# Dream Impact Trust (MPCT.UN)

Dream Impact Trust is focused on impact investing, generating attractive returns as well as creating positive, social and environmental change in our communities and for our stakeholders. Previously Dream Hard Asset Alternatives Trust, the name was changed to Dream Impact Trust on October 26, 2020, to better align its brand with its purpose.

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89.8%

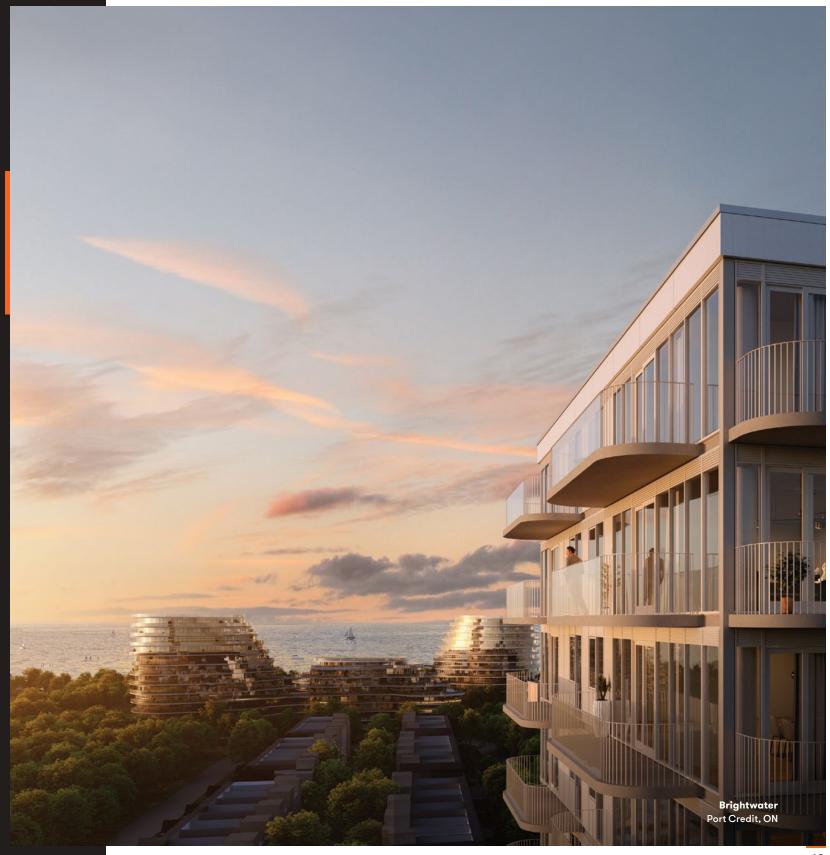
occupancy rate (including committed)\*

\$637.2 million

total assets

0.5 million

square feet of owned gross leasable area (GLA)\*



## **Key Accomplishments**

In 2020, MPCT.UN became a pure-play impact investment vehicle, meaning that it pursues investments that provide both attractive market returns and generates measurable and verifiable positive impact.

## MPCT.UN 2019 Highlights

#### **Environmental**

- Ompleted remediation of former oil refinery site in preparation for Brightwater development
- Sussex Centre, built in 1989, was selected for one of Canada's first green loans in 2020
- Construction is underway on the District Thermal system at Zibi

#### Governance\*\*



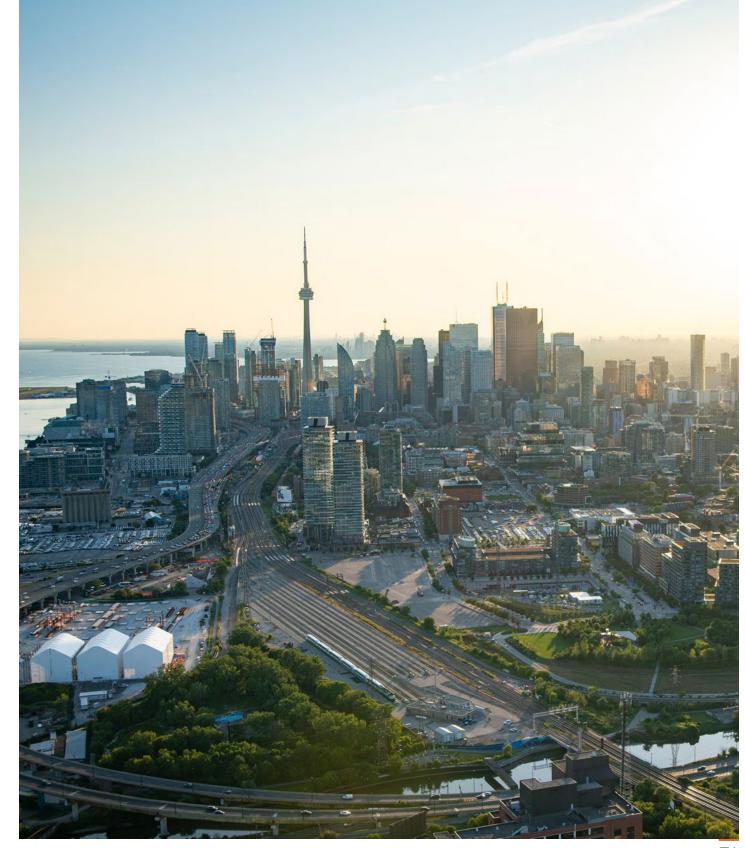
**67%** of Trustees are independent



**50%** of Trustees are women

### Social

- Broke ground on the West Don Lands project, a public-private partnership to create long-term affordable housing units in Toronto's East end
- Continued work on our innovative partnership with Anishinabe Health Toronto to develop Canary Block 10, a mixed-use project, home to the first purposebuilt Indigenous community hub in a major North American city
- First condominium at Zibi becomes substantially occupied
- Zibi's Eddy-Booth St Corridor Transformation project neared completion
- Provided housing for 100 homeless people at our Lakeshore East (Victory Silos) location
- 50% of employees, 39% of managers and 44% of executives are women\*
- \$252,207 paid out for employee tuition and professional fees\*



<sup>\*</sup> Based on Dream Asset Management Corporation employees, which includes DRM and MPCT.UN employees. Does not include employees at Dream recreational properties, employees on unpaid leave of absence (e.g. permanent disability, long-term disability, parental leave) or interns.

<sup>\*\*</sup> As at November 13, 2020. Includes members of both the GP and Trust Boards.

## Our ESG Approach

## MPCT.UN is Canada's first publicly traded real estate impact investment vehicle.

With its enhanced focus on impact investing, MPCT.UN is aligning its efforts around its core mission - building better communities for people to live, work and play in - while delivering returns to shareholders.

#### MPCT.UN focuses on three core impact principals:

- Attainable and affordable housing: invest in mixed-income communities that are transit-oriented and located close to employment opportunities and offer lower relative cost of living (housing where the total monthly shelter cost is at or below Toronto's average market rent)
- Inclusive communities: create communities that generate positive social outcomes for all groups, with a focus on Indigenous peoples and women's empowerment
- Resource efficiency: develop sustainable real estate that optimizes energy use, limits greenhouse gas (GHG) emissions and reduces water use and waste

### 1. Attainable & Affordable Housing

































We believe as the owner and developer of real estate, we are well positioned to make a significant difference in our communities and for our stakeholders through these verticals. From an impact perspective, MPCT.UN will benchmark its performance on an annual basis against specific targets that will conform to principles set out by reputable third parties.

Each of these impact verticals align with the universally recognized and accepted UN Sustainable Development

#### 3. Resource Efficiency







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The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

We believe that real estate is uniquely positioned to positively influence society from both a socioeconomic and environmental perspective

MPCT.UN intends to outline impact investing targets that take into consideration Canada's desire to achieve netzero emissions by 2035 and that are designed to reduce the cost of living and improve the standard of living in our communities. Execution of our strategy will positively impact the communities in which we develop and manage our real estate.

MPCT.UN will report on impact performance annually based on leading impact reporting frameworks.

MPCT.UN has policies covering all activities across the value chain including our Building Standards Manual for developments, our Guide to Sustainable Building Operations and our Tenant Sustainability Handbook for customer relations.

For a full list of policies, please contact: info@dreamimpacttrust.ca <a>7.</a>

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The design and development of real estate can promote

inclusion, diversity, health and wellness as well as

reduce our environmental footprint through sustainable

In addition, the tangible nature of real estate makes impact

Affordable Housing & Inclusive Communities

MPCT.UN integrates market and affordable units in

our communities because they are an essential part of

creating complete, family-focused, vibrant places that

provide access to housing for people of all income levels.

MPCT.UN aims to reduce the ecological footprint of our

communities and actively contribute to the long-term

sustainability for all our projects through investing in

GHG emission reductions, reducing energy and water

usage and increasing waste diversion efforts across our

development practices.

Resource Efficiency

portfolio.

investments more easily measurable.

### **Environmental**

#### Climate Change

As part of our flood risk and catastrophic loss risk assessment conducted in 2020, we identified properties in our portfolio that are at risk of losses from 50, 100, 200 and 500-year flood risks. One property was found to be at risk of a 100-year flood. Our next step in this process is to develop site-specific water damage mitigation plans based on the results of the assessment.

#### Number of At-Risk Assets from Flooding\*

	50-year	Floor area	100-year	Floor area	200-year	Floor area	500-year	Floor area
	flood	(sq. ft.)	flood	(sq. ft.)	flood	(sq. ft.)	flood	(sq. ft.)
MPCT.UN	-	-	1	61,000	-	-	-	-

- Floor area square footage is based on Gross Leasable Area (GLA).
   Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories.
   Only MPCT.UN assets managed by D.UN were included in assessment.



Gatineau, OC / Ottawa, ON

## **Flood Prevention** at Zibi

In the spring of 2019, the National Capital Region experienced unprecedented and catastrophic flooding. At Zibi, our project on the islands and shores of the Ottawa River, climate change risks are top of mind. Our buildings are constructed to accommodate a 1-in-1000-year flood and incorporate additional climate adaptation measures, including waterproofing of underground infrastructure. As a result, we avoided adverse impact from the flooding of 2019 and will continue to follow climate change science closely to prepare for future changes.

Gatineau, QC / Ottawa, ON



MPCT.UN is committed to using energy in an efficient, cost-effective and environmentally responsible manner. Our Energy Policy sets forth objectives that support this goal, including benchmarking energy use at all facilities, meeting our energy reduction targets, enrolling in demand response programs and educating employees and tenants on energy conservation.

#### Water Management

MPCT.UN is committed to reducing water consumption at our properties through preventative maintenance programs. Our Water Conservation Policy sets forth objectives that support this goal, including monitoring major water consuming equipment through building management systems, leak reporting through our tenant service program, routine inspections by staff, installing low flow water fixtures during washroom renovations and monitoring landscape irrigation using rain sensors and control timers.

### **Environmental**

#### Sustainable Development

We consult with the public to identify community needs that can be incorporated into the overall development plan prior to starting the application process. We also work with leading urban designers and master community planners to create attractive, community-oriented and environmentally sustainable concepts that integrate sustainability practices. These include:

- Creating inclusive and vibrant urban communities that people are proud to live and work in
- Building long-term affordable housing in prime locations close to transit and employment
- Integrating market and affordable units to create diverse, mixed-income, family-focused communities
- Committing to sustainable design in urban centres –
  Leadership in Energy and Environmental Design (LEED)
  Gold or higher
- Partnering with Indigenous communities
- Integrating our communities into the natural environment by building around important environmental amenities and using native plants and grasses



## Social

#### Our People

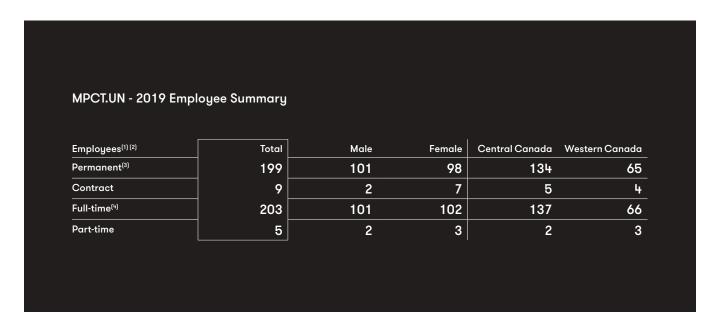
Dream's strength as an organization comes from our strong and diverse workforce. Our employees possess expertise in a wide variety of areas that benefit our business, from real estate management and development to capital markets, risk, insurance and many more.

Our people come from a wide range of backgrounds and places, bringing many valuable skills and perspectives to our team. The people we hire all have one thing in common: they share our company values and contribute to our company culture.

208 total employees

Consistent with our values, we are very proud to have a strong female presence in our workforce. 39% of our managers and 44% of our executive team are female.





<sup>(1)</sup> Includes employees employee by Dream Asset Management Corporation, which includes DRM and MPCT.UN employees. Does not include employees at Dream recreational properties, employees on unpaid leave of absence (e.g. permanent disability, long-term disability, parental leave) or interns.

Numbers represented as total headcount, not full-time equivalent.



#### Gender Breakdown

Employees*	Managers	Executive Team		
<ul><li>50% Female</li><li>50% Male</li></ul>	<ul><li>39% Female</li><li>61% Male</li></ul>	<ul><li>▶ 44% Female</li><li>▶ 56% Male</li></ul>		

<sup>\*</sup> Includes employees at all levels.

#### New Hires and Turnover Rates\*

	Total	Male	Female	Age under 30	Age 30-50	Age 50+	Central Canada	Western Canada	United States	Europe
New hires	48	23	25	28	18	2	37	11	-	-
Voluntary turnover rate	19.5%	7.5%	12%	7.9%	9.5%	2.1%	12.9%	6.6%	-	-

<sup>\*</sup> Includes employees employed by Dream Asset Management Corporation, which includes DRM and MPCT.UN employees. Does not include employees at Dream recreational properties, employees on unpaid leave of absence (e.g. permanent disability, long-term disability, parental leave) or interns. Turnover rate is calculated as a percentage of average employee headcount for 2019. European and U.S. employees are not included in employee turnover rates due to being under separate management.

<sup>(3)</sup> Includes permanent part-time employees.

<sup>(4)</sup> Includes all employees with a work schedule of 35 hours or greater per week.

## Social



#### Affordability and Mixed-income Neighbourhoods

Dream develops a wide range of housing types to meet the needs of varying ages, income groups and lifestyles. We believe building mixed-use and mixed-income projects within our master-planned communities is smart business and aligns with our values, as well as our commitment to shareholders and communities.

To date, we have excavated to build three towers with 770 units, 231 of which will be affordable, with the others being offered at average market rent. When the development is complete, the entire West Don Lands development will have 2,286 units in total, with approximately 30% being affordable.



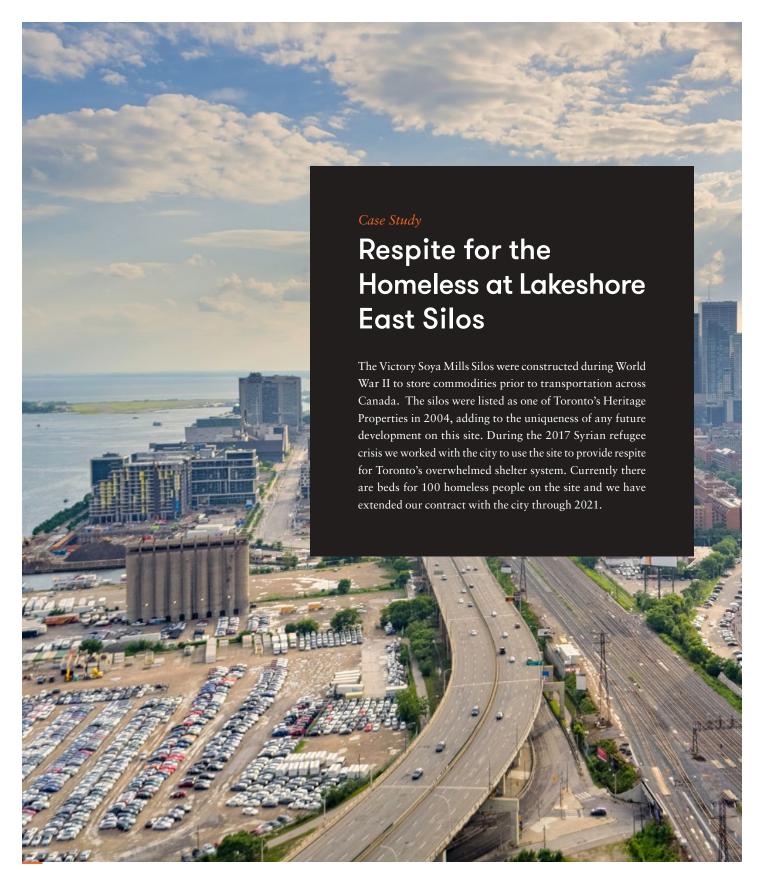
#### Key accomplishments include:

- First mixed-use, purpose-built rental community in the area
- Public-private partnership to create long-term affordable units
- 2,286 rental units inclusive of 30% affordable at 80% Adjustable Mortgage Rate (AMR)
- 5,000 sq. ft. of dedicated community space
- 300,000 sq. ft. + of commercial space

- LEED Gold and Toronto Green Standard version 2 environmental efficiency
- Won a competitive bidding process by ensuring longterm affordability and our plan to manage without further government incentives
- Secured \$357 million of financing as part of Canada Mortgage and Housing Corporation's (CMHC) Rental Construction Financing initiative

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### Social





"Sustainability is a strategic priority for Dream Impact Trust. We are focused on embedding sustainability across our platform. Obtaining a green loan for Sussex Centre demonstrates Dream's continued commitment to sustainability and innovation in the real estate sector."

#### **Michael Cooper**

President and Chief Responsible Officer of Dream

Case Study

## Green Loan at Sussex Centre Complex

In October of 2020, we announced the closure of a \$120 million green loan for the Sussex Centre complex in Mississauga, Ontario with HSBC Bank Canada. The loan is compliant with the Loan Market Association's Green Loan Principles. Green loans are a new lending product that are designed to finance projects with strong environmental benefits including combatting climate change, optimizing energy efficiency and any associated capital projects that help contribute to reducing the harmful impacts of greenhouse gas (GHG).

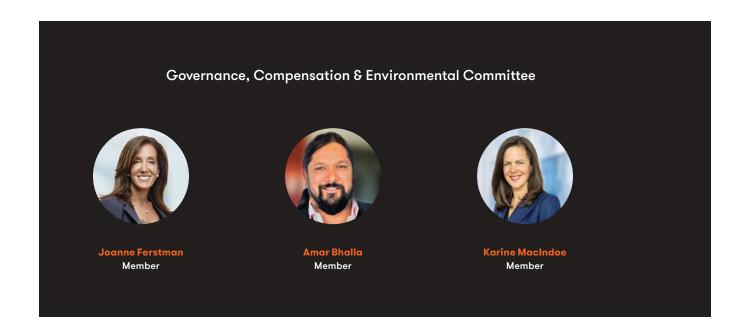
The Sussex Centre, built in 1989, features two office buildings located at 50 & 90 Burnhamthorpe Road in Mississauga comprising 651,000 square feet of rentable area and is co-owned by D.UN and MPCT.UN. The Sussex Centre demonstrates its commitment to environmental best practices as it boasts a BOMA BEST Gold level certification as well as Silver certification under the Canada Green Building Council's (CaGBC) Leadership in Energy and Environmental Design (LEED). The property is aiming for recertification as LEED Gold in 2021. Sussex Centre is a great fit for a green loan based on the investments that are being made into the building, including those which lower its carbon and energy footprint by installing air handling units, completing floor upgrades and renewing heat pumps.

### Governance

# 67% of MPCT.UN Trustees are independent and 50% are women.\*

Sustainability at MPCT.UN is overseen and managed by DRM, with whom MPCT.UN co-invests on many of its projects. Sustainability efforts are managed by the following:

Role	Responsibility				
Governance, Compensation & Environmental Committee;	Reviewing corporate governance practices, reviewing the environmental state of any real property investments and establishing policies and procedures to monitor exposure to environmental related risks and liabilities				
Portfolio Manager, MPCT.UN; President of Asset management of DRM;	Oversight of sustainability at MPCT.UN				
Vice Chair, Development of DRM; MPCT.UN"s Director, Impact Investments; (in partnership with project specific leads)	Manages implementation of sustainable practices in the design of select development projects including the West Don Lands an Canary District projects				
Program Manager of Sustainability at Zibi	Manages the implementation of site-specific sustainability plans and objectives				



## Forward-looking Plans

MPCT.UN is working hard to integrate sustainability into every aspect of our development processes and operations. Looking forward, we will be formalizing our approach to impact investing by creating a framework and incorporating guidelines from the world's leading impact and ESG bodies. DRM, MPCT.UN's asset manager, has recently become a signatory to the International Finance Corporation's [IFC] Operating Principles for Impact Management . In addition DRM has become a member of the Global Impact Investing Network [GIIN] .

## Our priorities for creating an impact framework include:

- Creating impact pathways for each of the qualifying assets
- Measuring our impact in a repeatable and systematic manner
- Having our progress and achievements audited by an independent third-party
- Releasing our first impact report in 2021, which will be a significant milestone in Dream's sustainability journey

As we formalize the framework for impact over the next twelve months and define our impact declarations, we are committed to providing transparency on how we measure and report on the impact we are creating.

#### Operating Principles for Impact Management

As required by the Principles, Dream Impact Trust will publish an annual disclosure statement describing the alignment of our impact management systems and processes with the Principles.

The Principles are a standard for systems and processes for the management of investments targeting the achievement of positive social and environmental impact.

We will also have this disclosure statement verified by a third party and are committed to being transparent and systematic in our approach to impact management.



#### Pursuing building certifications:

- Pursuing BOMA Best certification at three of our downtown Toronto properties: 49 Ontario Street, 10 Lower Spadina Avenue and 349 Carlaw Avenue
- Seeking LEED Gold certification at the Sussex Centre in Mississauga, Ontario
- Installing real-time monitoring and target system for electricity, gas, water and GHG emissions

#### **Building Certifications**

Green building certifications help us incorporate a range of sustainability features into our physical properties and our daily practices. According to the Canadian Green Building Council (CaGBC), green-certified buildings or communities with lower operating costs and superior indoor environmental quality are more attractive to a growing group of customers. Studies have shown that certified buildings produce higher capital and income growth relative to industry benchmarks.

#### **LEED**

The Leadership in Energy and Environmental Design (LEED) certification provides independent, third-party verification that a building was built using strategies aimed at achieving high performance in key areas of human and environmental health. It is administered by the Canadian Green Building Council (CaGBC) .

#### **BOMA BEST**

BOMA BEST is a leading certification program for existing buildings in Canada, administered by the Building Owners and Manager's Association Canada (BOMA). Over 3,150 buildings, totalling 594 million square feet of Canadian commercial real estate, are certified.

