



# 2019 | CORPORATE SUSTAINABILITY REPORT

TAKING ACTION FOR  
OUR COMMUNITIES



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## EXECUTIVE STATEMENT

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At Morguard, sustainability continued to be a strategic priority through 2019. Our commitment to the environment is demonstrated by incorporating sustainable best practices throughout our organization and involving our stakeholders at all levels. Sustainable Morguard is our company-wide sustainability program that structures our efforts and directs our actions on environmental, social and governance (ESG) strategies as well as on the performance of our properties.

As part of our corporate strategy, Sustainable Morguard and its related initiatives are integrated into our core values that drive current business objectives, while also protecting the needs of future business opportunities, our environment, our communities and our investors. Our ESG initiatives are leveraged enterprise-wide to identify opportunities and expand the program.

Today, the program's success is due in part to decreases in energy and water use, on-going green building certifications and improved reporting transparency. Success does not come without some challenges. Extending our green building certifications across our portfolio has been multifaceted and an area that requires improvement in 2020. Moving into the next reporting year, our goal is to embrace a more integrated management approach to Morguard's Corporate Sustainability and Responsibility strategy and align operational efficiency with our climate change efforts. As a major real estate organization in North America, we take this commitment seriously, not only for the health and wellbeing of the communities we serve, but as a way of nurturing long-term value for our shareholders, clients, tenants and employees.

During 2019 Morguard's employees, residents and tenants made important contributions to the communities where they live and work. And as a result, we continue to receive recognition for our achievements, including building quality and design, and an outstanding record of health and safety. I want to thank everyone for their passion and commitment to Sustainable Morguard. You are making a positive impact by taking action every day.

Sincerely,



**K. RAI SAHI**  
Chairman and Chief Executive Officer  
Morguard Corporation

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## PROFILE

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Morguard Corporation (“Morguard”) is a fully integrated North American real estate organization, with 1,419 employees and total real estate assets owned and under management (“Morguard’s assets”) valued at \$15.8 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 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 40 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](http://sedar.com) and at [morguard.com](http://morguard.com).

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## MATERIAL TOPICS AND BOUNDARY

The Morguard 2019 Annual Corporate Sustainability and Responsibility Report (the “Report”) provides transparent information on activities and management strategies for our owned and managed real estate assets in Canada and in the United States. These real estate assets include commercial (retail, office and industrial), multi-suite residential and hotels. Each asset class and region (Canada and the United States) has a unique variety of sustainable risks and opportunities. In addition, Morguard’s control over sustainable activity at a specific property can be limited based on negotiated lease terms and management agreements. As a result, Morguard’s sustainability program is designed with each asset class in mind. At any given time, property-level sustainability programs can vary between and within asset classes, types and regions. This means that the availability of property performance metrics may differ across asset types and regions. Acknowledging these differences, scope is individually defined within each reporting area. In addition, although we acquired and disposed of assets during the reporting period, property performance metrics in this Report only reflect the properties that were operational during the entire reporting period.

This Report was prepared in accordance with the Core option of the 2019 Global Reporting Initiative (“GRI”) Standard sustainability reporting guidelines, including the 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 Sustainable Morguard highlights report that summarizes achievements, and profiles specific initiatives and properties. The Sustainable Morguard 2019 Highlights can be found at [morguard.com](http://morguard.com).

All information is presented as at December 31, 2019, 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

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## OUR SUSTAINABILITY STRATEGY

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Sustainability is a strategic priority for Morguard. Sustainability encompasses the risks and organizational responsibilities surrounding our environmental, social and governance (“ESG”) topics. Given the scale and extent of its ESG topics, sustainability is of concern to the real estate sector, including key stakeholders such as owners, tenants and those employed by the industry.

At a fundamental level, real estate organizations contribute to society through the development and management of shelter. People will always need buildings in which to live and work. Our sustainability challenge starts from this foundation as Morguard’s unique asset diversification of commercial, multi-suite residential and hotels provides us with the ability to impact both environments. We strive to identify and implement innovative initiatives that ensure our business models and properties will contribute to a sustainable society.

### OUR JOURNEY

All Morguard properties participate in Sustainable Morguard, our company-wide sustainability program. Within Sustainable Morguard, different asset classes and regions are at varying levels of development in pursuing our sustainability goals and objectives. As part of the road ahead, we are embracing a more expansive approach to our sustainability strategy. In 2018, we added some industrial properties to our tracking, reporting and updates. Our goal is to continue our expansive approach as we further develop our strategic outlook to include our entire portfolio in reporting of our sustainability story. Through increased tracking and reporting of our properties, we will expand our Report boundaries in the next benchmarking iteration. This increased inclusion, will serve to move us closer to achieving our long-term objectives.

Sustainable Morguard, helps us structure our efforts and act on ESG risks and opportunities that are most important to our stakeholders. These major areas of focus are:

- decreasing energy and water use;
- reducing waste and emissions;
- creating excellence in energy and environmental management that results in green building certifications;
- collecting consistent data that tracks and validates our performance towards our objectives;
- reporting transparency;
- engaging investors, employees and tenants to support our initiatives;
- embracing strategies and best practices aimed at incorporating new and pertinent changes to the reporting environment; and
- driving new sustainability ideas and policies that align with our focus areas.

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## 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. In 2019, we expanded the review of our long-term objectives through specific committees organized to further engage with our respective management groups. These groups include operations, asset management, the Risk and National Programs team and our executive management team. Oversight of these strategies is addressed and advised through the ESG leadership team including Pamela McLean, Beverley Flynn, our VP of Risk Management and National Programs, Ken Cowan and our Manager of Corporate Sustainability and Responsibility, Christine Wickett.

Sustainability 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.

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## OUR 2035 LONG-TERM OBJECTIVES

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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 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.



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## OUR VOICE – ADVOCATING FOR SUSTAINABLE REAL ESTATE

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Morguard will use our voice to advocate for sustainable business practices in the real estate industry. In doing so, we will support our industry partners, promote our sustainability successes and create positive change.

We strive to communicate with passion, integrity, transparency and pride. We will work to continually improve the materiality of our reporting and maintain a voice in the sustainability dialogue of the commercial real estate industry.

### **Working with Stakeholders for a Better Future**

At Morguard, we recognize the importance of collaboration at our properties and with tenants to ensure we are not only developing sustainable real estate but making it possible for tenants to realize their sustainability objectives.

In 2019, Morguard and their tenant, The Canadian Council for the Arts, achieved the HOOPP LEAP Award for Tenant Leader: Collaboration. The award recognizes our shared efforts to increase sustainability at Performance Court in Ottawa.

Morguard's Performance Court property was constructed to LEED Canada-CI (Commercial Interiors) Gold certification through controlled lighting, the implementation of a digital metering system to monitor power consumption, high efficiency lighting, a storm water system and water efficient fixtures. The Canadian Council for the Arts continued their environmental efforts by diverting paper, containers, batteries, e-waste and compost from landfills. The tenant also bans the use of plastic water bottles, donates all computers and e-equipment to *Computers for School*, and supports alternative transportation – only 20 per cent of employees travel alone in personal vehicles. The property also maintains an employee "participation" garden.

The Canadian Council for the Arts led the area's sustainable community as one of the first local organizations and businesses to become an "EcoDistrict Champion," as part of The Ottawa Centre EcoDistrict (OCED). Morguard sponsored the launch event of the newly established "EcoDistrict Champion Network," further demonstrating our commitment to supporting the transformation of Ottawa to become one of the most sustainable cities in North America.

## OUR STAKEHOLDERS AND MATERIALITY

Our engagement with stakeholders on Sustainable Morguard includes consultations with employees, management, key partners and tenants, and panel discussions with external sustainability experts.

In early 2017, we went through a rigorous process to refresh our formal materiality assessment and gather insight from our stakeholders on the importance of specific environmental, social and governance issues. Stakeholder identification was based on previous materiality processes, sector reporting disclosures, industry research and best practices and potential to influence Morguard’s success. Regularly updating our materiality assessment ensures that we stay abreast of changing stakeholder interests and can balance them with impacts as a business.

This assessment resulted in an updated materiality map that identified the top areas of concern for our key stakeholders including; industry, investor, tenant, community, regulatory, internal and external stakeholders. The environmental impacts of the properties we manage (e.g., energy, water, carbon and waste management) were identified as the most important issue, with tenant and employee care also highlighted. This assessment helped guide our initiatives for 2018 and through 2019. As we approach our next reporting cycle, we will again review opportunities to further define our impacts and material areas. Committees introduced at the end of 2019, formed to ensure we are managing to material topics and defining key impacts, will continue to support the growth and definition of Sustainable Morguard on a bi-annual basis in 2020 and beyond.

### MATERIALITY ASSESSMENT

SIGNIFICANCE TO STAKEHOLDERS	HIGHLY MATERIAL	<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>
	MATERIAL	<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>
		MATERIAL	HIGHLY MATERIAL
SIGNIFICANCE TO BUSINESS			

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 map) 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.

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## COMMITMENT TO EXTERNAL INITIATIVES

Morguard regularly engages with organizations that specialize in sustainability issues. Energy Advantage, MSI, CD Sontar, Quinn & Partners, and Risk Check Environmental Ltd., have all helped to focus and shape Sustainable Morguard.

In addition to our working partnerships, Morguard’s ESG indicators and metrics are vetted and reviewed through Trucost Environmental Impact Review.

We are also committed to engaging with industry associations on initiatives that drive sustainable change. These engagements promote innovative strategies that increase efficiency and decrease operating costs in our properties, while encouraging responsible business practices industry wide. Over the years, Sustainable Morguard has built many strong partnerships with industry-leading hubs and programs including but not limited to the financial support of the CaGBC Building Lasting Change Conference and Conflux Canada.

**Real Property Association of Canada (“REALPAC”)** – Active member and sits on Corporate Responsibility & Sustainability, Human Resources, and Energy committees.

**Building Owners and Managers Association (“BOMA”) Canada** – Active member and sits on Resiliency Committee.

**Canadian Green Building Council (“CaGBC”)** – Active member and member of Corporate Real Estate Sustainability Leaders Roundtable.

### **Ahead of the Storm: Flood Resiliency Report**

Morguard’s Christine Wickett contributed to a flood resiliency report entitled, *Ahead of the Storm: Developing Flood-Resilience Guidance for Canada’s Commercial Real Estate*, alongside Intact Centre on Climate Adaptation, the Real Estate Property Association of Canada (REALPAC), BOMA Canada and nearly 50 other industry leaders. As Canada’s first guideline for improving the flood-resilience of commercial buildings, the report provided a concise list of flood-resilience measures that can reduce the potential for property damage, business disruptions, and potential flood-related injury and loss of life stemming from extreme rain events.

Morguard recognizes that climate change and resilience are major risks and business issues. Leading by example and distributing thought leadership are key components of Morguard’s sustainability plan to implement positive practices in its buildings and throughout the real estate industry’s mindset and culture.

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## RESPONSIBLE PROPERTY INVESTMENT – CREATING SUSTAINABLE RETURNS

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### MANAGEMENT APPROACH

A strategic and responsible approach to sustainability is essential to maintaining the long-term value of Morguard's assets. We use our experience and research on ESG and financial factors to create asset strategies, recognizing that sustainability can both mitigate significant risks and increase value.

Responsible property investment ("RPI") and ESG are integrated in our business and advisory services. Our approach to a potential property acquisition begins with assembling a team to carry out an in-depth financial, physical and environmental analysis. This analysis includes a range of environmental indicators that could contribute to risk, efficiency, returns and value. It is through processes such as this that we look to improve our environmental risk analysis and add value to our portfolio.

Our investment approach identifies and addresses ESG risks and opportunities associated with owning and managing real property. Morguard, with leadership from our in-house sustainability department, has developed tools such as this Report and introduced new processes in our property business planning that increase partner and shareholder disclosure on sustainability performance and ESG matters. We also work with our institutional investor clients and investment partners to ensure compatibility with their responsible investing and sustainability programs.

Property business plans are the primary method in which we engage property owners. We have committed to greater disclosure on sustainability in these documents. Business plans for our commercial, and a selection of our 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 charts and metrics including energy and water use, energy intensity, GHG emissions and waste diversion;
- Green building awards, certifications and audits (energy, water, waste, air); and
- Leasing insights including tenant engagement efforts and feedback on sustainability initiatives.

Our program includes sustainability reporting on a quarterly basis, meeting our RPI objective to develop and implement greater sustainability disclosure.

Additionally, Morguard has taken strides in reviewing how the effects of climate change will impact our assets. We have conducted third party preliminary climate resiliency assessments to better understand the risk to our assets based on their geographical location. We continue to work with our partners and respected associations to increase our oversight into climate resiliency and adaptation.

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 and enhanced while providing solid risk metrics to our shareholders and partners.

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## REACHING NET ZERO – PARTNERING TO ACHIEVE SUSTAINABLE BUILDINGS

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### MANAGEMENT APPROACH

Morguard's mandate is to add 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 through 2019 and going forward is 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 responsibility that Morguard proudly accepts.

#### **Diverting Waste from Landfills for a Cleaner Future**

A multi-tenant space in the Beltline region of Calgary, 11<sup>th</sup> Avenue Place is equipped with 198,204 square feet of office space, 10 floors and a penthouse, and features over 30% more energy savings compared to a building with conventional design. The property builds on several green initiatives for lower energy consumption and a healthier and more efficient work environment, including low-flow water fixtures, high efficiency lighting and HVAC equipment, and improved indoor air quality.

As a continuation of these property improvement efforts, 11<sup>th</sup> Avenue Place achieved a waste diversion rate of 70% in 2019, changed waste haulers to access better diversion opportunities, created in-suite waste receptacles for tenant spaces and developed an education program to maintain the building's LEED certification.

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## 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 several 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.

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 on a three-year rotation in conjunction with our BOMA BEST certification program.

The results of these satisfaction surveys provide us with greater insight into the needs of our tenants on sustainability. 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.

## 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.

A complete listing of our green building certifications by property can be found in Appendix C.

## LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED) CERTIFICATIONS

Morguard targets CaGBC, USGBC or LEED certification as a minimum standard on all new development projects. 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 residential, office and industrial. We added four new LEED-designated properties in 2019. As of December 31, 2019, Morguard managed 12 certified properties, with four additional projects underway that are targeting LEED designation.

### LEED CERTIFIED BUILDINGS IN OPERATION

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

### LEED CERTIFICATIONS IN PROGRESS IN 2019

Property	Asset Class	City	Province/ State	Level of Certification	Type of Certification
Etobicoke Wellness Centre	Office	Toronto	ON	Gold	New Construction
Translink Logistics Centre	Industrial	Regina	SK	Silver	Commercial Interior
The Heathview South Tower	Residential	Toronto	ON	Silver	New Construction
41 rue Victoria	Office	Gatineau	QC	Silver	New Construction

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## 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 BOMA's Building Environmental Standards ("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 shopping centres, unless already certified through another program such as LEED.

Throughout 2019, Morguard certified three new properties and re-certified sixteen properties in our office and retail assets. In total, Morguard manages 52 properties currently certified through the BOMA BEST program. There are eleven office, one retail and two universal properties that are not certified and are currently progressing through the certification/re-certification process.

### OFFICE PORTFOLIO

Level	Number of Properties	SF
Platinum	7	1,456,768
Gold	6	2,433,618
Silver	20	3,783,044

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33/52 of Canadian office properties over 100,000 SF:  
Office properties totalling 7,673,430 SF/11,603,796 SF = **66%**

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### RETAIL PORTFOLIO

Level	Number of Properties	SF
Platinum	2	1,735,907
Gold	9	5,318,115
Silver	3	1,402,505
Certified	2	1,448,846
Bronze	1	294,611

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17/19 properties of Canadian enclosed shopping centres:  
Retail properties totalling 10,199,984 SF/10,940,443 SF = **93%**

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### UNIVERSAL PORTFOLIO

Level	Number of Properties	SF
Gold	1	235,560
Platinum	1	173,000

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2/4 of Canadian universal properties:  
Universal properties totalling 408,560 SF/823,603 SF = **50%**

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## CANADIAN RESIDENTIAL GREEN PROPERTY CERTIFICATIONS

The Certified Rental Building (“CRB”) initiative remains the only tenant-focused “quality assurance” program of its type in Canada and North America. It assists rental-housing consumers in identifying professionally managed multi-suite residential apartment buildings while providing a seal of approval for prospective apartment dwellers. The quality commitment to renters includes the Living GREEN Together™ sustainability standards, where participating multi-suite residential property managers/owners benefit from reduced energy consumption, a lower environmental operating footprint and provide residents with a Green Apartment Living option.

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

### RESIDENTIAL PORTFOLIO

<u>Certification</u>	<u>Number of Properties</u>
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 39 hotels, representing 5,903 rooms. A Green Key Eco-Rating has been achieved at 33 of our hotels, representing 85% of our portfolio.

### HOTEL PORTFOLIO

<u>Green Key Level</u>	<u>Number of Properties</u>
1-Key	2
2-Key	2
3-Key	17
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 2019.

Property	Asset Class	City	Province	Award	Organization
Robson Central	Office	Vancouver	BC	LEAP	HOOPP
11th Avenue Place	Office	Calgary	AB	LEAP	HOOPP
400 St Mary	Office	Winnipeg	MB	Earth	BOMA Manitoba
New Sudbury Centre	Retail	Sudbury	ON	LEAP	HOOPP
Performance Court	Office	Ottawa	ON	LEAP	HOOPP
201 City Centre Drive	Office	Mississauga	ON	Earth	BOMA Toronto
201 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA Toronto
201 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA National
55 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA Toronto
55 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA National
33 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA Toronto
33 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA National
77 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA Toronto
77 City Centre Drive	Office	Mississauga	ON	The Outstanding Building of the Year	BOMA National

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.

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## 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.

#### ENERGY STAR PROPERTIES

Property	Asset Class	City	Province	Certified in 2018	Certified in 2019
Chancery Place	Office	Vancouver	British Columbia	No	In Progress
11 <sup>th</sup> Avenue Place	Office	Calgary	Alberta	Yes	Yes
Quarry Park Central	Office	Calgary	Alberta	Yes	Yes
505 & 3 <sup>rd</sup> Street	Office	Calgary	Alberta	Yes	Yes
Penn West Plaza	Office	Calgary	Alberta	Yes	Yes
2920 Matheson Blvd. E.	Office	Mississauga	Ontario	No	Yes
201 City Centre Drive	Office	Mississauga	Ontario	Yes	Yes
123 Commerce Valley	Office	Markham	Ontario	No	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 \$978,999.

## PROPERTIES PARTICIPATING IN INDUSTRIAL CONSERVATION INITIATIVE

Property	Asset Class	City	Province	Savings			Total
				2017	2018	2019	
Bramalea City Centre	Retail	Brampton	ON	\$86,360	\$134,576	\$66,943	<b>\$287,879</b>
Standard Life	Office	Ottawa	ON	\$139,383	\$147,634	\$21,919	<b>\$308,936</b>
Albert and Bank	Office	Ottawa	ON	\$77,908	\$67,668	Did not participate	<b>\$145,576</b>
33 City Centre	Office	Mississauga	ON	\$43,742	\$49,710	Did not participate	<b>\$93,452</b>
Performance Court	Office	Ottawa	ON	Did not participate	\$12,971	-\$16,385	<b>-\$3,414</b>
181 Queen Street	Office	Ottawa	ON	Did not participate	\$49,438	\$97,132	<b>\$146,570</b>
<b>Total</b>				<b>\$347,393</b>	<b>\$461,997</b>	<b>\$169,609</b>	<b>\$978,999</b>

Note: the ICI program runs on a July 1 to June 30 basis. Participants may opt-in or opt-out on an annual basis.

### Supporting Innovative Tenants in Solar Energy

Morguard's vision is a future that delivers high value to its tenants while continuing to reduce current resources across North America. Morguard recognizes the importance of a diversified approach to reducing energy consumption with different types of partnerships, creating varying opportunities and solutions across its properties and supporting tenants' sustainability efforts.

Morguard, in its efforts to explore options for reducing its carbon footprint, supports our tenants in their participation in renewable energy programs. Our tenant Solar Flow-Through Funds has participated in the Ontario Feed in Tariff program and has a 600 kilowatts DC solar project on the rooftop of 1205 Corporate Drive, an industrial property. The project resulted in over 156,000 lbs of GHG emissions saved from April 2019 to April 2020.

For Morguard, supporting our tenants' renewable energy business model is a win-win. Solar energy remains a favourable solution requiring minimal maintenance and operating silently, making it a clean and safe method of power generation.

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## RENEWABLE ENERGY CREDITS

Renewable Energy Credits (“RECs”) are tradable, non-tangible energy commodities that represent proof that an amount of electricity (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 2019, we purchased a total of 627.6 MWh of green electricity from Bullfrog Power, displacing 230.95 tonnes of CO<sub>2</sub>e (GHG emissions) for the following properties:

## PROPERTIES PARTICIPATING IN RENEWABLE ENERGY CREDITS

Property	Asset Class	City	Province	Green Energy	tCO <sub>2</sub> diverted
11th Avenue Place	Office	Calgary	AB	150.00	112.5
60 Bloor Street West	Office	Toronto	ON	258.36	64.07
Performance Court	Office	Ottawa	ON	219.24	54.38

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## BUILDING PERFORMANCE DATA – MONITORING OUR PROPERTIES

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With an owned and managed portfolio of over 300 properties across North America, the environmental performance and impact of our buildings is the core of our sustainability program. Through company-wide programs like Sustainable Morguard, our goal is to continually reduce our energy usage, greenhouse gas emissions and water usage while increasing our waste diversion rates.

We have had continued success since the program was implemented in 2010. Our 2019 results again demonstrate reductions in energy and water usage across our managed portfolio as compared to our baseline year of 2015 for energy, GHG, water and waste. Noted below are both current and historical benchmarks. Current benchmarks and historical reductions account for Canadian office and retail performance only. Canadian multi-suite residential is not included in these benchmark numbers as their data has not been weather normalized.

### MORGUARD SUMMARY OF PERFORMANCE FOR 2019

- 7.9% less energy usage
- 8.5% less greenhouse gas emissions
- 5.4% less water usage
- 1.3% increase in waste diversion rate

### MORGUARD HISTORICAL REDUCTIONS IN OUR FIRST FIVE YEARS (2015 from a 2010 baseline for office and retail)

- 14% less energy usage
- 24% less greenhouse gas emissions
- 19% less water usage

In 2016, we updated our baseline year to 2015 from 2010 to allow us to focus on recent performance of our current building portfolio. Updating the baseline also allowed us to benchmark our Canadian Residential portfolio. This portfolio was not actively participating in our energy monitoring program until 2015. Moving forward, our plan is to update our baseline every five years, consistent with industry best practices. Monthly environmental performance measurement for energy, emissions and water is operational for all our retail and office properties and most industrial properties.

## REPORTING BOUNDARY

This section of the Report provides a comparison of 2019 performance to 2015 as a baseline year. Only buildings that were fully operational over the total reporting period are included in the data. Newly acquired and newly developed buildings and buildings sold during the period are excluded from this analysis, as are some properties where there were inconsistencies or anomalies in the data due primarily to construction.

In this section, we have managed to the Canadian retail, multi-suite residential and office assets, and U.S. multi-suite residential and retail assets. Each section will offer further information on how the data was evaluated.

## ENHANCED WASTE DATA COLLECTION

In 2018, we enhanced our waste data reporting by contracting a third party to obtain waste records directly from the waste-haulers who serve our properties. A quarterly report detailing total waste, recycling and waste to landfill by property by month is distributed to our property management teams. The result through 2019 is more complete waste data over a greater number of locations.

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In 2019, we captured waste data for 93 properties, a significant increase from our 2015 tracking of 80 properties. The more rigorous process, along with the more complete data set, has resulted in a significant increase in the reported total waste generated, waste recycled and waste to landfill. The waste diversion rate for 2019 was 52.9%. The increase in reported waste has resulted in an increase in waste-related greenhouse gas emissions as evidenced in the waste and GHG performance as reported in the Canadian Retail Properties and Canadian Office Properties sections below.

## ENERGY, WATER, WASTE AND GHG PERFORMANCE

Our energy performance data is based on actual metered energy use as obtained from electricity, natural gas and water utility bills. The associated energy-related greenhouse gas emissions are derived using the most recent (2017) emissions factors as provided by Environment Canada, Greenhouse Gas Division, National Inventory Report. This energy and greenhouse gases (“GHG”) data represents approximately 89.2% (22.4 million square feet) of current square footage of our owned and managed Canadian retail and office properties, based on gross leasable area (“GLA”). Properties which were not operational over the entire reporting period were excluded from the performance results.

### **Morguard’s HQ on the Global Sustainability Map**

Office buildings at 33, 55, 77 and 201 City Centre Drive make up the Mississauga City Centre (“MCC”) office complex, home of Morguard’s corporate head office and a diverse array of other major tenants. Originally built in 1972, the office complex has continued to undergo innovative sustainability programs and investments in green-focused retrofits.

One of these initiatives included partnering with waste management company GFL Environmental Inc. to establish waste audits, tenant engagement meetings, cleaning staff training and educational events. In 2019, the sustainability initiatives at MCC saved 1,879,510 litres of water, 308,322 litres of oil and 1,450 trees.

This program is one example of Sustainable Morguard’s commitment to modernization. In recognition of these efforts, BOMA Canada and BOMA Toronto awarded MCC with The Outstanding Building of the Year (“TOBY”) award for Suburban Office Park in 2019. In 2020, the office complex qualified to join the BOMA International awards nominees, putting Morguard’s sustainability efforts on the map.

## WEATHER ADJUSTMENT AND NORMALIZATION

The tables below provide a summary of energy, water and waste performance as well as the related greenhouse gas emissions for the various asset classes in our portfolio. To allow for more accurate indicators of our performance, we have also provided a weather-adjusted comparison of 2019 versus 2015 when available. Weather normalized data can be found in retail and office, non-normalized data is used for U.S. and residential. Canadian office properties also include an adjustment for changes in occupancy. We are working towards normalized data for residential and U.S. assets in the future.

In 2019, our weather adjustment modelling for the Canadian office and retail portfolios was based upon a regression analysis of energy and water performance versus weather data specific to the nearest weather station of each individual property. This allowed current and future energy and water performance to be measured against a weather adjusted 2015 baseline. Details of our normalization process are outlined in Appendix B – Building Performance – Weather and Occupancy Model. Occupancy adjustment was applied to the Canadian office and retail portfolio only.

## CANADIAN RETAIL PROPERTIES

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

### ANNUAL ENERGY CONSUMPTION (ekWh) – Canadian Retail Portfolio

With weather adjustments considered, energy use at our retail properties is 12.3% lower than our 2015 baseline. When considered as abated costs, the annual operating cost savings are approximately \$3.1 million.

	ACTUAL					ACTUAL 2019 VERSUS WEATHER ADJUSTED 2015			ABATED ENERGY COSTS
	2015 (ekWh)	2016 (ekWh)	2017 (ekWh)	2018 (ekWh)	2019 (ekWh)	2015 (ekWh)	2019 (ekWh)	Change (%)	Change (\$ CAN)
Electricity	152,558,485	142,732,485	138,229,857	134,787,253	<b>130,003,684</b>	152,479,961	<b>130,003,684</b>	<b>-14.7</b>	(2,998,461)
Natural Gas	47,009,941	41,478,815	45,343,299	47,891,315	<b>48,115,958</b>	50,571,136	<b>48,115,958</b>	<b>-4.9</b>	(70,238)
<b>Total</b>	<b>199,568,426</b>	<b>184,211,300</b>	<b>183,573,155</b>	<b>182,678,567</b>	<b>178,119,642</b>	<b>203,051,097</b>	<b>178,119,642</b>	<b>-12.3</b>	<b>\$ (3,068,699)</b>

### ANNUAL WATER CONSUMPTION – Canadian Retail Portfolio

Water consumption at our retail portfolio decreased significantly in 2019. When compared to the 2015 weather-adjusted baseline, water usage was down 4.1%.

	ACTUAL					ACTUAL 2019 VERSUS WEATHER ADJUSTED 2015		
	2015 (m <sup>3</sup> )	2016 (m <sup>3</sup> )	2017 (m <sup>3</sup> )	2018 (m <sup>3</sup> )	2019 (m <sup>3</sup> )	2015 (m <sup>3</sup> )	2019 (m <sup>3</sup> )	Change (%)
<b>Water</b>	<b>1,114,681</b>	<b>1,110,156</b>	<b>1,066,011</b>	<b>1,060,740</b>	<b>1,062,265</b>	<b>1,108,075</b>	<b>1,062,265</b>	<b>-4.1</b>



## WASTE PERFORMANCE (tonnes) – Canadian Retail Portfolio

The percentage of total waste recycled improved significantly in 2019 as compared to previous years.

	2015	2016	2017	2018	2019
Properties Represented	24	27	25	34	<b>34</b>
Total Waste Generated	9,909	9,891	9,499	13,459	<b>15,156</b>
Total Recycled	5,011	5,367	5,159	6,759	<b>8,329</b>
Waste to Landfill	4,898	4,524	4,344	6,700	<b>6,827</b>
<b>% of Total Waste Recycled</b>	50.6	54.3	54.3	50.2	<b>55.0</b>

## ENERGY, WATER and WASTE-RELATED GREENHOUSE GAS EMISSIONS – Canadian Retail Portfolio

Greenhouse gas emissions related to energy, water and waste improved, with 2019 emissions dropping 7.3% when compared to weather-adjusted 2015 levels.

	ACTUAL					ACTUAL 2019 VERSUS WEATHER ADJUSTED 2015		
	2015 (tCO <sub>2</sub> e)	2016 (tCO <sub>2</sub> e)	2017 (tCO <sub>2</sub> e)	2018 (tCO <sub>2</sub> e)	2019 (tCO <sub>2</sub> e)	2015 (tCO <sub>2</sub> e)	2019 (tCO <sub>2</sub> e)	Change (%)
<b>GHG</b>	45,937	40,518	38,397	42,876	<b>42,261</b>	45,569	<b>42,261</b>	-7.3

## ENERGY INTENSITY (ekWh/SF) – Canadian Retail Portfolio

We had a significant decrease in energy intensity at our retail portfolio. When compared to the 2015 weather-adjusted baseline, energy intensity in 2019 decreased by 12.3%.

	WEATHER ADJUSTED		
	2015	2019	Change (%)
<b>Energy</b>	15.6	<b>13.6</b>	-12.3

## WATER INTENSITY (L/SF) – Canadian Retail Portfolio

We had a decrease in water intensity at our retail portfolio. When compared to the 2015 weather-adjusted baseline, water intensity in 2019 decreased by 4.1%.

	WEATHER ADJUSTED		
	2015	2019	Change (%)
<b>Water</b>	89.4	<b>85.7</b>	-4.1

## GHG INTENSITY (tCO<sub>2</sub>e/1000SF) – Canadian Retail Portfolio

We had a decrease in GHG intensity at our retail portfolio. When compared to the 2015 weather adjusted baseline, GHG intensity in 2019 decreased by 7.3%.

	WEATHER ADJUSTED		
	2015	2019	Change (%)
<b>GHG</b>	3.5	<b>3.2</b>	-7.3

## CANADIAN OFFICE PROPERTIES

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

### ANNUAL ENERGY CONSUMPTION (ekWh) – Canadian Office Portfolio

For our office portfolio, with weather and occupancy adjustments considered, energy use is 5.0% lower compared to our 2015 baseline. When these results are considered as abated costs, the energy savings are approximately \$2.29 million compared to 2015 baseline year, in annual operating cost savings.

	ACTUAL					ACTUAL 2019 VERSUS WEATHER ADJUSTED 2015			ABATED ENERGY COSTS
	2015 (ekWh)	2016 (ekWh)	2017 (ekWh)	2018 (ekWh)	2019 (ekWh)	2015 (ekWh)	2019 (ekWh)	Change (%)	Change (\$ CAN)
Electricity	204,353,554	198,445,892	192,594,102	189,770,301	<b>177,894,469</b>	197,772,087	<b>177,894,469</b>	<b>-10.1</b>	(2,344,347)
Natural Gas	100,521,823	95,856,844	103,414,094	110,306,121	<b>111,186,146</b>	106,636,303	<b>111,186,146</b>	<b>4.3</b>	53,470
<b>Total</b>	304,875,376	294,302,736	296,008,196	300,076,423	<b>289,080,615</b>	304,408,390	<b>289,080,615</b>	<b>-5.0</b>	\$ (2,290,877)

### ANNUAL WATER CONSUMPTION (m<sup>3</sup>) – Canadian Office Portfolio

Water consumption decreased in 2019. When compared to the 2015 weather-adjusted baseline, water usage was down 8.0%.

	ACTUAL					ACTUAL 2019 VERSUS WEATHER ADJUSTED 2015		
	2015 (m <sup>3</sup> )	2016 (m <sup>3</sup> )	2017 (m <sup>3</sup> )	2018 (m <sup>3</sup> )	2019 (m <sup>3</sup> )	2015 (m <sup>3</sup> )	2019 (m <sup>3</sup> )	Change (%)
<b>Water</b>	594,395	584,909	547,738	550,026	<b>525,314</b>	570,922	<b>525,314</b>	<b>-8.0</b>

## WASTE PERFORMANCE (tonnes) – Canadian Office Portfolio

The percentage of total waste recycled decreased by 7.6% in 2019 versus 2015.

	2015	2016	2017	2018	2019
Properties Represented	56	58	57	58	<b>59</b>
Total Waste Generated	4,408	4,327	4,216	5,141	<b>4,649</b>
Total Recycled	2,367	2,246	2,199	2,524	<b>2,143</b>
Waste to Landfill	2,042	2,079	2,017	2,617	<b>2,506</b>
<b>% of Total Waste Recycled</b>	53.7	51.9	52.2	49.1	<b>46.1</b>

## ENERGY, WATER and WASTE-RELATED GREENHOUSE GAS EMISSIONS – Canadian Office Portfolio

Greenhouse gas emissions related to energy, water and waste decreased in 2019 when compared to the 2015 weather-adjusted baseline. Emissions fell by 5,279 tCO<sub>2</sub>e, or 9.5%.

	ACTUAL					ACTUAL 2019 VERSUS WEATHER ADJUSTED 2015		
	2015 (tCO <sub>2</sub> e)	2016 (tCO <sub>2</sub> e)	2017 (tCO <sub>2</sub> e)	2018 (tCO <sub>2</sub> e)	2019 (tCO <sub>2</sub> e)	2015 (tCO <sub>2</sub> e)	2019 (tCO <sub>2</sub> e)	Change (%)
<b>GHG</b>	59,387	53,119	51,828	52,734	<b>50,283</b>	55,562	<b>50,283</b>	-9.5

## ENERGY INTENSITY (ekWh/SF) – Canadian Office Portfolio

We had a decrease in energy intensity at our office portfolio. When compared to the 2015 weather-adjusted baseline, energy intensity in 2019 decreased by 5.0%.

	WEATHER ADJUSTED		
	2015	2019	Change (%)
<b>Energy</b>	32.3	30.6	-5.0

### WATER INTENSITY (L/SF) – Canadian Office Portfolio

We had a decrease in water intensity at our office portfolio. When compared to the 2015 weather-adjusted baseline, water intensity in 2019 decreased by 8.0%.

WEATHER ADJUSTED			
	2015	2019	Change (%)
<b>Water</b>	70.4	<b>64.7</b>	-8.0

### GHG INTENSITY (tCO2e/1000SF) – Canadian Office Portfolio

We had a decrease in GHG intensity at our office portfolio. When compared to the 2015 weather-adjusted baseline, GHG intensity in 2019 decreased by 9.5%.

WEATHER ADJUSTED			
	2015	2019	Change (%)
<b>GHG</b>	5.9	<b>5.3</b>	-9.5

## CANADIAN RESIDENTIAL PROPERTIES

The Canadian residential results are based upon a non-weather-adjusted comparison of 2019 versus 2015 results. For our Canadian residential properties, we are currently managing to energy, water and GHG emissions.

### ANNUAL ENERGY CONSUMPTION (ekWh) – Canadian Residential Portfolio

In our Canadian multi-suite residential portfolio, total energy consumption decreased 3.0% over 2015 baseline.

ACTUAL						Change vs
	2015 (ekWh)	2016 (ekWh)	2017 (ekWh)	2018 (ekWh)	2019 (ekWh)	2015 (%)
Electricity	63,778,557	64,225,495	62,997,989	64,286,351	<b>62,604,997</b>	-1.8
Natural Gas	172,676,045	155,683,431	155,384,926	162,134,911	<b>166,757,274</b>	-3.4
<b>Total</b>	236,454,602	219,908,926	218,382,915	226,421,262	<b>229,362,272</b>	-3.0

## ANNUAL WATER CONSUMPTION (m<sup>3</sup>) – Canadian Residential Portfolio

Water consumption rose by 2.4% in 2019 versus 2015.

	ACTUAL					Change vs
	2015 (m <sup>3</sup> )	2016 (m <sup>3</sup> )	2017 (m <sup>3</sup> )	2018 (m <sup>3</sup> )	2019 (m <sup>3</sup> )	2015 (%)
Water	1,869,309	1,921,421	1,906,606	1,958,430	<b>1,914,107</b>	2.4

## ENERGY AND WATER-RELATED GHG – Canadian Residential Portfolio

Total greenhouse gas emissions related to energy and water decreased by 8.8% as compared to 2015. Emissions related to electricity and water decreased by 34.1% and 31.9%, respectively, while emissions related to natural gas fell by 3.4%.

	ACTUAL					Change vs
	2015 (tCO <sub>2</sub> e)	2016 (tCO <sub>2</sub> e)	2017 (tCO <sub>2</sub> e)	2018 (tCO <sub>2</sub> e)	2019 (tCO <sub>2</sub> e)	2015 (%)
Electricity	6,451	4,483	4,373	4,609	<b>4,253</b>	-34.1
Natural Gas	31,841	28,696	28,632	29,890	<b>30,744</b>	-3.4
Water	248	175	175	171	<b>169</b>	-31.9
<b>Total</b>	<b>38,540</b>	<b>33,354</b>	<b>33,179</b>	<b>34,669</b>	<b>35,167</b>	<b>-8.8</b>

## ENERGY INTENSITY (ekWh/SF) – Canadian Residential

We had a decrease in energy intensity at our residential portfolio. When compared to 2015, energy intensity in 2019 decreased by 3.0%.

	ACTUAL					Change vs
	2015	2016	2017	2018	2019	2015 (%)
Electricity	10.1	10.2	10.0	10.2	<b>10.0</b>	-1.8
Natural Gas	27.4	24.7	24.7	25.8	<b>26.5</b>	-3.4
<b>Total</b>	<b>37.6</b>	<b>35.0</b>	<b>34.7</b>	<b>36.0</b>	<b>36.5</b>	<b>-3.0</b>

## WATER INTENSITY (l/sq ft/yr) – Canadian Residential

We had an decrease in water intensity at our residential portfolio of 2.3% versus 2018. When compared to 2015, water intensity in 2019 increased by 2.4%.

	ACTUAL					Change vs
	2015	2016	2017	2018	2019	2015 (%)
Water	275.2	282.9	280.7	288.4	<b>281.8</b>	2.4

## U.S. RESIDENTIAL AND RETAIL PROPERTIES

The U.S. multi-suite residential and retail results are based upon a non-weather-adjusted comparison of 2019 versus 2018 results. For the U.S. we have managed to both residential and retail properties, energy.

## ANNUAL ELECTRICITY CONSUMPTION – U.S. Retail and Residential (kWh)

In our U.S. portfolio, overall electricity use in 2019 decreased by 8.5% versus 2018. Retail electricity use decreased 18.0%, while residential electricity use decreased 4.8%.

	ACTUAL 2019 VERSUS ACTUAL 2018		
	2018 (kWh)	2019 (kWh)	Change (%)
<b>ELECTRICITY</b>			
US Retail	6,941,694	<b>5,690,893</b>	-18.0
US Residential	17,446,782	<b>16,614,827</b>	-4.8
<b>Total</b>	24,388,476	<b>22,305,720</b>	-8.5

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## SUSTAINABLE DEVELOPMENT – BUILDING AND SUPPORTING OUR COMMUNITIES

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### MANAGEMENT APPROACH

The United Nations Environmental Programme (“UNEP”) reports that buildings use about 40% of global energy, 25% of global water and 40% of global resources and emit approximately one-third of GHG emissions. Sustainable Morguard is committed to reducing our impact. All new development projects target CaGBC, USGBC or LEED certification and deliver meaningful amenities and services to surrounding communities.

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 from our products or services on biodiversity.

#### **Bee-ing the Change: Morguard Hives Contribute to Pollinators’ Health**

Morguard recognizes that bees are a critical part of the ecosystem and, thanks to a partnership with Alveole, is actively including them in its sustainability efforts. Beehives, naturalized gardens and bee-hotels have been incorporated into 12 Morguard properties in Montreal, Ottawa and the Greater Toronto Area to help positively impact the environment in the surrounding neighbourhoods.

The honey produced by Morguard’s bees at the Bramalea City Centre alone resulted in 100 jars of honey, lip balm, soap and candles. In 2019, the honey was sold with proceeds going to the Brampton Civic Hospital, a BCC partner, as well as gifted to suppliers, staff and retailers.

[See the full Case Study.](#)

We incorporate the UN Sustainable Development Goals into our approach to building design, management and development. Within this framework community partnerships such as that with Alveole are recognized as key indicators of success. Morguard funds or donates to off-site community improvements when undertaking any new developments, completing major renovations and/or partnering with communities on efforts to support environmental and social well-being, examples including playground and park equipment (The Heathview); public art (1200 St. Laurent, enclosed retail property); support to local charitable causes (The Heathview, MCC and Performance Court); and local hospital and school improvements (Bramalea City Centre, The Heathview).

At Morguard, sustainable development initiatives mean managing through a complex set of challenges in order 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.

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## Reimagining Retail

With construction for an LRT station at the corner of Whyte Avenue and 83rd Street underway, Morguard is actively working with our clients and the City of Edmonton to make Bonnie Doon Shopping Centre a transit hub. This prospect has catalyzed the effort to rezone the 600,000 square feet of retail space into a 4.8 million square foot mixed-use development.

With an eye to the future, the site's long-term plan involves an extensive community engagement project known as *Connect Bonnie Doon*. The project was developed in partnership with community members and involves regular consultation sessions, and feedback during the design and planning phases. Over the next 30 years, there is an opportunity to evolve into a sustainable, integrated, compact, mixed-use, urban community that leverages transit, complements Edmonton's thriving core and offers a range of open space amenities, housing, employment – services and activities that foster a high quality of life for all.

Understanding and supporting the local dynamics, Bonnie Doon Shopping Centre hosted their second annual pop-up ice rink in 2019 to welcome residents from the surrounding communities to enjoy the winter season. As part of this community initiative, families, school groups and sport leagues were able to reserve the rink at no cost during the winter season. Regular special events each month between December and March, such as sleigh rides, trackless train rides and live music were offered, reinforcing Bonnie Doon Shopping Centre's position as a community hub and a space to enjoy quality time.

## HABITAT PROTECTION AND SITE SELECTION

We are committed to protecting 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 (at 82, 242 m<sup>2</sup>) is preserved for wetlands. 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 Parc for the city of Montreal.

In addition, both our U.S. and Canadian properties have rooftop gardens including Northgate Shopping Centre, a non-enclosed retail property, and Coast at Lakeshore East, a multi-suite residential property and our properties at Performance Court and Bramalea City Centre have green roofs which naturally work to protect buildings from latent heat-reducing cost and consumption of energy. In addition, green roofs provide a rainwater buffer, purify the air, reduce the ambient temperature, regulate the indoor temperature, save energy and encourage biodiversity in the city.



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## 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.

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 level that have an impact on the built environment. Our goal is to ensure both socially and physically sustainable communities for generations to come.

### **2019 Earth Day Community Planting Inspires Healthy Eating and Upcycling**

In 2019, Sustainable Morguard partnered with its Shoppers Mall tenant, DAVIDsTEA in Brandon, Manitoba, to showcase how upcycling old retail items can be a fun and sustainable way to encourage healthy eating habits.

Together, we collected old tea tins to use as pots to plant fresh basil. In addition to taking home their new basil plant to be used for healthy home cooking, participants also received a free cup of tea and were entered in a draw for a chance to win a \$100 Shoppers Mall gift card.

The initiative resulted in the planting of 50 basil plants in 1.5 hours, underscoring Morguard's commitment to celebrating Earth Day in a sustainable and engaging way while supporting its tenants.

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Our efforts to strengthen the communities in which we operate include both direct charitable giving and providing support to social cause campaigns. Once again, in 2019 Morguard employees, tenants and other business partners came together to raise funds and awareness for a wide variety of charitable causes. Among them:

- “BeYou” Campaign – In partnership with Big Brother Big Sisters of Canada, Morguard’s annual BeYou campaign helps young women across Canada increase their self-esteem, personal growth and self-worth. Local ambassadors, free interactive workshops and events that catered specifically to young women in the community were held at Morguard Canadian enclosed shopping centres. The 2019 BeYou Campaign garnered 207 million impressions in print, television, radio and online, a 70% increase over 2018, and nearly 2 million Ambassador Impression courtesy of the social media influencers engaged for the 2019 program.
- Indigenous Art Conference – St. Laurent Shopping Centre. The conference was intended to help support indigenous women grow as entrepreneurs. Two hundred women registered for a workshop at Willis College. Twenty-five Indigenous vendors sold their artwork and reported record sales. Most of the participants were experienced artists, selling for more than 20 years.
- The Shoebox Project – run by the social committee at head office in Mississauga. Morguard employees at the Mississauga office generously contributed to the 2019 Shoebox Project by donating 50 shoeboxes, as well as 12 gift cards (for McDonald’s and Tim Hortons), 20 cosmetics bags, several pairs of mittens, and many other individual items identified as needed by the Project Chapter. We were also able to donate \$140 in cash from in-kind contributions at other events.
- Donations to the North Harvest Foodbank – Partnership with The Heathview. The Heathview multi-suite residential property embarked on a food drive which received more than 500 lbs of food worth over \$1,300; proceeds went to North York Harvest Food Bank. Morguard’s corporate employees accepted the challenge and were able to donate another \$750 dollars to the food bank.

### **Cambridge Centre Santa is Sensitive to All**

To make the holiday season a more inclusive time of year, Morguard has been partnering with KidsAbility since 2013 to bring the Sensitive Santa program to nine Morguard shopping centres. In the quiet hours before the centres open, children with social, emotional or behavioural needs and their families can meet Santa Claus and enjoy the Christmas spirit while feeling safe in their comfort zone.

Sensitive Santa is tailored for each family based on their needs. Upon arrival, families are welcomed with a complimentary gift bag, photo with Santa and coat check. The centres provide a music-free setting with lower lighting and a play area staffed with colouring and building block stations. Morguard’s Cambridge Centre alone averages 85 registered families each year for the two-hour session with Santa on consecutive Sundays in December. Morguard is committed to bringing this program to even more properties across Canada.

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## 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

	2017	2018	2019
Q1 Total	\$34,830	\$37,171	<b>\$33,118</b>
Q2 Total	\$49,747	\$34,466	<b>\$72,647</b>
Q3 Total	\$26,906	\$75,659	<b>\$44,283</b>
Q4 Total	\$87,227	\$120,090	<b>\$166,728</b>
<b>Total net charitable contributions and sponsorships</b>	\$198,710	\$267,386	<b>\$316,776</b>
Earnings before income taxes and market value adjustment	\$259,839,000	\$248,833,000	<b>\$217,760,000</b>
Charitable giving as percentage of earnings before income taxes and market value adjustment	0.08%	0.11%	<b>0.15%</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 are valuable to the communities of which they are a part. Engaging employees in such community-building activities improves satisfaction and retention, while positively contributing to society.

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## RESPONSIBLE EMPLOYER – EMPOWERING OUR PEOPLE

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### 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.

### CODE OF CONDUCT, EQUAL OPPORTUNITY AND DISCRIMINATION

Our Code of Business Conduct (“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.

### 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. To reduce risk of operating on old systems, in 2019, we began an analysis process which concluded that in order to meet the changing needs of sustainable human capital management and continue to best support our people we required an update of our existing Human Capital Management System (“HCMS”).

Our management teams began implementation of an HCMS with detailed data in meaningful reports to inform decision-making. This will provide full visibility to global key performance indicators which support growth and proper management of our team. 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.

This process will continue in 2020 through various projects: the replacement of our HCMS, evaluation of our Employee Value Proposition (Total Rewards), and of course employee engagement surveys. Our next iteration of employment engagement surveys will commence again in 2020.

In the U.S., we applied for a nomination as one of South Florida's 100 Best Places to Work. While we did not make it this year, we came close and will try again next year. We were able to utilize the results of the surveys to better examine where we excel and where we need to grow in terms of workplace health. The feedback we received provided excellent insight and a foundation for ideas to be used company wide. We were able to determine that the sample population group that engaged in the survey were generally pleased with Morguard's culture, benefits, policies and management. So far, we have used the same survey in Louisiana for insight into employee satisfaction in our regional office there. Results have yet to be tallied.

In 2019, Morguard employed 1,419 people (1,164 in Canada and 255 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 the individual hotel management company.

#### EMPLOYEES BY EMPLOYMENT CONTRACT – CANADA

		2018	%	2019	%
Permanent Full-Time	Canada	950	79	<b>926</b>	80
Permanent Part-Time	Canada	140	12	<b>124</b>	11
Temporary Full-Time	Canada	53	4	<b>40</b>	3
Temporary Part-Time	Canada	56	5	<b>74</b>	6
Total Employees	Canada	1,199		<b>1,164</b>	

#### EMPLOYEES BY EMPLOYMENT CONTRACT – U.S.

		2018	%	2019	%
Permanent Full-Time	U.S.	258	98	<b>253</b>	99
Permanent Part-Time	U.S.	6	2	<b>2</b>	1
Temporary Full-Time	U.S.	0	0	–	–
Temporary Part-Time	U.S.	0	0	–	–
Total Employees	U.S.	264		<b>255</b>	

#### EMPLOYEES BY EMPLOYMENT TYPE – CANADA

		2018	%	2019	%
Administrative/Operations	Canada	769	63	<b>740</b>	63
Professional/Technical	Canada	223	19	<b>228</b>	20
Middle Management	Canada	105	9	<b>96</b>	8
Senior Management	Canada	81	7	<b>80</b>	7
Executives	Canada	21	2	<b>20</b>	2

#### EMPLOYEES BY EMPLOYMENT TYPE – U.S.

		2018	%	2019	%
Administrative/Operations	U.S.	146	55	<b>144</b>	56
Professional/Technical	U.S.	61	23	<b>57</b>	22
Middle Management	U.S.	45	17	<b>43</b>	17
Senior Management	U.S.	11	4	<b>10</b>	4
Executives	U.S.	1	<1	<b>1</b>	<1

## DIVERSITY BY GENDER AND EMPLOYMENT TYPE

Employment by Gender and Type – Canada		2018	%	2019	%
Male	Canada	540	45	<b>528</b>	45
Female	Canada	659	55	<b>636</b>	55
<b>MALE</b>					
Administrative/Operations	Canada	337	43	<b>329</b>	44
Professional/Technical	Canada	94	42	<b>95</b>	42
Middle Management	Canada	43	41	<b>40</b>	42
Senior Management	Canada	49	60	<b>48</b>	60
Executive	Canada	17	81	<b>16</b>	80
<b>FEMALE</b>					
Administrative/Operations	Canada	433	57	<b>411</b>	56
Professional/Technical	Canada	128	58	<b>133</b>	58
Middle Management	Canada	62	59	<b>56</b>	58
Senior Management	Canada	32	40	<b>32</b>	40
Executive	Canada	4	19	<b>4</b>	20
<b>Employment by Gender and Type – U.S.</b>					
Employment by Gender and Type – U.S.		2018	%	2019	%
Male	U.S.	121	46	<b>125</b>	49
Female	U.S.	143	54	<b>130</b>	51
<b>MALE</b>					
Administrative/Operations	U.S.	89	61	<b>83</b>	58
Professional/Technical	U.S.	14	23	<b>20</b>	35
Middle Management	U.S.	9	20	<b>14</b>	33
Senior Management	U.S.	8	73	<b>7</b>	70
Executive	U.S.	1	100	<b>1</b>	100
<b>FEMALE</b>					
Administrative/Operations	U.S.	57	39	<b>61</b>	42
Professional/Technical	U.S.	47	77	<b>37</b>	65
Middle Management	U.S.	36	80	<b>29</b>	67
Senior Management	U.S.	3	27	<b>3</b>	30
Executive	U.S.	0	0	<b>0</b>	0

Diversity by Age and Gender – Canada		2018	%	2019	%
<b>BY AGE</b>					
Under 30	Canada	221	19	<b>233</b>	20
30–50	Canada	520	43	<b>487</b>	42
50+	Canada	458	38	<b>444</b>	38
<b>MALE</b>					
Under 30	Canada	75	34	<b>79</b>	34
30–50	Canada	235	45	<b>230</b>	47
50+	Canada	230	50	<b>219</b>	49
<b>FEMALE</b>					
Under 30	Canada	146	66	<b>154</b>	66
30–50	Canada	285	55	<b>257</b>	53
50+	Canada	228	50	<b>225</b>	51
Diversity by Age and Gender – U.S.		2018	%	2019	%
<b>BY AGE</b>					
Under 30	U.S.	57	22	<b>53</b>	21
30–50	U.S.	131	50	<b>129</b>	51
50+	U.S.	76	28	<b>73</b>	28
<b>MALE</b>					
Under 30	U.S.	23	40	<b>23</b>	43
30–50	U.S.	59	45	<b>63</b>	49
50+	U.S.	39	51	<b>39</b>	53
<b>FEMALE</b>					
Under 30	U.S.	34	60	<b>30</b>	57
30–50	U.S.	72	55	<b>66</b>	51
50+	U.S.	37	49	<b>34</b>	47

## EMPLOYEE TURNOVER – CANADA

		2018	%	2019	%
Employee Turnover	Canada	304	25	<b>212</b>	18
<b>BY GENDER</b>					
Male	Canada	121	40	<b>87</b>	41
Female	Canada	183	60	<b>125</b>	59
<b>BY AGE</b>					
Under 30	Canada	114	37	<b>56</b>	26
30–50	Canada	109	36	<b>89</b>	42
50+	Canada	81	27	<b>67</b>	32

## EMPLOYEE TURNOVER – U.S.

		2018	%	2019	%
Employee Turnover	U.S.	111	42	<b>111</b>	44
<b>BY GENDER</b>					
Male	U.S.	56	50	<b>55</b>	50
Female	U.S.	55	50	<b>56</b>	50
<b>BY AGE</b>					
Under 30	U.S.	32	29	<b>29</b>	26
30–50	U.S.	59	53	<b>59</b>	53
50+	U.S.	20	18	<b>23</b>	21

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 2019, turnover consisted of voluntary and involuntary separations along with a nominal amount due to the selling of assets. (Villages of Williamsburg -5 employees, Steeplechase & Magnolia -8 employees, Garden Lane - 6 employees).

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 if and when their existing role or property to which the role serves, is eliminated/divested.



## 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 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	Salary 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 shares cost of medical; employee pays 100% of dental and vision coverage	Accrued time in catastrophic illness bank	Full time only (35+ hours); salary or hourly employee 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

## 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).

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.

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## HEALTH AND SAFETY PROGRAMS

Morguard employees record over three million work hours annually in various environments, including property management, facility maintenance and construction and renovation activities.

Morguard is committed to providing all employees, tenants, contractors and the public with a clean, safe and healthy work environment. By setting the expectations for employees, contractors and service providers, Morguard looks to constantly ensure that a safe and healthy workplace is always 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;
- Co-operate with the government officials who enforce safety legislation;
- Take necessary steps to protect ourselves and fellow employees;
- Attend required safety training; and
- Immediately report all accidents, injuries and unsafe practices or conditions.

Our OHS team works to identify, prevent and mitigate the risks of workplace accident, injury or illness and to provide the required tools to comply with the requisite health and safety legislation. The health and safety platform main components include employee and expert consulting, training, record-keeping, communication and monitoring of relevant legislation and industry best practices.

Participation and engagement in workplace health and safety is strongly encouraged through Morguard OHS programs including regular health and safety committees, safety communications, inspections, awareness / training sessions and events. Morguard team leaders / supervisors are encouraged to be front-line leaders for promoting a safe workplace. Roles and responsibilities are defined in job descriptions and clearly communicated to employees at all levels.

At Morguard, employees work together and interact to identify and solve health and safety problems and to seek opportunities to improve the processes they are involved with. Employees at all levels of the organization are encouraged to take the initiative on workplace health and safety. As well, 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.

Morguard’s OHS program continues to be effective in achieving intended outcomes, as evidenced in 2019 by receiving its seventh consecutive Canada’s Safest Employer award from Thomson Reuters.

Building on this success, in 2020 we will strive for continual improvement in management and performance measures including 100% employee compliance and relevant safety awareness training, improvement / reduction in recordable injuries and improved property audit performance – OHS program and compliance.

Due to serious injury, two of our employees required continued medical attention to ensure a safe and healthy return to work. This increased our number of lost workdays in Canada.

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

<b>LOST-TIME INJURY RATES<sup>2</sup></b>	<b>2018</b>	<b>2019</b>
Lost-time injury rate per 100 employees (Canada & U.S.)	1.2	<b>1.41</b>
Lost-time injury rate per 100 employees (Canada)	0.9	<b>1.1</b>
Lost-time injury rate per 100 employees (U.S.)	2.7	<b>2.7</b>

  

<b>LOST WORKDAYS</b>	<b>2018</b>	<b>2019</b>
Total number of lost workdays (Canada & U.S.)	115	<b>399</b>
Total number of lost workdays (Canada)	72	<b>335</b>
Total number of lost workdays (U.S.)	43	<b>64</b>

  

<b>REPORTED WORKPLACE INJURIES</b>	<b>2018</b>	<b>2019</b>
Total reported workplace injuries that involve lost employee time (Canada & U.S.)	18	<b>20</b>
Total reported workplace injuries that involve lost employee time (Canada)	11	<b>13</b>
Total reported workplace injuries that involve lost employee time (U.S.)	7	<b>7</b>

  

<b>WORKPLACE FATALITIES</b>	<b>2018</b>	<b>2019</b>
Workplace fatalities (Canada & U.S.)	0	<b>0</b>

  

<b>EMPLOYEE NUMBERS (FOR CALCULATION)</b>	<b>2018</b>	<b>2019</b>
Total employees (Canada)	1,214	<b>1,164</b>
Total employees (U.S.)	254	<b>255</b>
Total employees (Canada & U.S.)	1,468	<b>1,419</b>

<sup>1</sup> The number of employees used for OH&S calculations is based on total employees. Excludes hoteling division.

<sup>2</sup> For calculating injury rates, 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

## TRAINING AND PROFESSIONAL DEVELOPMENT

In Canada our learning management system (“LMS”), called Path, is a key content delivery platform of Morguard’s training and development program. It offers a library of on-demand resources with over 5,300 eLearning courses, videos, sessions and materials on topics that align to Morguard’s specific requirements including core competencies, the company’s processes and tools, compliance, desktop productivity and other soft and technical skills. These offerings allow for knowledge transfer, course upgrades and assist in career goal setting for our employees.

In Canada, the training focus across the organization was on the Yardi 7S upgrade, stabilizing what was built in previous years and on training of Yardi 7S ABF budgeting and reforecasting. Also, our training department provided in-house programs on various technology applications, training on workplace harassment and respect to create a more collaborative work environment, and a focus on compliance training.

Our employees benefit from a training and learning approach that marries Morguard’s requirements for success with an employee’s desire for individual growth and development. Morguard provides support for those employees seeking to obtain certifications directly related to their areas of responsibility by offering both financial support and time-in-lieu to allow employees to secure courses and write exams. Employees benefit from these programs by obtaining formal accreditation of their skills. Morguard recognizes that in some instances these employees will take their certifications and leave for better opportunities, however, Morguard believes we benefit by creating a reputation for learning and growth providing us with access to a pipeline of high performers.

To complement our proactive approach to training, our regular employee surveys are used as a tool to continually improve the focus of our training program. Recent employee feedback has focused on Morguard’s tool kit and in helping our employees interact more seamlessly with and leverage new technologies.

Training data noted below 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. Efforts to support ongoing training of Yardi 7S included creation of 29 new learning resources, mainly materials and sessions. Training for Yardi 7S translates to 2,398 training hours in 2019.

The chart below offers further information into our current training practices and performance for Canada.

### TRAINING – CANADA

	2018			2019		
	Non-Management	Management	Total	Non-Management	Management	Total
Total employees eligible for training <sup>1</sup>	871	253	1,124	861	254	1,115
<b>Training hours by employee category</b>						
Total training hours per employee category	7,780	3,736	11,516	8,961	3,611	12,572
Training hours per user	8.93	14.77	10.25	10.41	14.25	11.28

Continued on next page

	2018			2019		
	Non-Management	Management	Total	Non-Management	Management	Total
<b>Total training hours by training type</b>						
eLearning	2,030	656	2,686	4,839	1,512	6,351
Self-learning (user documentation and videos)	193	58	251	765	377	1,142
Class/WebEx-powered sessions	3,313	2,532	5,845	1,302	969	2,271
External	2,244	490	2,734	2,056	754	2,810
<b>Total training hours by subject</b>						
Morguard processes and tools	3,697	2,626	6,323	2,169	1,620	3789.24
Compliance	1,724	572	2,296	4,687	1,216	5902.78
Desktop productivity	108	28	136	24	10	34.62
Other soft and technical skills	2,251	510	2,761	2,081	765	2845.81

<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.)

## TRAINING AND PROFESSIONAL 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. This library houses over 250 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.

Training data noted below 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.

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

## TRAINING – U.S.

	2018			2019		
	Non-Management	Management	Total	Non-Management	Management	Total
Total employees eligible for training <sup>1</sup>	123	36	159	198	48	246
<b>Training hours by employee category</b>						
Total training hours per employee category	2,018	964	2,982	3,578	825	4,403
Training hours per user	16	27	19	18	17	18
<b>Total training hours by training type</b>						
eLearning	1,989	668	2,657	3,535	785	4,320
Self-learning (user documentation and videos)	0	0	0	0	0	0
Class/WebEx-powered sessions	25	292	317	29	39	68
External	5	4	9	15	0	15
<b>Total training hours by subject</b>						
Morguard processes and tools	236	79	315	519	163	682
Compliance	1,286	463	1,748	2,502	554	3,056
Desktop productivity	0	0	0	0	0	0
Other soft and technical skills	424	403	826	557	108	665

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## 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)

	2018	2019
Performance reviews completed	851	<b>882</b>
Eligible employees	970	<b>980</b>
Percent coverage	88%	<b>90%</b>

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

	2018	2019
Performance reviews completed	203	<b>184</b>
Eligible employees	203	<b>184</b>
Percent coverage	100%	<b>100%</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.

### **Becoming Positive Role Models**

For the fourth consecutive year, Morguard and 19 of its shopping centres in Canada and the United States continued empowering young women and celebrating their uniqueness through BeYou, a campaign created in collaboration with Big Brothers Big Sisters (BBBS) that provides access to personal and professional development tools through specialized programming and mentorship.

Members of the team were actively engaged with BBBS’s mentorship program with some of Morguard’s employees volunteering to become ‘Big Brothers’ or ‘Big Sisters’ to mentor children in need of positive role models. While BeYou’s free activities and events at Morguard’s shopping centres take place one week out of the year, the mentoring program continues, offering mentors and BBBS’s mentees positive experiences that last a lifetime.

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## OUR SUSTAINABLE HOUSE – LEADING BY EXAMPLE

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### 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 standards under the *Environmental Protection Act* (Ontario), Ontario Regulation 103/94 and ensuring 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.

### 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 in doing their part and, in turn, use the lessons learned to engage our tenants in improving their spaces. Office representatives follow an internal best-practice information guide on reducing our offices' environmental footprints 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	1,713	Revolution and Electronic Recycling Association
U.S.	Laptops, Desktops, Mobile phones, Printers, Monitors, Keyboards, Mice	159	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 5 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.

**Committed to Multi-Purpose Impact**

Up to 10 million tons of corporate waste end up in landfills in North America each year. To combat this alarming statistic, Sustainable Morguard partnered with Green Standards to turn 60 tons of corporate waste, including office furniture, into \$24,117 of in-kind charitable donations in 2019.

Since the beginning of this partnership in October 2014, environmental and social projects have resulted in 100% of materials diverted from landfill and 194 tons of CO<sub>2</sub> emissions reduced. This is equal to reducing gasoline consumption by 21,726 gallons, growing 4,966 tree seedlings for 10 years and offsetting electricity use from 27 homes for one year.

At Morguard, reducing corporate waste while generating positive community impact is part of our corporate sustainability mandate. Local schools, churches and Habitat for Humanity in Quebec were beneficiaries of the diversion. Morguard is grateful to Green Standards for their partnership to ensure that corporate waste is decommissioned in a sustainable manner.

**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.

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## 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 (PCBs), asbestos, Chlorofluorocarbons (CFCs), 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. The graphic below provides information on our 2018/2019 spill comparison.

## ENVIRONMENTAL METRICS COMPARISON 2018 AND 2019

Environmental Issue	2018 Results	2019 Results
Department Operating Budget	\$1.2 million	<b>\$1.135 million</b>
Number of Total Spills	26	<b>28</b>
Volume of Fluid Spills	25 @ 3,3228 L	<b>22 @ 3,773.5 L*</b>
Volume of Airborne Spills	1 @ 10 lbs	<b>6 @ 3,036 lbs**</b>
Asbestos Removal Resources	\$5,000,000 +	<b>\$1,186,013</b>

\* This represents an increase of 518.5 L in the volume of fluid spilled in 2019 when compared to 2018.

\*\* This represents an increase 3,026 lbs. in the volume of airborne releases in 2019 when compared to 2018.

In 2019, the operating budget for our internal environmental team was approximately \$1.14 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 2019, ENVIRO LINK tracked 28 spills – 22 spills were fluid spills with an approximate volume of 3,773.5 L, and six spills were airborne spills with an approximate volume of 3,036 lbs. The airborne spills consisted of three releases of R-134a from damaged chiller units and one release of R404a from a damaged retail food cooler. The remaining two airborne releases were from damaged natural gas lines where an approximate volume could not be determined.

When compared to last year, 2019 had two more spills, and a spill volume increase of 518.5 L for fluid spills and a spill volume increase of 3,026 lbs for airborne spills. The increase in airborne spills from 2018 to 2019

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was primarily due to the failure of three separate chiller units resulting in the loss of refrigerant. Fluid spill volume increase is entirely dependent on the size and type of spill reported and includes spills caused by contractors, tenants and the general public. Furthermore, we have instituted additional training for site level staff on spill awareness and this may have resulted in greater diligence and the reporting of spills at the property level. Tracking includes even very minor spills such as a fuel leak from a customer's vehicle in a shopping centre parking lot. Morguard was not fined or sanctioned for non-compliance with environmental laws and regulations in 2019.

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 2019, \$1,186,013 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 the utilizing of first-class EMS, is intended to inspire others to join us on our sustainability journey.

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## RESPONSIBLE GOVERNANCE

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### 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](http://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 plan. The annual strategic 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. The Corporate Governance and Nominating Committee of the Board provides review, guidance and approval of the 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 Conduct, which applies to all directors, officers and employees. The Human Resources Committee of the Board monitors compliance and ensures that all employees review and formally acknowledge their compliance with our Code 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 of Conduct 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.

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## RESPONSIBLE CONTRACTING

We require contractors and suppliers to maintain rigorous operational and ethical standards. Pre-qualification guidelines incorporate strong standards for the hiring of 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. In Canada, these processes have been externally reviewed and ranked as leading practices among commercial real estate companies. The principles of our national Pre-Qualification 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 recently updated its Corporate Sustainability and Responsibility Policy 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.

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## FUTURE PLANNING

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Morguard understands that the changing space of CSR 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 2020 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 metrics 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 important 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 on furthering 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 2020 include:

- Further review and updating of existing ESG data management system;
- Aligning our CSR strategies and programs across all organizational boundaries;
- Increasing engagement with valued stakeholders;
- Managing to climate risk;
- Addressing our energy management goals and targets with updated goals set for 2020; and
- Continuing with open and transparent reporting.

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 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 area of deeper consideration in the next five years include:

- Climate mitigation and resiliency to determine strategies to lower risk and cost to our investors;
- 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 within and beyond the building; and
- Embracing partnerships that enable sustainable communities in which we live, work and play.

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.

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## APPENDIX A – GLOSSARY

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BOMA	Building Owners and Managers Association
BOMA BEST	BOMA Building Environmental Standards
CaGBC	Canadian Green Building Council
CFC	Chlorofluorocarbon
CRB	Certified Rental Building
CRESS	construction and real estate sector supplement
CSR	corporate sustainability and responsibility
ekWh	equivalent kilowatt hours
EMS	environmental management system
ESG	environment, social and governance
GHG	greenhouse gas
GLA	gross leasable area
GREEN LINK	Morguard's proprietary green building program
GRI	Global Reporting Initiative
HDD	heating degree days
ICSC	International Council of Shopping Centers
KW	kilowatts
LEED	Leadership in Energy and Environmental Design
PCB	Polychlorinated biphenyl
REALpac	Real Property Association of Canada
REC	Renewable Energy Credit
RPI	responsible property investment
SF	square feet
tCO <sub>2</sub> e	tonnes of carbon dioxide equivalent
USGBC	United States Green Building Council

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## APPENDIX B – BUILDING PERFORMANCE – WEATHER AND OCCUPANCY MODEL

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In 2016, in addition to updating our baseline, we also implemented a more rigorous weather adjustment modelling for the Canadian Retail Properties and Canadian Office Properties. 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 2015 baseline.

The weather modelling is 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.

An occupancy adjustment of 10 kWh per square foot of vacant space was applied to electricity use for the Canadian Office Properties. The adjustment is based upon an assumed portion of 62% of electricity use being related to occupancy. An increase in occupancy would result in an expected increase in electricity of 10 kWh per year per change in occupied square footage. Occupancy data was collected by property on a monthly basis. The change in occupied space was averaged over the year, and a corresponding adjustment was then made to the 2015 baseline.

### OCCUPANCY ADJUSTMENT MODEL

Electricity End-Use	% Share
Office Equipment	4
Computers	10
Lighting	17
Occupancy-related HVAC	31
<b>Total</b>	<b>62</b>
Whole building electricity use (kWh/ft <sup>2</sup> )	16.0
Assumed reduction for vacant space (kWh/ft <sup>2</sup> )	10.0



## APPENDIX C – PROPERTY CERTIFICATIONS

### 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
●	Meadowdale 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 Colonnade	CRBP	ON	MRC
●	The Heathview	LEED Gold, LEED Pending	ON	MRC

#### U.S.

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	STATE	OWNERSHIP
○	Sunset & Gordon	EHO	CA	MRC
○	Retreat at City Center	EHO	CO	MRG

#### U.S. (CONTINUED)

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	STATE	OWNERSHIP
○	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
○	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

### RETAIL

#### CANADA

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
●	Sevenoaks Shopping Centre	BOMA Gold	BC	3rd Party
●	Coquitlam Shopping Centre	BOMA Certified	BC	3rd Party
●	Pine Centre Mall	BOMA Gold	BC	MRT
●	Shelbourne Plaza	–	BC	MRT
●	Airdrie Co-op Centre	–	AB	MRT
●	Heritage Towne Centre	–	AB	MRT
●	Bonnie Doon Shopping Centre	BOMA Silver	AB	3rd Party
●	Prairie Mall	BOMA Pending	AB	MRC/MRT
●	Parkland Mall	BOMA Certified	AB	MRT
●	The Centre	BOMA Certified	SK	MRT
●	Lawson Heights	BOMA Silver	SK	3rd Party
●	Shoppers Mall	BOMA Gold	MB	MRT

#### CANADA (CONTINUED)

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
●	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 Gold	ON	MRT
●	Market Square	–	ON	MRT
●	Wonderland Corners	–	ON	MRT
●	Kingsbury Centre	–	ON	MRT
●	Northgate Shopping Centre	BOMA Gold	ON	3rd Party

2015 and 2019 building performance results (BPR)

● Property included ○ Property excluded

## RETAIL (CONTINUED)

### CANADA (CONTINUED)

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
●	Hampton Park Plaza	–	ON	MRT
●	St. Laurent	BOMA Gold	ON	MRT
●	New Sudbury Centre	HOOPP LEAP, BOMA Gold	ON	3rd Party
●	Intercity Centre	BOMA Gold	ON	3rd Party
●	Centerpoint Mall	BOMA Silver	ON	MRC
●	East York Town Centre	BOMA Bronze	ON	MRC
●	Guildwood Village Shopping Centre	–	ON	MRC
●	Holt Renfrew Centre	BOMA Platinum	ON	3rd Party
●	The Colonnade	–	ON	MRC
●	Woodbridge Square	–	ON	MRT/3rd Party
●	Place Rosemere	BOMA Gold	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
●	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

## OFFICE

### CANADA

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
●	111 Dunsmuir	BOMA Platinum	BC	MRT
●	Chancery Place	BOMA Pending, Energy Star	BC	MRT
●	969 Robson Street	BOMA Pending	BC	3rd Party
●	Seymour Place	–	BC	MRT
○	11th Avenue Place	LEED Gold, HOOPP LEAP, Energy Star	AB	3rd Party
●	207 and 215 9th Avenue SW	BOMA Gold, Energy Star	AB	MRT
●	505 3rd Street SW	BOMA Pending, Energy Star	AB	MRT/3rd Party
●	7315 8th Street NE	BOMA Pending	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, BOMA Pending, Energy Star	AB	3rd Party
●	44 Capital Blvd	BOMA Silver	AB	3rd Party
●	Petroleum Plaza	LEED Silver, BOMA Silver	AB	MRT/3rd Party
●	Scotia Place	BOMA Gold	AB	MRT/3rd Party
●	Ford Credit Building	–	AB	3rd Party
●	Greystone Business Park	–	AB	3rd Party
●	Whitemud Business Park	–	AB	3rd Party
●	Keewatin Square	–	SK	MRC
●	155 Carlton	BOMA Silver	MB	3rd Party
●	175/185 Carlton	BOMA Pending	MB	3rd Party
●	325 Broadway Avenue	BOMA Silver	MB	3rd Party
●	363 Broadway Avenue	BOMA Silver	MB	3rd Party
○	400 St. Mary	BOMA Gold	MB	MRC/3rd Party
●	444 St. Mary	BOMA Silver	MB	MRC/3rd Party

### CANADA (CONTINUED)

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
●	Bramalea City Centre (Office)	–	ON	MRC/3rd Party
●	365 March Road LP	BOMA Silver	ON	3rd Party
○	123 Commerce Valley Drive	BOMA Platinum, Energy Star	ON	MRC
●	201 City Centre Drive	BOMA Platinum, BOMA Earth, Energy Star, TOBY Award, National TOBY Award, Certificate of Excellence, Energy Star	ON	MRC/3rd Party
●	2920 Matheson East	BOMA Platinum, Energy Star	ON	MRC/3rd Party
●	33 City Centre Drive	BOMA Platinum, TOBY Award, National TOBY Award, Certificate of Excellence	ON	MRC/3rd Party
●	55 City Centre Drive	BOMA Platinum, TOBY Award, National TOBY Award, Certificate of Excellence	ON	MRC/3rd Party
●	77 City Centre Drive	BOMA Platinum, TOBY Award, National TOBY Award, Certificate of Excellence	ON	MRC/3rd Party
●	59 Camelot Drive	BOMA Pending	ON	MRC
●	99 Metcalfe Street	BOMA Silver	ON	MRC
●	301 Laurier Avenue	–	ON	MRT/3rd Party
●	350 Sparks Street	BOMA Pending	ON	MRC
●	Blair Road	BOMA Silver	ON	3rd Party
●	CBC Ottawa Broadcast Centre	BOMA Silver	ON	MRC
●	Green Valley Office Park	BOMA Pending	ON	MRT
●	Heritage Place	BOMA Silver	ON	MRT/3rd Party

2015 and 2019 building performance results (BPR)

● Property included ○ Property excluded

## OFFICE (CONTINUED)

### CANADA (CONTINUED)

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
●	Performance Court	BOMA Gold, LEED Gold, Bullfrog Powered	ON	MRC/3rd Party
●	St. Laurent Business Centre	BOMA Silver	ON	MRT
●	Standard Life	BOMA Silver	ON	MRT/3rd Party
●	Time Square	BOMA Silver	ON	MRT
●	60 Bloor Street West	BOMA Pending, Bullfrog Powered	ON	3rd Party
●	77 Bloor Street West	BOMA Gold, LEED Gold	ON	MRT/3rd Party
●	200 Yorkland	BOMA Silver	ON	MRT

### CANADA (CONTINUED)

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
○	Etobicoke Wellness Centre	LEED Pending	ON	MRC
●	Leaside Corporate Centre	BOMA Silver	ON	MRC/3rd Party
●	York Research Tower	LEED Silver	ON	3rd Party
○	41 Rue Victoria	LEED Pending	QC	MRC

### U.S.

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	STATE	OWNERSHIP
○	Coast at Lakeshore East	LEED Silver	IL	MRG

## HOTEL

### CANADA

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
○	Inn at the Quay	Green Key	BC	MRC
○	Acclaim Hotel Calgary Airport	Green Key	AB	MRC
○	Hilton Garden Inn	Green Key	AB	MRC
○	Clearwater Residence Hotel – Timberlea	Green Key	AB	MRC
○	Clearwater Suite Hotel	Green Key	AB	MRC
○	Franklin Suite Hotel	Green Key	AB	MRC
○	Merit Hotel & Suites	Green Key	AB	MRC
○	Nomad Hotel & Suites	Green Key	AB	MRC
○	Radisson Hotel & Suites Fort McMurray	Green Key	AB	MRC
○	Vantage Inn and Suites	Green Key	AB	MRC
○	Days Hotel and Suites	Green Key	AB	MRC
○	Cambridge Red Deer Hotel & Conference Centre	Green Key	AB	MRC
○	Temple Gardens Mineral Spa Resort Hotel	Green Key	SK	MRC
○	Wingate by Wyndham Regina	Green Key	SK	MRC
○	Saskatoon Inn & Conference Centre	Green Key	SK	MRC
○	Holiday Inn Winnipeg South	Green Key	MB	MRC
○	Residence Inn – London	Green Key	ON	MRC
○	Hilton Garden Inn Toronto Airport West	Green Key	ON	MRC

### CANADA (CONTINUED)

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
○	Courtyard Marriott	Green Key	ON	MRC
○	Hilton Garden Inn and Homewood Suites	Green Key	ON	MRC
○	Holiday Inn Express	Green Key	ON	MRC
○	Towne Place Suites by Marriott	Green Key	ON	MRC
○	Days Inn & Suites	Green Key	ON	MRC
○	Days Inn North	Green Key	ON	MRC
○	Courtyard by Marriott Toronto Airport	Green Key	ON	MRC
○	Hotel Carlingview Toronto Airport	Green Key	ON	MRC
○	Residence Inn by Marriott Toronto Airport	Green Key	ON	MRC
○	Toronto Airport Marriott	Green Key	ON	MRC
○	Cambridge Suites Hotel Halifax	Green Key	NS	MRC
○	The Prince George Hotel	Green Key	NS	MRC
○	Cambridge Suites Hotel Sydney	Green Key	NS	MRC
○	Days Inn and Suites	Green Key	NT	MRC
○	Stanton Suites Hotel	Green Key	NT	MRC

## INDUSTRIAL

### CANADA

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
○	Translink Logistics Centre	LEED Pending	SK	3rd Party
○	1205 Corporate Drive	Solar powered	ON	3rd Party
○	Maple Leaf Foods Dist. Centre	LEED Gold	ON	MRC/3rd Party

## UNIVERSAL

### CANADA

BPR	PROPERTY	COMPLIANCE/ CERTIFICATIONS	PROV.	OWNERSHIP
●	47 Clarence	BOMA Pending	ON	3rd Party
●	131 Queen Street	BOMA Pending	ON	MRC
●	Quinte Consolidated Courthouse	BOMA Platinum, LEED Gold	ON	MRC/3rd Party
●	Place Innovation	BOMA Gold and Silver – multiple buildings	QC	MRC/MRT

2015 and 2019 building performance results (BPR)

● Property included ○ Property excluded

## APPENDIX D – GRI CONTENT INDEX

Morguard's 2019 Corporate Sustainability and Responsibility Report was prepared in "accordance with" the "Core" option of the 2016 Global Reporting Initiative ("GRI") Standard sustainability reporting guidelines, including the Construction and Real Estate Sector Supplement ("CRESS").

AIF = Available within the Annual Information Form and other continuous disclosure materials at [morguard.com](http://morguard.com).

GRI Standard Disclosure	Page number(s) and/or URL(s)	Omission		
		Part Omitted	Reason	Explanation
<b>Organizational profile</b>				
102-1 Name of the organization	2			
102-2 Activities, brands, products, and services	2	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	3			
102-4 Location of operations	3			
102-5 Ownership and legal form	AIF			
102-6 Markets served	2-3			
102-7 Scale of the organization	2-3			
102-8 Information on employees and other workers	34-38			
102-9 Supply chain	46-47	Morguard uses several suppliers, including property cleaning, maintenance, security and 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	8 & 46			
102-11 Precautionary Principle or approach	49			
102-12 External initiatives	9			
102-13 Membership of associations	9			
<b>Strategy</b>				
102-14 Statement from senior decision-maker	1			
<b>Ethics and integrity</b>				
102-16 Values, principles, standards, and norms of behavior	4-6, 10, 39, 40, 42, 43, 44 & 50			
<b>Governance</b>				
102-18 Governance structure	5 & 50			
102-19 Delegating authority	3, 5 & 50			
102-20 Executive-level responsibility for economic, environmental, and social topics	3, 5 & 50			

102-21 Consulting stakeholders on economic, environmental, and social topics	4, 5, 8, 9 & 50			
102-22 Composition of the highest governance body and its committees	AIF	vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation	Information unavailable	Specific information on 102-22 vi, vii, & viii was unavailable at the time of publication
102-23 Chair of the highest governance body	AIF			
102-24 Nominating and selecting the highest governance body	AIF	Criteria used for nominating and selecting highest governance body members, including whether and how; iv. expertise and experience relating to economic, environmental, and social topics are considered.	Information unavailable	Specific information on 102-24 vi was unavailable at the time of publication
102-25 Conflicts of interest	AIF			
102-26 Role of highest governance body in setting purpose, values, and strategy	5, 50, AIF			
102-27 Collective knowledge of highest governance body	50			
102-28 Evaluating the highest governance body's performance		Whole indicator	Information unavailable	Process not implemented specifically for ESG
102-29 Identifying and managing economic, environmental, and social impacts	8, 10 & 50			
102-30 Effectiveness of risk management processes	50			
102-31 Review of economic, environmental, and social topics	50			
102-32 Highest governance body's role in sustainability reporting	5 & 50			
102-33 Communicating critical concerns	50 & 51			
102-34 Nature and total number of critical concerns		Whole indicator	Information unavailable	Total number and nature of critical concerns are not currently tracked and are deemed confidential to internal management
102-35 Remuneration policies	AIF			
102-36 Process for determining remuneration	AIF			

102-37 Stakeholders involvement in remuneration		Whole indicator	Information unavailable	Process not implemented specifically for external stakeholders
102-38 Annual total compensation ratio		Whole indicator	Information unavailable	Process not implemented specifically for total compensation ratio calculation
102-39 Percentage increase in annual total compensation ratio		Whole indicator	Information unavailable	Process not implemented specifically for total compensation ratio calculation
<b>Stakeholder engagement</b>				
102-40 List of stakeholder groups	5, 8 & 9			
102-41 Collective bargaining agreements	39			
102-42 Identifying and selecting stakeholders	8			
102-43 Approach to stakeholder engagement	4-10 & 12			
102-44 Key topics and concerns raised	8			
<b>Reporting practice</b>				
102-45 Entities included in the consolidated financial statements	2, AIF			
102-46 Defining report content and topic Boundaries	3, 20			
102-47 List of material aspects	8			
102-48 Restatements of information	2, 20			
102-49 Changes in reporting	2, 3, 20			
102-50 Reporting period	Jan 1 to Dec 31, 2019			
102-51 Date of most recent report	April 6, 2020			Morguard Annual Report
102-52 Reporting cycle	Annual, 2			
102-53 Contact point for questions regarding the report	3			
102-54 Claims of reporting in accordance with the GRI Standards	3			
102-55 GRI content index	58			
102-56 External assurance, report, statements, or opinions.	3			
<b>GRI 103: Management Approach</b>				
103-1 Explanation of the material topic and its Boundary	3, 4, 5, 8, 10 - 12, 29, 34, 46, & 50			Our management approach on key material topics is included in the opening of the following sections: "Responsible Property Investing" - pg 10, "Net Zero" - pg 11, "Sustainable Development" – pg 29, "Responsible Employer" – pg 34, "Our

		Sustainable House” – pg 46, and “Responsible Governance” – pg 50
103-2 The management approach and its components	3, 4, 5, 8, 10 - 12, 29, 34, 46, & 50	Morguard has strived to include information pertaining to our “management approach” throughout the report. Morguard has partially included insights into our management approach and its components, to the best of our ability at the time of disclosure.
103-3 Evaluation of the management approach	-	Morguard has omitted insights into the evaluation of our management approach as formal and consistent processes are not implemented at the time of disclosure on all material topics.

GRI Standard	Disclosure	Page number(s) or clarifications
<b>Material Topics</b>		
<b>GRI 200 Economic Standard Series</b>		
<b>Economic Performance</b>		
<b>GRI 201: Economic Performance 2019</b>	201-1 Direct economic value generated and distributed	AIF
<b>Indirect Economic Impacts</b>		
<b>GRI 203: Indirect Economic Impacts 2019</b>	203-1 Infrastructure investments and services supported	29-33
<b>Anti-corruption</b>		
<b>GRI 205: Anti-corruption 2019</b>	205-2 Communication and training about anti-corruption policies and procedures	50-51
<b>Anti-competitive Behavior</b>		
<b>GRI 206: Anti-competitive Behavior 2019</b>	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	There were no legal actions against Morguard in 2019 regarding anti-competitive behavior, anti-trust or monopoly practices
<b>GRI 300 Environmental Standards Series</b>		
<b>Energy</b>		
<b>GRI 302: Energy 2019</b>	302-1 Energy consumption within the organization	20-28
	302-3 Energy intensity	23, 25 & 27
	302-4 Reduction of energy consumption	20-28
	302-5 Reductions in energy requirements of products and services	20-28
<b>Biodiversity</b>		
<b>GRI 304: Biodiversity 2019</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	30
	304-3 Habitats protected/restored	30

<b>Emissions</b>		
<b>GRI 305: Emissions 2019</b>	305-1 Direct (Scope 1) GHG emissions	20-28
	305-2 Energy indirect (Scope 2) GHG emissions	18-19
	305-4 GHG emissions intensity	24 & 26
	305-5 Reduction of GHG emissions	20-28
<b>Effluents and Waste</b>		
<b>GRI 306: Effluents and Waste 2019</b>	306-2 Waste by type and disposal method	20-25 & 46
	306-3 Significant spills	48-49
<b>Environmental Compliance</b>		
<b>GRI 307: Environmental Compliance 2019</b>	307-1 Non-compliance with environmental laws and regulations	There were no legal actions against Morguard in 2019 regarding environmental laws or regulations
<b>GRI 400 Social Standards Series</b>		
<b>Employment</b>		
<b>GRI 401: Employment 2019</b>	401-1 New employee hires and employee turnover	34-38
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	39
<b>Labor/Management Relations</b>		
<b>GRI 402: Labor/Management Relations 2019</b>	402-1 Minimum notice periods regarding operational changes	39
<b>Occupational Health and Safety</b>		
<b>GRI 403: Occupational Health and Safety 2019</b>	403-1 Workers representation in formal joint management-worker health and safety committees	40-41
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	40-41
<b>Training and Education</b>		
<b>GRI 404: Training and Education 2019</b>	404-1 Average hours of training per year per employee	42-44
	404-2 Programs for upgrading employee skills and transition assistance programs	43 & 44



	404-3 Percentage of employees receiving regular performance and career development reviews	45
<b>Local Communities</b>		
<b>GRI 413: Local Communities 2019</b>	413-1 Operations with local community engagement, impact assessments and development programs	29-33

<b>Construction and Real Estate Sector Disclosures</b>			
<b>GRI CRES</b>	<b>Aspect</b>	<b>Indicators</b>	<b>Page number(s) or clarifications</b>
<b>CRE1</b>	Energy	Building energy intensity	23, 25 & 27
<b>CRE2</b>	Water	Building water intensity	23, 26 & 28
<b>CRE3</b>	Emissions	Greenhouse gas intensity from building energy	24 & 26
<b>CRE4</b>	Emissions	Greenhouse gas emissions intensity from new construction and redevelopment activity	At the time of reporting emissions for our construction or redevelopments or developments are not separately tracked
<b>CRE5</b>	Land Degradation, Contamination and Remediation	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal designations	Due to confidentiality constraints we are unable to publish specific data on our remediations
<b>CRE6</b>	Occupational Health and Safety	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	Morguard uses an internally developed award-winning H&SMS; however, at the time of reporting it is not externally verified for compliance to international standardization across North America
<b>CRE7</b>	Local Communities	Number of persons voluntarily and involuntarily displaced and/or resettled by development broken down by project	There were no displacements due to our developments in 2019
<b>CRE8</b>	Product and Service Labelling	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	12-19