 152nd Street		BC	3rd Party
●	5433 152nd Street		BC	3rd Party
●	Marine Drive Bldg 1		BC	3rd Party
●	Marine Drive Bldg 2		BC	3rd Party
●	Marine Drive Bldg 3		BC	3rd Party
●	Marine Drive Bldg 4		BC	3rd Party
●	Foothills East Building		AB	3rd Party
●	Foothills South B.C.		AB	3rd Party
●	Foothills West Building		AB	3rd Party
●	Portland Street Depot I		AB	3rd Party
●	Rockyview Business Park		AB	3rd Party
●	186th St NW Yellowhead		AB	3rd Party
●	Brier Business Centre		AB	3rd Party
●	City West Bus. Park		AB	3rd Party
●	Crossroads Bus. Park		AB	3rd Party
●	Gateway 1		AB	3rd Party
●	Gateway 2		AB	3rd Party
●	Gateway 4		AB	3rd Party
●	Winfield Centre		AB	3rd Party
●	1266-1280 Border Street		MB	3rd Party
●	885 Keewatin Street		MB	3rd Party
●	961/975 Sherwin Road		MB	3rd Party
●	969/1007 Century Street		MB	3rd Party
●	5 Resolution Drive		ON	3rd Party
○	1205 Corporate Drive	Solar powered	ON	3rd Party
●	2340 Winston Park Drive		ON	3rd Party
●	Capital East Business Centre		ON	MRC
●	1117/1141 Newmarket St.		ON	3rd Party
●	2660-2668 Lancaster Rd.		ON	3rd Party
●	2700 Lancaster Rd.		ON	3rd Party
●	2710 Lancaster Rd.		ON	3rd Party
●	2750-2772 Lancaster Rd.		ON	3rd Party
●	1875 Leslie		ON	MRT
●	2041-2151 McCowan		ON	MRT

## Universal

### CANADA

BPR	Property	Compliance/ Certifications	Prov.	Ownership
●	Quinte Consolidated Courthouse	LEED Gold, BOMA Gold	ON	MRC/3rd Party
●	131 Queen Street	BOMA Silver	ON	MRC
●	Time Square	BOMA Silver	ON	MRT
●	Place Innovation	BOMA Gold (1), BOMA Silver (3)	QC	MRC / MRT

2020 building performance results (BPR)

● Property included ○ Property excluded

\* Certification Pending

## Hotel

### CANADA

BPR	Property	Green Key	Prov.	Ownership
○	Inn at the Quay	4-key rating	BC	MRC
○	Hilton Garden Inn	4-key rating	AB	MRC
○	Clearwater Residence Hotel – Timberlea	1-key rating	AB	MRC
○	Clearwater Suite Hotel	3-key rating	AB	MRC
○	Franklin Suite Hotel	4-key rating	AB	MRC
○	Merit Hotel & Suites	4-key rating	AB	MRC
○	Nomad Hotel & Suites	2-key rating	AB	MRC
○	Radisson Hotel & Suites Fort McMurray	4-key rating	AB	MRC
○	Vantage Inn and Suites	3-key rating	AB	MRC
○	Days Hotel and Suites	2-key rating	AB	MRC
○	Temple Gardens Mineral Spa Resort Hotel	3-key rating	SK	MRC
○	Wingate by Wyndham Regina	3-key rating	SK	MRC
○	Saskatoon Inn & Conference Centre	4-key rating	SK	MRC
○	Holiday Inn Winnipeg South	3-key rating	MB	MRC
○	Residence Inn – London	3-key rating	ON	MRC
○	Hilton Garden Inn Toronto Airport West	4-key rating	ON	MRC
○	Courtyard Marriott	4-key rating	ON	MRC
○	Hilton Garden Inn and Homewood Suites	4-key rating	ON	MRC
○	Holiday Inn Express	3-key rating	ON	MRC
○	Towne Place Suites by Marriott	3-key rating	ON	MRC
○	Days Inn & Suites	3-key rating	ON	MRC
○	Days Inn North	3-key rating	ON	MRC
○	Courtyard by Marriott Toronto Airport	4-key rating	ON	MRC
○	Hotel Carlingview Toronto Airport	3-key rating	ON	MRC
○	Residence Inn by Marriott Toronto Airport	3-key rating	ON	MRC
○	Toronto Airport Marriott	4-key rating	ON	MRC
○	Cambridge Suites Hotel Halifax	4-key rating	NS	MRC
○	The Prince George Hotel	3-key rating	NS	MRC
○	Days Inn and Suites	3-key rating	NT	MRC
○	Stanton Suites Hotel	1-key rating	NT	MRC

## APPENDIX D – GRI CONTENT INDEX

This Report was prepared in accordance with the GRI Standards: Core option and references the GRI G4 Construction and Real Estate Sector Supplement in cases where the material topic is not covered by an existing GRI Standard.

DISCLOSURE	DESCRIPTION	LOCATION AND REMARKS
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	Profile, pg. 3
102-2	Activities, brands, products, and services	To the best of our knowledge at the time of reporting, none of our products or services are banned or the subject of public debate. All our developments include a stakeholder engagement process to respond to questions.
102-3	Location of headquarters	Profile, pg. 3
102-4	Location of operations	Profile, pgs. 3-4
102-5	Ownership and legal form	Morguard 2020 Annual Information Form pgs. 1-2, found at <a href="http://www.morguard.com">www.morguard.com</a>
102-6	Markets served	Profile, pgs. 3-4 Morguard 2020 Annual Information Form pgs. 8-9, found at <a href="http://www.morguard.com">www.morguard.com</a>
102-7	Scale of the organization	Profile, pgs. 3-4
102-8	Information on employees and other workers	Responsible Employer – Empowering our People, pgs. 46-50
102-9	Supply chain	Our Sustainable House – Leading by Example, pgs. 61-62, Responsible Governance, pg. 66 Morguard's suppliers include property cleaners, maintenance workers, security services and other professional services firms. A full accounting of these organizations is beyond the scope of this Report.
102-10	Significant changes to the organization and its supply chain	There were no significant changes to the operations size, structure, ownership or supply chain in 2020. That said, COVID-19 did have a significant impact on our business operations. Details of these events can be found in Morguard's 2020 Fourth Quarter Report: Management's Discussion and Analysis and Consolidated Financial Statements, pgs. 7-11
102-11	Precautionary principle or approach	Our Sustainability Strategy, pg. 5, Our Sustainable House – Leading by Example, pgs. 62-64, found at <a href="http://www.morguard.com">www.morguard.com</a>
102-12	External initiatives	Our Sustainability Strategy, pgs. 6-7
102-13	Membership of associations	Our Sustainability Strategy, pgs. 6-7
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Executive Statement, pg. 2
<b>Ethics</b>		
102-16	Values, principles, standards, and norms of behaviour	Our Sustainability Strategy, pgs. 5-7, Responsible Employer – Empowering our People, pg. 44, Responsible Governance, pg. 65-66
<b>Governance</b>		
102-18	Governance structure	Our Sustainability Strategy, pg. 6, Responsible Governance, pg. 65
102-19	Delegating authority	Our Sustainability Strategy, pg. 6
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Sustainability Strategy, pg. 6, Responsible Governance, pg. 65

DISCLOSURE	DESCRIPTION	LOCATION AND REMARKS
102-21	Consulting stakeholders on economic, environmental, and social topics	Our Voice – Advocating for Sustainable Real Estate, pgs. 10-12
102-23	Chair of the highest governance body	Morguard 2020 Annual Information Form pgs. 26-27, found at <a href="http://www.morguard.com">www.morguard.com</a>
102-25	Conflicts of interest	Morguard 2020 Annual Information Form pg. 17, found at <a href="http://www.morguard.com">www.morguard.com</a>
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Voice – Advocating for Sustainable Real Estate, pgs. 11-12
102-27	Collective knowledge of highest governance body	Responsible Governance, pg. 65
102-29	Identifying and managing economic, environmental, and social impacts	Our Voice – Advocating for Sustainable Real Estate, pgs. 11-12, Responsible Governance, pg. 65
102-30	Effectiveness of risk management processes	Responsible Governance, pg. 65
102-31	Review of economic, environmental, and social topics	Our Voice – Advocating for Sustainable Real Estate, pgs. 11-12, Responsible Governance, pg. 65
102-32	Highest governance body's role in sustainability reporting	Our Sustainability Strategy, pg. 6, Our Voice – Advocating for Sustainable Real Estate, pgs. 11-12, Responsible Governance, pg. 65 Morguard's 2020 Corporate Sustainability Report has been reviewed and approved by our Board prior to publishing.
102-33	Communicating critical concerns	Responsible Governance, pg. 65
102-35	Remuneration policies	Morguard Corporation Terms of Reference for the Human Resources, Compensation and Pension Committee, pgs. 1-2, found at <a href="http://www.morguard.com">www.morguard.com</a>
102-36	Process for determining remuneration	Morguard Corporation Terms of Reference for the Human Resources, Compensation and Pension Committee, pgs. 1-2, found at <a href="http://www.morguard.com">www.morguard.com</a>
Stakeholder Engagement		
102-40	List of stakeholder groups	Our Voice – Advocating for Sustainable Real Estate, pgs. 10-12
102-41	Collective bargaining agreements	Responsible Employer – Empowering Our People, pg. 44
102-42	Identifying and selecting stakeholders	Our Voice – Advocating for Sustainable Real Estate, pgs. 10-12
102-43	Approach to stakeholder engagement	
102-44	Key topics and concerns raised	
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Profile, pgs. 3-4 Morguard 2020 Annual Information Form pgs. 1-2, found at <a href="http://www.morguard.com">www.morguard.com</a>
102-46	Defining report content and topic Boundaries	Profile, pgs. 3-4, Our Voice – Advocating for Sustainable Real Estate, pgs. 11-12
102-47	List of material aspects	Our Voice – Advocating for Sustainable Real Estate, pg. 12
102-48	Restatements of information	Responsible Employer – Empowering our People, pgs. 56 Injury reporting methodology has been updated in line with the latest GRI Standard on Occupational Health and Safety. 2019 injury data has been restated using the new methodology. Building Performance Data – Monitoring our Properties, pgs. 28-35 Historical building performance data from 2016 to 2019 has been restated in line with expanded scope of properties included in new baseline year.

DISCLOSURE	DESCRIPTION	LOCATION AND REMARKS
102-49	Changes in reporting	In 2020, we updated our environmental building performance baseline from 2015 to 2019. See pg. 26 for details.
102-50	Reporting period	January 1, 2020 – December 31, 2020.
102-51	Date of most recent report	Morguard's 2019 Corporate Sustainability Report was published April 2020. Morguard's 2020 Annual Report was published on 26 February 2020.
102-52	Reporting cycle	Annual. See pg. 4 for details.
102-53	Contact point for questions regarding the report	Profile, pg. 4
102-54	Claims of reporting in accordance with the GRI Standards	Profile, pg. 4, Appendix D – GRI Content Index, pg. 75
102-55	GRI content index	GRI Content Index, pg. 75
102-56	External assurance, report, statements, or opinions.	Profile, pg. 4

GRI STANDARD	DISCLOSURE	DESCRIPTION	LOCATION AND REMARKS
GRI 200: ECONOMIC			
Responsible Property Investing			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Responsible Property Investment – Creating Sustainable Returns, pg. 13-14
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Morguard 2020 Annual Information Form pg. 3, found at <a href="http://www.morguard.com">www.morguard.com</a>
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Sustainable Development – Building and Supporting our Communities, pg. 37-43
Ethics and Transparency			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Responsible Governance, pg. 65
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Responsible Employer – Empowering Our People, pgs. 57-59, Responsible Governance, pg. 65
GRI 206: Anti-Competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	There were no legal actions against Morguard in 2020 regarding anticompetitive behaviour, anti-trust or monopoly practices.
Tax			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Development – Building and Supporting Our Communities, pg. 43 Morguard Corporation 2020 Consolidated Financial Statements, pgs. 9-11, 21, 33, 43-45, 53 found at <a href="http://www.morguard.com">www.morguard.com</a>
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 207: Tax 2019	207-1	Approach to tax	
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
	207-4	Country-by-country reporting	
Board Governance and Oversight			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Refer to: GRI 102-18 – GRI 102-35.
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
Board Governance and Oversight	-	-	

GRI STANDARD	DISCLOSURE	DESCRIPTION	LOCATION AND REMARKS
GRI 300: ENVIRONMENTAL			
Energy			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Reaching Net Zero – Partnering to Achieve Sustainable Buildings, pg. 15, Building Performance Data – Monitoring Our Properties, pgs. 25-27
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Building Performance Data – Monitoring Our Properties, pgs. 25-36
	302-3	Energy intensity	
	302-4	Reduction of energy consumption	
	302-5	Reductions in energy requirements of products and services	
Water			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Reaching Net Zero – Partnering to Achieve Sustainable Buildings, pg. 15, Building Performance Data – Monitoring Our Properties, pgs. 25-36
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
Biodiversity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Development – Building and Supporting Our Communities, pgs. 37-39
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 304: Biodiversity	304-3	Habitats protected/restored	
Greenhouse Gas Emissions			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Reaching Net Zero – Partnering to Achieve Sustainable Buildings, pgs. 15, 24, Building Performance Data – Monitoring Our Properties, pgs. 25-36
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	
Waste			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Reaching Net Zero – Partnering to Achieve Sustainable Buildings, pg. 15, Building Performance Data – Monitoring Our Properties, pgs. 25-27
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Our Sustainable House – Leading by Example, pgs. 62-64, Building Performance Data – Monitoring Our Properties, pgs. 25-36



GRI STANDARD	DISCLOSURE	DESCRIPTION	LOCATION AND REMARKS
	306-3	Significant spills	Our Sustainable House – Leading by Example, pgs. 62-64
Environmental Regulatory Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Sustainable House – Leading by Example, pgs. 61-64
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Our Sustainable House – Leading by Example, pgs. 63-64 There were no legal actions against Morguard in 2020 regarding environmental laws or regulations.
Green Building Design and Certification			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Reaching Net Zero – Partnering to Achieve Sustainable Buildings, pgs. 15-23
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
Non-GRI Standards: Product and Service Labelling	CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	
GRI 400: Social			
Employee Engagement and Satisfaction			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Responsible Employer – Empowering Our People, pgs. 44-46, 49, 51, 57, 59-60
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Responsible Employer – Empowering Our People, pgs. 49-50
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Responsible Employer – Empowering Our People, pgs. 51
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Responsible Employer – Empowering Our People, pgs. 58-59
	404-2	Programs for upgrading employee skills and transition assistance programs	Responsible Employer – Empowering Our People, pgs. 57-59
	404-3	Percentage of employees receiving regular performance and career development reviews	Responsible Employer – Empowering Our People, pg. 60
Workplace Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Responsible Employer – Empowering Our People, pgs. 52-55
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	

GRI STANDARD	DISCLOSURE	DESCRIPTION	LOCATION AND REMARKS
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-9	Work-related injuries	Responsible Employer – Empowering Our People, pgs. 56
<b>Local Communities</b>			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Voice – Advocating for Sustainable Real Estate, pg. 10, Sustainable Development – Building and Supporting Our Communities, pgs. 37-43
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	

Morguard's 2020 Sustainability Report, is prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option, and references GRI's Construction and Real Estate Sector Supplement ("CRESS"). Morguard also publishes a Highlights Report which summarizes achievements and profiles specific initiatives. These reports, once issued, can be found at [www.morguard.com](http://www.morguard.com).

All information is presented as at December 31, 2020, unless otherwise indicated.



To learn more about sustainability please visit [www.morguard.com/sustainability](http://www.morguard.com/sustainability).

### Feedback and Inquiries

We welcome your feedback and inquiries about Sustainable Morguard's sustainability performance. Please email us at [sustainability@morguard.com](mailto:sustainability@morguard.com)

#### **Beverley G. Flynn**

Senior Vice President, General Counsel and Secretary

#### **Christine Wickett**

Manager, Corporate Sustainability and Responsibility

### MORGUARD CORPORATION

55 City Centre Drive  
Suite 1000  
Mississauga, ON  
L5B 1M3  
905-281-3800  
MORGUARD.COM

