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For more information on Sustainability at Dream, please visit our website.

www.dream.ca7

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# **About this Report**

#### **Reporting Boundaries**

All information and performance data contained in this report reflects the period from January 1 to December 31, 2020, unless otherwise stated. All amounts are reported in Canadian dollars. In some places we may highlight a 2021 initiative and will provide more detailed information on these initiatives in next year's sustainability report, to be released in 2022. Where there have been changes in measurement methods or restatements of information from the 2019 Sustainability Report 7, we have identified these in a footnote to describe the change.

Dream published its first Sustainability Report in 2015, and has subsequently disclosed sustainability information in the annual reports of its public entities since 2017. In 2019, we released a Sustainability Report focusing on the environmental, social and governance (ESG) performance and practices for the Dream group of companies as well as for each Dream entity. The 2019 Sustainability Report was released in November 2020. The 2020-2021 Sustainability Report presents Dream's new ESG Framework and provides an update on Dream's sustainability performance, practices and initiatives.

The content of this report was defined through engagement with Dream's stakeholders, as well as by specific commercial real estate sustainability standards and Dream's sustainability programs and initiatives. This report has been approved by the Chief Responsible Officer of Dream Unlimited Corp., and Chief Executive Officers of Dream Industrial REIT and Dream Office REIT as well as the Chief Financial Officers for each entity. In addition, it has been approved by the Chief Operating Officers of Dream Office REIT and Dream Industrial REIT.

The annual Sustainability Report is prefaced by the common Dream group section and then followed by individual sections for each entity. The following sections reflect the Dream group of companies and their common policies, strategies, performance and initiatives: Dream Overview, Sustainability Journey, ESG Framework, Stakeholder Engagement, Governance & Risk, and Social.

The remaining sections of the report reflect entity-specific practices and performance. The intended audiences of this report are tenants and residents, investors, research analysts, communities, employees, our partners, as well as municipalities and governments in locations where Dream operates.

#### Report Verification

Environmental data disclosed by D.UN and MPCT.UN in this report has been independently verified by Quinn & Partners, who performed limited verification on selected GHG emissions, energy, water and waste data in accordance with ISO 14064-3. In this report, the symbol indicates verified information. A copy of the verification statement can be found here.

#### Reporting Standards

This report has been prepared with references to the Global Reporting Initiative (GRI) Standards. It also includes indicators from the Sustainability Accounting Standards Board (SASB) Real Estate Standard and addresses the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These standards are referenced in the reference tables starting at the end of this document.

The Dream group of companies, which is collectively referred to as "Dream", consist of the following:

- Dream Unlimited Corp. (TSX: DRM)
  ("DRM") or ("Dream Unlimited")
- Dream Impact Trust (TSX: MPCT.UN)
  ("MPCT.UN") or ("Dream Impact")
- Dream Office REIT (TSX:D.UN)
  ("D.UN") or ("Dream Office")
- Dream Industrial REIT (TSX:DIR.UN)

  ("DIR.UN") or ("Dream Industrial")

#### Contact

For any questions or feedback regarding this report, please contact:

Sustainability & ESG at sustainabilityandesg@dream.ca ?

The Dream group of companies consist of the following:

Dream Unlimited Corp.[+]
TSX: DRM

2020 Annual Report <sup>▶</sup> Website <sup>▶</sup>

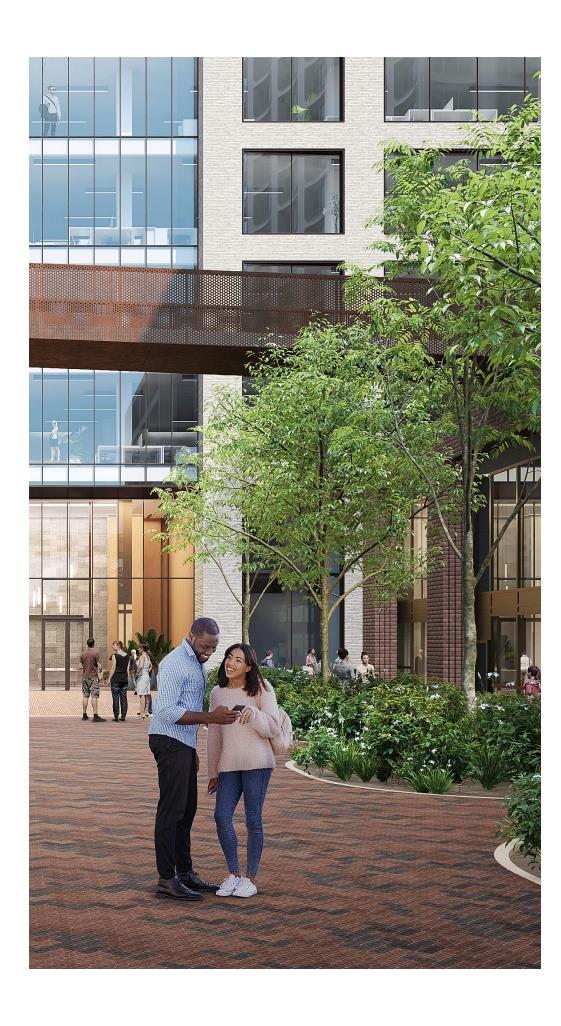
Dream Impact Trust [+]
TSX: MPCT.UN

2020 Annual Report / Website /

Dream Office REIT [+]
TSX: D.UN

2020 Annual Report <sup>↗</sup> Website <sup>↗</sup> Dream Industrial REIT [+]
TSX: DIR.UN

2020 Annual Report / Website /



# Chief Responsible Officer's Message

At Dream, we have always embraced impact investing and sustainability. Our mission is to create positive environmental and social results, alongside strong financial returns.

We also know that good Environmental, Social and Governance practices are necessary to meet the needs of investors and manage risk in our business. We are building better communities because they are environmentally sustainable, inclusive and improve the lives of our tenants, communities, partners and employees, which is an integral part of who we are and how we do business.

In addition to being the right thing, sustainability is a part of our day-to-day business and we actively work to improve the places where we invest, develop and operate with the goal of leaving them better than we found them. Our successes can be seen in the revitalization of our communities such as Toronto's Distillery District, Zibi, West Don Lands and Brightwater. We have pursued social and environmental results with our tenants by offering green leases, creating walkable communities with parks and green spaces, and operating energy and water efficient buildings.

At Dream, we are using our core business to address broader social and environmental issues and we have been able to support Canada's commitment to affordable housing, climate change and social inclusion. We have set significant attainable and affordable housing targets in our development projects at Zibi, Canary District, and West Don Lands. We are making progress on Zibi's goal of being 100% powered by its innovative, zero carbon District Energy System by 2025. We continue to support and celebrate the Indigenous community through the Indigenous Hub project in Canary District and within the Zibi community. As community builders, we want to ensure a high quality of living, resource efficient assets, safe and well-paid jobs, and contribute to local supply chains and enterprises.

In 2020, Dream became a signatory to the International Finance Corporation's Operating Principles for Impact Management and over the past year we have worked diligently to develop our impact investing approach while also achieving market returns. We now have the tools to better measure and communicate our positive environmental and social results that we generate together with financial returns to our investors. We invest with intent and are focused on the future impacts we can create beyond the typical development projects. Our impact investing approach has shown us where we have the greatest opportunity to maximize our impact: Environmental Sustainability and Resilience, Affordable and Attainable Housing and Inclusive Communities.

The Dream group of companies, including Dream Unlimited, Dream Office REIT, Dream Industrial REIT and Dream Impact Trust, continue to demonstrate leadership in creating a better future world.

We are proud to announce that the Dream group of companies has set an ambitious and industry leading goal of net zero greenhouse gas emissions by 2035. As part of our Environmental Sustainability and Resilience impact vertical, we are applying our rigorous impact management system to hold ourselves accountable and strive for transparent, continued improvement. Over the next year, we will deliver a road-map that outlines how we will reach net zero by 2035. We also recently announced \$136.6 million in funding from the Canada Infrastructure Bank, which will significantly support our transition to net zero.

We have also committed to the Net Zero Asset Managers initiative, which sets targets of net zero greenhouse gas emissions by 2050; however, at Dream we are going to go further, faster. We are committing to net zero by 2035 because we need to take steps now, not later. Our teams are motivated and understand the sense of urgency to find solutions.

We are very proud to unveil a new Social Procurement Strategy that is one of the most ambitious in Canada. We seek to leverage the money we spend in developing and managing our real estate to create business opportunities and jobs for both equity-seeking groups and local or independent businesses. In the communities we build, we use our impact principles to build communities that are safe, diverse and attainable.

Our goal has always been to do great work. Our people feel empowered, fulfilled and are proud of our work. We have a strong track record of building great careers and we are very proud of the many alumni that have gone on to be leaders in the industry and continue to stay connected with Dream.

The events of the past years have impacted the world profoundly. Throughout this time, we have been focused on running a great business and having a positive impact on people's lives.

Sincerely,

MJ Cage



Michael Cooper
Chief Responsible Officer
Dream Unlimited Corp.



# Head of Sustainability and ESG Letter

In our 2020-2021 Sustainability Report, Dream is proud to show that we've accomplished a lot and significantly advanced our impact, sustainability and ESG mandates.

Building on our well received 2019 Sustainability Report, we've advanced our practices to develop greater and more detailed data collection, best in class policies and standards, and more ambitious goals. We believe that a solid management approach to ESG is the foundation for good business practices and our impact investing platform.

In 2021, we formalized our ESG Framework to integrate ESG into our business and provide support for our mission to Build Better Communities – communities that are sustainable, inclusive and improve people's lives. As you will see in this report, the ESG Framework sets the direction for all Dream entities to continue our leadership by identifying and elevating our key ESG priorities. It includes elements that are common to all entities, but is also customized to meet the ESG goals and needs of each individual entity.

Our ESG Framework centres around four core pillars which capture important value creation opportunities and responsible business practices:

- Creating better places
- Being future ready
- Fostering strong relationships
- Ensuring operational excellence

With our ESG Framework in place, we have guiding principles for our businesses and employees to focus our innovation and energy.

We are pleased to announce that Dream has set new, industry leading net zero greenhouse gas emission ("net zero") goals for each Dream entity:

- DRM, MPCT.UN and D.UN have committed to being net zero by 2035 for operations and new developments, including Scope 1, 2 and select Scope 3 emissions
- DIR.UN has committed to being net zero by 2035 for operations including Scope 1 and 2 and Net Zero by 2050 for select Scope 3 emissions

Reaching net zero is not simple, and we understand that it goes beyond one commitment. To support our net zero commitments, we commit to increased measurement and verification of our greenhouse gas emissions, alignment with leading standards and organizations, increased transparency in our reporting, and increased partnership in working with our stakeholders in government, utilities, our supply chain, employees and our tenants. As part of our effort to be leaders in the transition to the low carbon future we will continually monitor and assess the applicability of renewable energy generation opportunities.

In addition, we have taken significant steps to show our commitment to transparency and accountability in our business. As such, Dream Unlimited, on behalf of the Dream group of companies, has joined the Net Zero Asset Managers (NZAM) initiative in November, which represents asset managers around the world aligned with net zero targets of 2050 or sooner. The initiative covers 220 signatories and US\$57.4 trillion AUM, of which Dream is one of the first Canadian companies to join.

Furthermore, Dream Unlimited, on behalf of the Dream group of companies, has signed onto the United Nations' Principles for Responsible Investment (UN PRI) — an international network of investors working together to implement six key principles to ensure a sustainable global financial system. Each Dream entity has become an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) , chaired by Michael R. Bloomberg. Together with our net zero by 2035 commitment, our commitments to NZAM, UN PRI and TCFD contribute to our comprehensive and rigorous impact and ESG management system.

Over the next five years, our focus will be to take meaningful and thoughtful steps to reduce our greenhouse gas (GHG) emissions by setting interim reduction targets and focusing on measuring our Scope 3 emissions including emissions from downstream leased assets and business travel.

We hope you find this report informative, educational, and inspiring as we continue on our impact, sustainability and ESG evolution.

Sincerely,

'SHall



Lee Hodgkinson

Head of Sustainability & Technical Services

Dream Unlimited Corp.

## **Dream Overview**

Dream is an asset manager, owner and developer of real estate. Founded in 1994 with a vision to revolutionize the way people live and work, Dream is one of Canada's leading real estate companies, with over \$13 billion in assets under management amongst its four publicly listed entities, private funds and institutional partnerships.

dream <sup>△</sup>

dream 🗡 impact trust

dream 1 office REIT **dream** 



#### Across the Dream group of companies we have:

\$13 billion

23,810

In assets under management\*

units in the Dream group portfolio

39.8 million

5.5 million

sq.ft. of industrial Gross Leasable Area (GLA) in DIR.UN\*

476

11.7 million

sq.ft. of commercial / retail GLA across the Dream group portfolio\*

\*As of September 30, 2021.

At Dream, our employees are our most valuable asset and consist of the following:

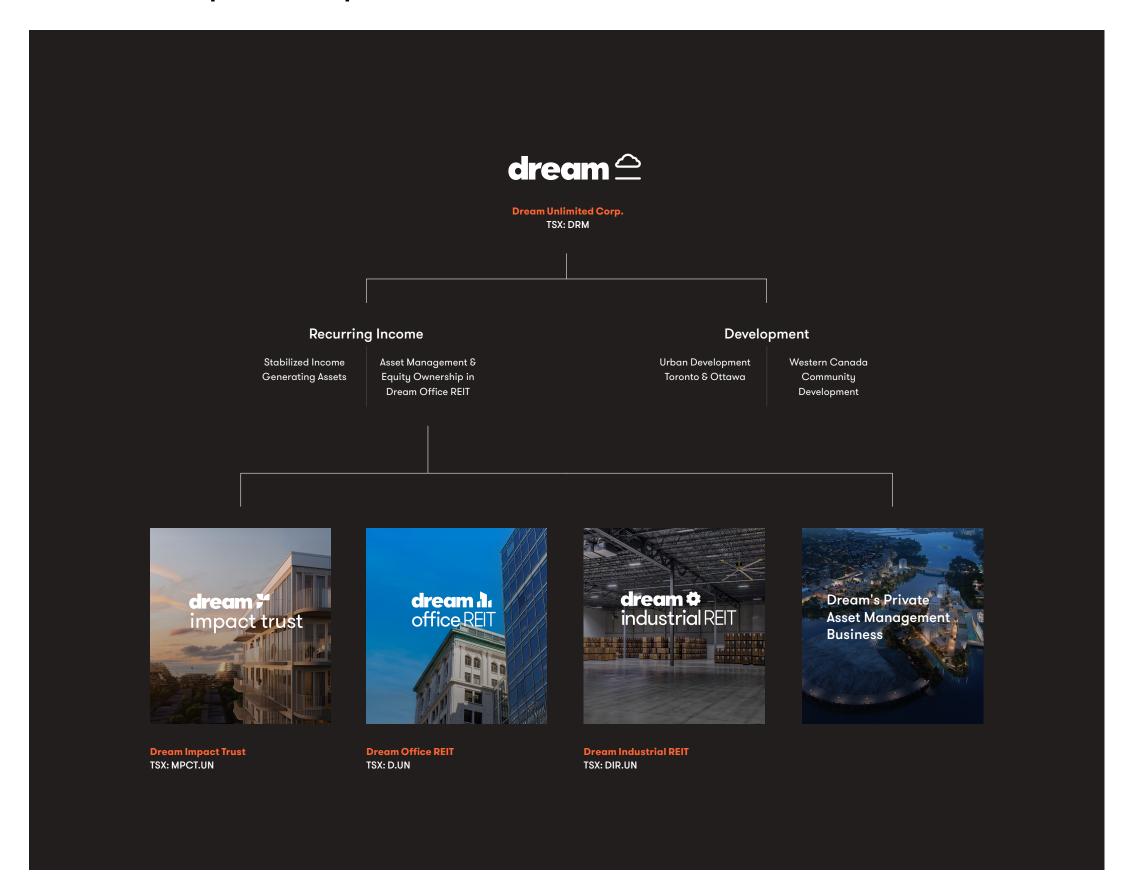
30%

Number of Employees <sup>(1)(2)</sup>	Men	Women	Total
Permanent <sup>[3]</sup>	252	224	476
Contract	6	8	14
Full-time <sup>(4)</sup>	255	231	486
Part-time	3	1	4

<sup>(1)</sup> Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp., Dream Office Management Corp. and Dream Industrial Europe Advisors Cooperatieve U.A. Does not include employ at Dream recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) or interns.

<sup>(2)</sup> Numbers represented as total headcount, not full-time equivalent.
(3) Includes permanent part-time employees.
(4) Includes all employees with a work schedule of 35 hours or greater per week.

# **Dream Group of Companies**



#### Dream

Dream takes an innovative and bold approach to ESG and impact investing, continuously challenging ourselves and others to do more.

Headquartered in Toronto, Canada, Dream is responsible for some of Canada's most iconic and transformational projects. We invest with purpose, embracing creativity, passion and innovation to deliver high returns, while doing good for the communities and the world around us.

We proudly participate as members of several industry associations including:

- Building Owners and Managers Association (BOMA) Canada
- REALPAC
- International Council of Shopping Centres (ICSC)
- Building Industry and Land Development Association (BILD)
- Commercial Real Estate Development Association (NAIOP)
- Local Business Improvement Associations
- Urban Land Institute (ULI)
- Catalyst member of the Canadian Green Building Council (CaGBC)
- European Public Real Estate Association (EPRA)
- RECA Real Estate Council of Alberta
- SREC Saskatchewan Real Estate Council
- RECO Real Estate Council of Ontario

# Sustainability Journey

Dream has integrated sustainability into the way we conduct business for over a decade. We are proud of our track record of environmental, social and governance initiatives, and look forward to sharing our progress with you on the journey ahead.

#### 2007

DRM launched a \$350M fund exclusively focused on renewable energy

#### 2004

DRM formed a partnership to invest, improve and revitalize Toronto's Distillery District community, transforming 40 heritage buildings into a landmark destination and creating a cultural anchor in the city's East end

#### 2014

DIR.UN began its rooftop solar program

DRM invested in Zibi (Gatineau) to create Canada's most sustainable master-planned community

#### 2013

DRM became the first TSX-listed company to have a female majority Board

#### 2018

DRM and MPCT.UN (formerly Dream Hard Asset Alternatives Trust) were selected to deliver the West Don Lands project, building 600+ affordable housing units in a mixedincome community

#### 2017

DRM completed the transformation of the Broadview Hotel, creating a beautiful landmark and arts and culture destination for the vibrant Riverside community

#### 2020

Dream Hard Asset Alternatives Trust (DRA. UN) changed name to Dream Impact Trust (MPCT.UN), focusing on impact investing

DRM became a signatory to the Operating
Principles for Impact Management and
a member of the Global Impact Investing
Network

#### 2011

D.UN began measuring greenhouse gas emissions, energy and water consumption and set four-year targets

DRM was selected to develop the LEED Gold Pan/Parapan AM Athletes Village, inclusive of affordable and student housing. The project won numerous awards including the 2014 Building Industry and Land Development Association (BILD) Community of the Year

#### 2014

**\**/

Dream formalized diversity policies for each entity

Dream established a Sustainability
Executive Committee to oversee and
embed sustainability in key business areas,
including property operations, employee
engagement and communications

#### 2015

Michael Cooper, Chief Executive Officer, changed title to Chief Responsible Officer

Dream published its first Sustainability Report

#### 2018

**\**/

D.UN and DRM formed Alate Partners to invest in innovative real estate solutions

#### 2019

DRM and MPCT.UN (formerly Dream Hard Asset Alternatives Trust) established a partnership with Anishinabe Health Toronto to develop Canary Block 10, the centre of an Indigenous Hub celebrating culture and serving Toronto's Indigenous community



### 2021

- MPCT.UN published inaugural Impact Report and
  Disclosure Statement
- Dream developed ESG framework to drive and unite ESG initiatives across the entities
- D.UN and MPCT.UN participated in the Global Real Estate Sustainable Benchmark (GRESB) for the first time and achieved a score of 91 and 90 respectively
- Dream certified as a Great Place to Work ® which reflects its commitment to creating a positive work culture for all of its employees
- DRM and MPCT.UN released Impact Financing Framework to issue green, social or sustainability bonds, green loans and social loans, or other financial instruments to finance or re-finance eligible impact projects
- DIR.UN released Green Financing Framework in support of DIR.UN's green financing initiatives

Introduction

### **ESG** Framework

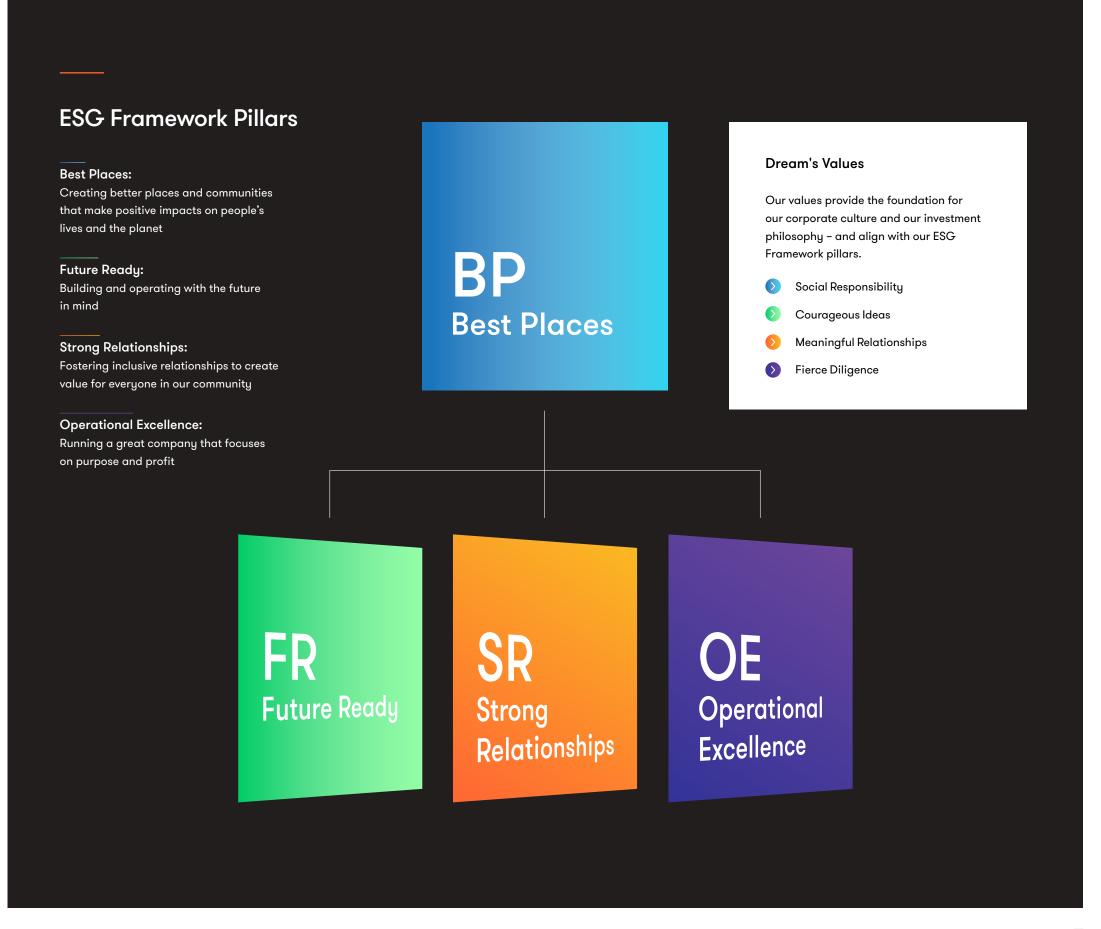
For over two decades, we have been working to make our communities better while maximizing returns for our investors.

We aim to continue this work while increasing our focus on generating intentional and measurable environmental and social returns, aligning ourselves with applicable standards and in 2021, further integrating ESG throughout our business by implementing a formal ESG Framework.

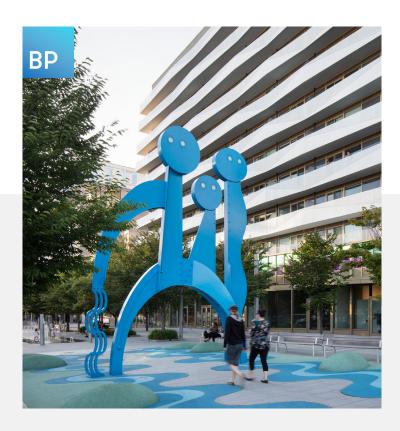
We are excited to share our new ESG Framework, which identifies and elevates our ESG priorities and sets the direction for us to continue to be an ESG leader.

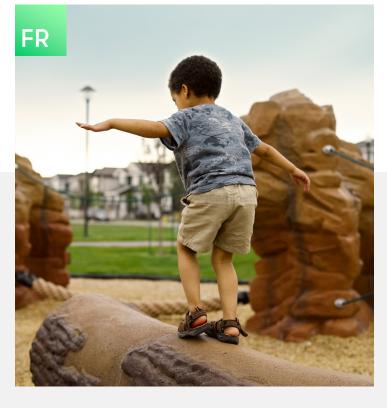
Developed with extensive input from key stakeholders, our ESG Framework considers the global macro trends that are influencing today's sustainability expectations and identifies the emerging and material sustainability topics that are ingrained in how we run our business internally and externally. The ESG Framework is connected to Dream's purpose to Build Better Communities and aligns with our corporate values and strategy.

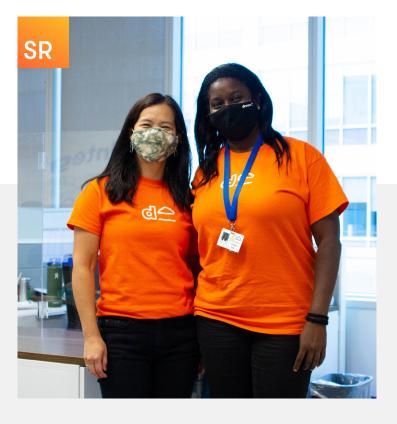
The ESG Framework applies to each of our entities and is tailored to address the most material ESG topics within each. Throughout this report you'll find references to the ESG Framework, including at the start of each entity's section, that set out the most material sustainability topics for each entity and how we are responding based on the type of asset class and specific fund objectives.

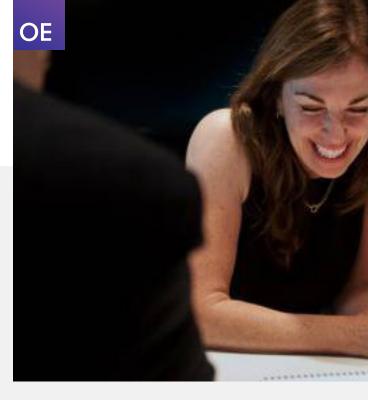


### **ESG** Framework Pillars









#### Best Places

Creating better places and communities that make positive impacts on people's lives and the planet.

- Certifications
- > Health, safety, and wellness
- Amenities and inclusive atmosphere
- Attainability and affordability
- Connectivity

**Dream Value: Social Responsibility** 

#### **Future Ready**

Building and operating with the future in mind.

- Climate change resilience
- Carbon and resource efficiency
- Innovation and technology adoption
- Sustainable development
- Sustainable redevelopment

Dream Value: Courageous Ideas

#### **Strong Relationships**

Fostering inclusive relationships to create value for everyone in our community.

- Tenant relationships
- Oovernment collaboration
- Community / NGO partnerships
- Indigenous engagement
- Sustainable procurement

Dream Value: Meaningful Relationships

#### **Operational Excellence**

Running a great company that focuses on purpose and profit.

- Diversity, inclusion and advancement
- Valuing employees,
- **ESG** risk management
- Corporate governance
- **SESG** impact and management

Dream Value: Fierce Diligence

# United Nations Sustainable Development Goals

The Sustainable Development Goals, (SDG) 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.

There are 17 goals in total which provide a shared blueprint to achieve these goals. In our investment strategy we identify relevant SDGs and consider how our project may contribute to the achievement of these goals. In particular, Dream is dedicated to building safe, resilient, inclusive and sustainable cities – expressed by Goal 11.







Introduction

# Stakeholder Engagement

Dream fosters strong, long-term relationships and maintains an open and ongoing dialogue with all our stakeholders.

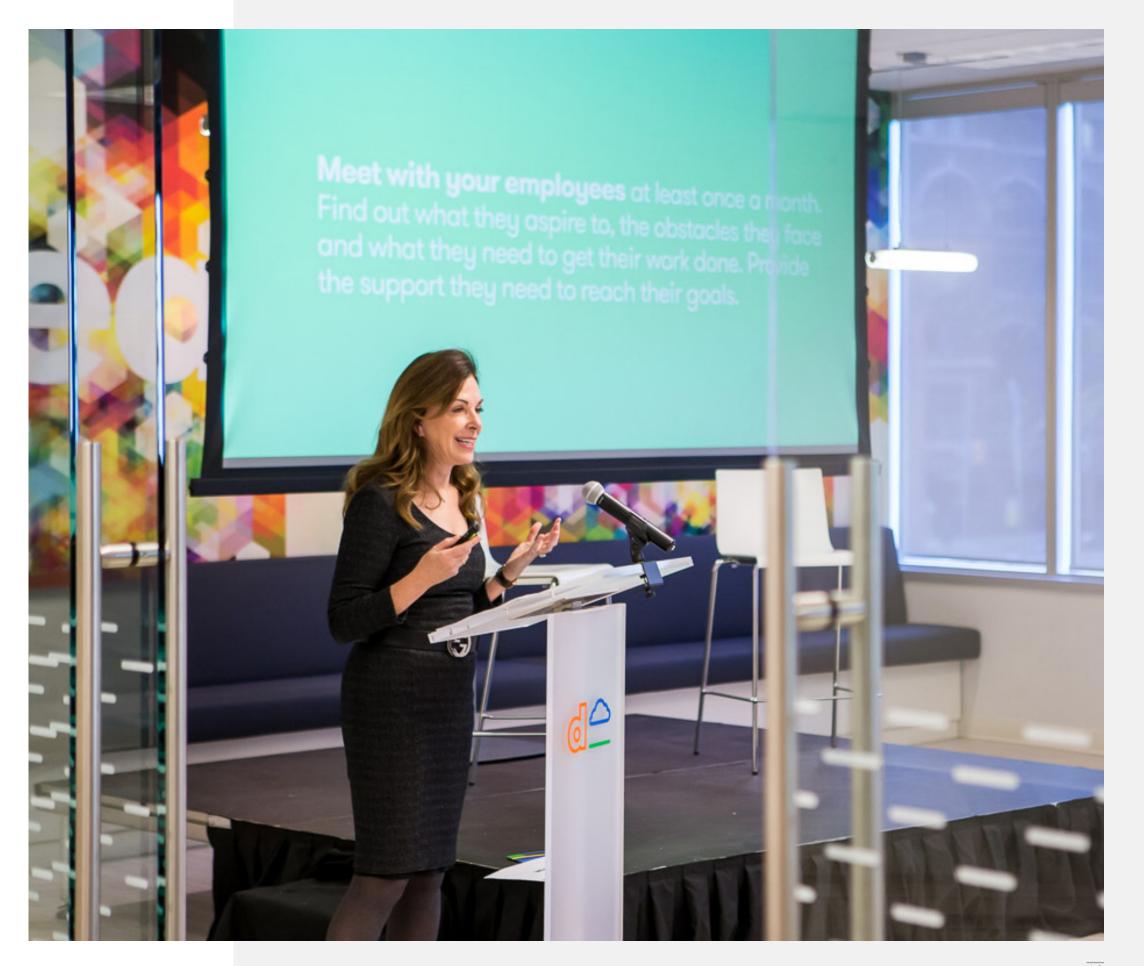
Doing so creates satisfied tenants, happy employees, confident investors and enthusiastic partners. We make use of multiple engagement methods to continuously improve how we work together and create shared value in the communities where we operate. We continue to build on the feedback received from our stakeholders and use it to improve our business.

Stakeholder group	Employees  Frequency: Continuous	Tenants  Frequency: Continuous	Investors and analysts  Frequency: Continuous	Municipal government partners and local communities  Frequency: Ad Hoc
Topics engaged on	<ul> <li>COVID-19 response</li> <li>Health, safety and wellness initiatives</li> <li>Lunch and Learns</li> <li>Office services</li> <li>People &amp; Culture programs</li> <li>Social Committee activities</li> <li>Diversity, inclusion and advancement</li> </ul>	<ul> <li>Sustainability campaigns and events</li> <li>GHG data collection for areas outside of our operational control</li> <li>Wellness promotions</li> <li>COVID-19</li> </ul>	<ul> <li>Sustainability strategy and disclosure</li> <li>Impact investing</li> <li>Financial returns alongside measurable social and environmental benefits</li> <li>Industry initiatives</li> <li>Net zero targets</li> </ul>	<ul> <li>Housing affordability</li> <li>Indigenous engagement</li> <li>Social procurement</li> <li>Sustainability practices</li> </ul>
Engagement methods	<ul> <li>Annual performance reviews</li> <li>Semi-annual feedback check-ins</li> <li>Internal communications (intranet, emails)</li> <li>Bi-weekly business updates with Chief Responsible Officer</li> <li>One-on-one meetings</li> <li>Social media (LinkedIn, Glassdoor)</li> <li>Touchpoints and exit interviews</li> <li>Guest speakers</li> <li>Town halls</li> <li>Employee Surveys</li> <li>Weekly COVID-19 updates</li> </ul>	<ul> <li>Emails/communications</li> <li>Engagement surveys</li> <li>Media releases</li> <li>Monthly promotions</li> <li>One-on-one meetings with leasing and client services</li> <li>Tenant experience emails</li> <li>Tenant concierge service</li> <li>Website</li> <li>Quarterly newsletters</li> </ul>	Investor relations activities including:  — Investor Days  — Investor presentations  — Meetings  — Annual General Meeting  — External conferences  — Press releases  — Quarterly and annual reports  — Website	<ul> <li>Community meetings</li> <li>Emails and other communications</li> <li>Sustainability policies and standards</li> <li>Focus groups</li> <li>Market round- table discussions</li> <li>Media releases</li> <li>Websites (project specific and corporate) websites</li> <li>Quarterly and annual reports</li> <li>Relationship building</li> </ul>
What we heard	<ul> <li>Employees feel heard and supported</li> <li>Employees report that Dream is an inclusive place to work</li> <li>Dream employees feel that health and safety has been implemented well through the COVID-19 pandemic</li> <li>Employees feel there is an openness to new ideas</li> <li>Employees appreciate the fast-paced work culture and environment at Dream</li> </ul>	<ul> <li>Tenants report they are appreciative of efforts to promote wellness, as well as offer new programs and communication platforms</li> <li>Tenants are pleased with receiving regular COVID-19 updates and new safety protocols</li> </ul>	<ul> <li>Investors are interested in Dream's approach to managing sustainability, climate risk disclosure and participation in the GRESB real estate assessment and the United Nations Principles for Responsible Investment (UN PRI)</li> </ul>	<ul> <li>Design-related feedback</li> <li>Importance of public realm, parks, public spaces, amenities</li> </ul>
How we are responding	<ul> <li>Initiated discussions with employees and managers on topics of engagement</li> <li>Used feedback from employee survey to identify improvement opportunities and implement new initiatives to improve employee experience</li> <li>Refined our Whistleblower Policy</li> <li>Following up on diversity survey recommendations</li> </ul>	— Used feedback from our tenant satisfaction survey to identify improvement opportunities for property teams and develop action plans to implement new tenant engagement initiatives	<ul> <li>Enhanced sustainability governance</li> <li>Set performance targets</li> <li>Assessed flood risk</li> <li>Aligning disclosures with leading ESG reporting standards</li> </ul>	<ul> <li>Enhanced communication including community feedback, ongoing dialogue, open soundings and weekly meetings</li> <li>Integrated design-related changes</li> </ul>



## Governance & Risk

Dream is committed to sound and effective corporate governance. Our goal is to not only meet the requirements established by regulators, but also to uphold excellent corporate governance principles and practices.



### Governance

Our governance approach includes nominating diverse, independent and experienced Board members to each of our public entities, as well as ensuring transparency in all aspects of our business.

Read more about our corporate governance practices in the Management Information Circulars for each entity and on our corporate websites.

#### **Board Oversight**

For each Dream entity, a Board Committee is responsible for oversight of sustainability matters. We continue to embed sustainability in our Board mandates and integrate sustainability in each entity's strategy, enterprise management systems, operations and most importantly, culture.

#### **Board Composition**

Each Dream Board is comprised of highly experienced, dedicated and knowledgeable professionals who each have expertise in key areas of Dream's businesses.

#### **How Our Framework Applies:**

Governance topics that are a key priority for Dream are:

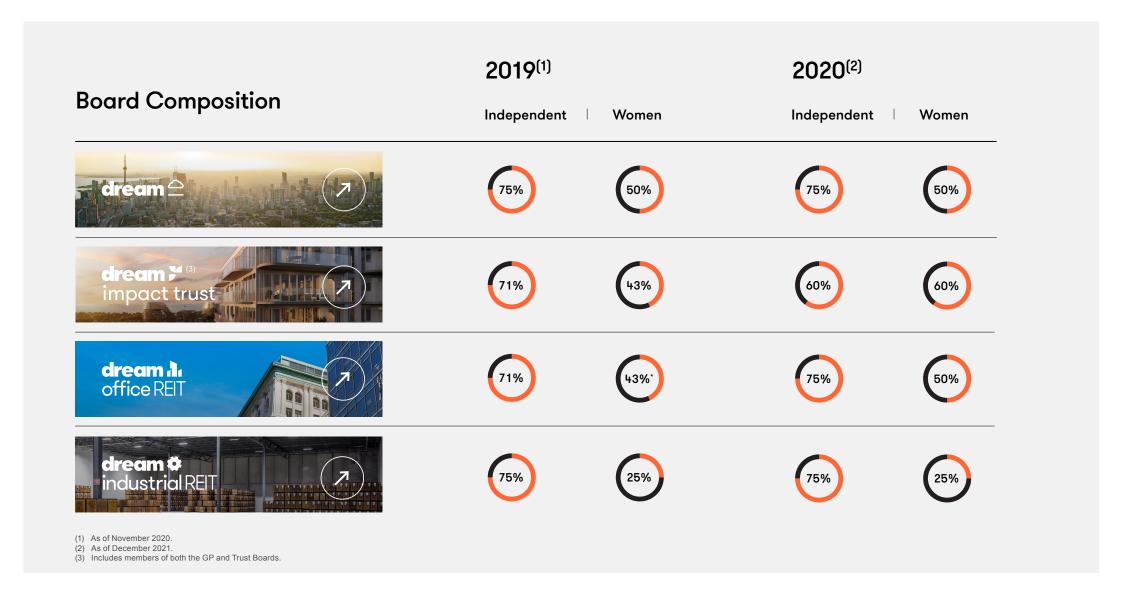


Corporate governance

ESG risk management

ESG impact and management

The following sections in this charter will illustrate how we are addressing material governance topics for Dream and how ESG is integrated throughout our governance structures and risk management processes.





#### Dream Unlimited Corp. - Read More 7

Charters & Policies 7

Board Diversity Policy

Disclosure Policy

Code of Conduct 7

Whistleblower Policy 7

Majority Voting Policy 7

Diversity Inclusion & Advancement Commitment /

Management Information Circular 7

#### Dream Impact Trust - Read More ↗

Charters & Policies 7

Board Diversity Policy

Disclosure Policy

Code of Conduct 7

Whistleblower Policy 7

Majority Voting Policy

**Diversity Inclusion & Advancement** Commitment

Management Information Circular >



#### Dream Office REIT - Read More ₹

Charters & Policies 7

Board Diversity Policy >

Disclosure Policy

Code of Conduct 7

Whistleblower Policy 7 Majority Voting Policy

Diversity Inclusion & Advancement

Commitment

Management Information Circular 7



#### Dream Industrial REIT - Read More 7

Charters & Policies 7

Board Diversity Policy >

Disclosure Policy 7

Code of Conduct 7

Whistleblower Policy 7

Majority Voting Policy

Diversity Inclusion & Advancement Commitment

Management Information Circular 7

#### **Board Diversity**

We believe in diversity and value the benefits it can bring to our Boards.

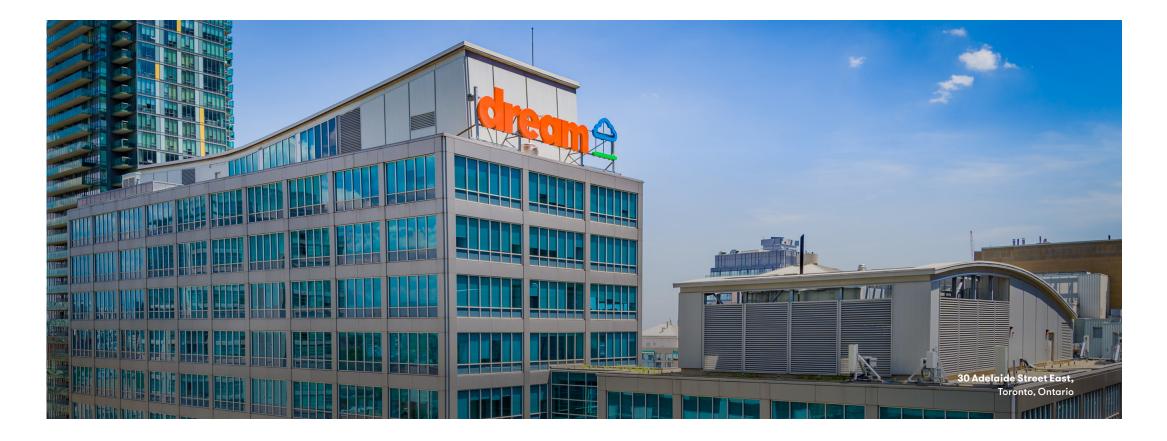
Board diversity promotes the inclusion of different perspectives and ideas and ensures that Dream has the opportunity to benefit from all available talent. Having a diverse Board makes prudent business sense, helps maintain a competitive advantage and makes for better corporate governance.

We will periodically assess the skills, experience, knowledge and backgrounds of Directors and Trustees in light of the needs of the Board, including the extent to which the current composition of the Board reflects a diverse mix of skills, experience, knowledge and backgrounds, including an appropriate number of women Directors and Trustees. The Board targets a composition in which women comprise approximately 30% of Directors or Trustees.

In 2021, we approved Board Diversity Policies for each of our public entities.

#### **Further Information**

Dream Unlimited Corp. <u>Website</u> ₹	Charters & Policies ↗  Board Diversity Policy ↗
Dream Impact Trust Website ↗	Charters & Policies ↗  Board Diversity Policy ↗
Dream Office REIT Website ↗	Charters & Policies ↗  Board Diversity Policy ↗
Dream Industrial REIT Website →	Charters & Policies 7  Board Diversity Policy 7



#### **Executive Oversight**

The Chief Responsible Officer (CRO) of Dream Unlimited is the highest-level executive with oversight over ESG, including sustainability and climate change matters, at Dream. In addition, the Chief Financial Officer of each Dream entity together with the Chief Operating Officers for DIR.UN and D.UN provides leadership over the sustainability strategy and oversees the adoption of the ESG Framework for each Dream entity.

Sustainability at Dream is managed by the ESG Executive Committee, which is made up of members of the Executive Leadership team from each Dream entity as well as the Head of Sustainability & Technical Services and VP Strategic Finance. The ESG Executive Committee receives regular updates from the Sustainability & ESG team, Strategic Finance team, and the Sustainability Working Groups.



**Dream Leadership Conference**Collingwood, ON





Employees Teaching Sustainability 30 Adelaide Street East, Toronto, ON

# Profile: Sustainability Working Groups

When it comes to our people and the environment, we are committed to establishing and implementing strong sustainable practices. To make this an integral part of our culture, we give our employees opportunities to participate in our sustainability efforts through four employee-led working groups that champion different aspects of our sustainability efforts and lead the implementation of our activities.



#### **Employee Engagement**

The employee engagement group uses social activities, personal development programs, and inter-office competitions to raise awareness about Dream's sustainability practices. The group designs activities to encourage employees to understand and support our commitments to sustainability. A key component of this group's goals is to tie Dream to its purpose of Building Better Communities.



#### **Tenant Engagement**

The tenant engagement group remains in frequent contact with tenants to keep them well informed of Dream's sustainability efforts. The group evaluates tenant satisfaction with the services we provide and identifies improvement opportunities, designs activities to encourage tenants to be environmentally conscious and connects with tenant sustainability committees and internal green teams.



#### **Green Property Operations**

This group is responsible for integrating environmental sustainability in Dream's property operations, which includes overseeing energy, water, and waste management, procurement, leasing and marketing, and tenant engagement. The Green Property Operations group supports the development and rollout of policies, programs, guidelines and tools.



#### Sustainability Reporting & Communications

This group works to continually embed sustainability into the Dream brand, so that everyone internally and externally knows about our commitment to sustainability. This entails preparing an external sustainability report, sharing information through newsletters and online, working on targeted sponsorships and promoting Dream's efforts at conferences.

### **Risk Management**

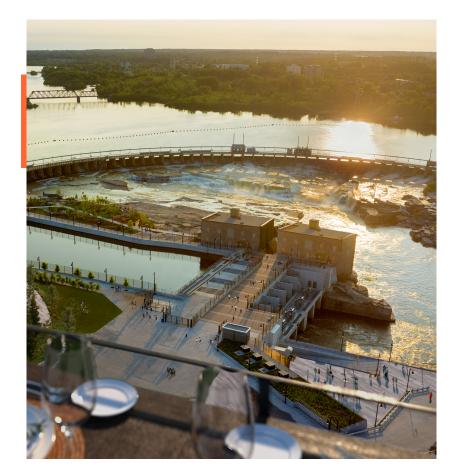
Enterprise Risk Management (ERM) at Dream is integrated with our risk management frameworks and is managed by our risk management group.

ERM is overseen by the Governance & Nominating Committee of the DRM Board. The Director of Risk and Insurance reports annually to the following Board committees at each entity: the Governance & Nominating Committee at DRM; the Governance, Compensation & Environmental Committee at MPCT.UN; the Compensation, Health and Environmental Committee at D.UN; and the Governance, Compensation & Environmental Committee at DIR.UN.

ERM at Dream is executed through procedures aimed at identifying, analyzing, responding to, managing and reporting on our exposure to risks. Through this process, risks are assessed based on their anticipated frequency, severity and likelihood, then either transferred, mitigated, or managed accordingly.

Risk management for acquisitions, investments and developments is overseen by the Chief Operating Officers and Chief Executive Officers at both D.UN and DIR.UN, respectively, together with the Chief Financial Officers. For DRM and MPCT.UN, this is overseen by the President of Asset Management and Chief Responsible Officer of DRM together with the Chief Financial Officers. At each entity, acquisitions and developments involve collaboration with numerous teams, including the Risk Management and Technical Services departments.

Risk management activities include evaluating opportunities using both an Impact Investment Criteria Checklist to assess environmental, social and governance risks and opportunities, as well as a Due Diligence Checklist involving a more comprehensive set of risks, tailored for each opportunity. In acquisitions, Due Diligence Checklists involve assessments of building systems to determine the business case and payback associated with capital improvements that are required to enhance resource efficiency and add value to the investment. This is in addition to environmental site assessments conducted by the Risk Management department and its environmental consultants to identify, quantify, and manage potential environmental risks.



Zibi Ottawa, ON / Gatineau, QC

For more information, please read our latest reports available on our website:

Dream Unlimited Corp. Website	2020 Annual Report 🗷
Dream Impact Trust Website ↗	2020 Annual Report <sup>7</sup>
Dream Office REIT Website ↗	2020 Annual Report <sup>7</sup>
Dream Industrial REIT Website 7	2020 Annual Report <sup>↗</sup>

#### Climate Change Risks

Climate change continues to attract the focus of governments and the general public as an important threat, given that the emission of greenhouse gases and other activities continue to negatively impact the planet. Investors increasingly view climate change as a critical concern, while tenants and residents continue to demand low-carbon, resilient properties.

Dream is exposed to both the transition and physical risks of climate change. Transition risk is the risk that our properties will be subject to government regulations aimed at mitigating the impacts of climate change, such as greenhouse gas emissions reduction regulations, which could impose constraints on our operational flexibility or cause us to incur financial costs to comply with various reforms. Failure to adapt to climate change reforms could result in fines or adversely affect our reputation, operations or financial performance. Furthermore, our properties may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions; which we refer to as physical risks. Such events could interrupt our operations and activities, threaten our tenants, damage our properties and may potentially decrease our property values or require us to incur additional expenses, including increasing insurance costs against natural disasters and severe weather.

Transition and physical climate risks are part of Dream's ERM and are currently managed through acquisition due diligence, building performance analyses, capital improvements, environmental, health and safety inspections and environmental audits in standing investments, as well as environmental health and safety inspections for new acquisitions. Our proactive energy management practices enable Dream to mitigate the adverse impacts of new regulation, including compliance costs. We also manage our risks by purchasing insurance policies to cover our assets in the event of property damage arising from climate-related events. We insure our assets to their 100% true replacement cost value, including coverage for 24 months of gross income. This mitigates Dream's exposure and ensures we are reasonably protected from potential losses.

#### **Energy and Water Management Risks**

Dream is focused on managing and operating our buildings and acquisitions as efficiently as possible to mitigate risks associated with escalating utility costs, shifting regulations and tenant preferences. We manage energy and water risks by conducting energy and water audits, and implementing applicable efficiency measures to reduce our consumption.

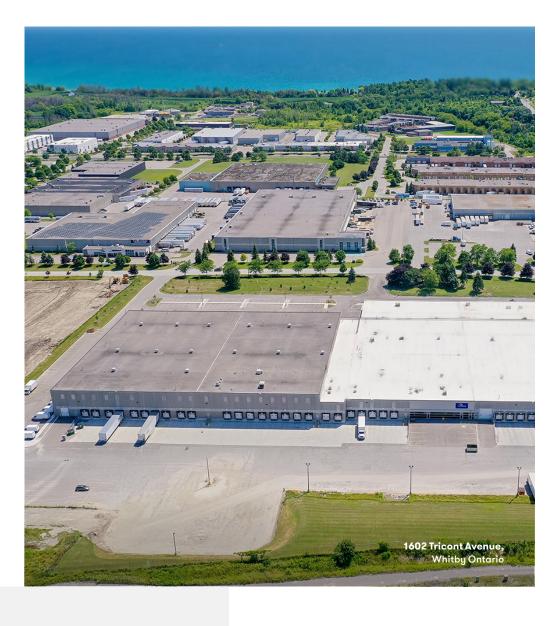
### **Physical Climate Risks**

We conduct analyses on an annual basis to identify physical climate risks in our portfolio and assess our level of resiliency. Climate resiliency describes our actions to prepare, adapt and endure the shocks and stressors we face related to climate change. The goal of climate resilience is to reduce the likelihood and impact of a catastrophic or disruptive event on our properties and in our communities.

Using third-party climate data, we assess the physical climate risk at each property across each of our entities, DRM, MPCT.UN, D.UN and DIR.UN, against the following hazards:

We are committed to improving the resilience of our properties against the effects of physical climate risks. Using this analysis, we will identify specific regions and properties with increased climate risk and identify opportunities to improve resilience through ongoing capital and operations investments.

In addition, we have performed a flood and catastrophic loss risk assessment to determine which properties in our portfolio are at risk of losses from 50, 100, 200 and 500-year floods.





#### Cyber Risk

Dream is committed to cyber security and privacy through a combination of regular security awareness activities and use of next-generation protection technologies.

Our cloud strategy involves an in-depth design around user access rights which supports our data governance initiatives. We perform regular assurance activities, which include internal and third-party vulnerability scanning and assessments in order to manage exposure and risk.

Our cyber security team monitors threats and attacks and has implemented preventative measures to ensure that all systems and employees are protected. We have a robust set of processes and procedures for incident management and resolution, supported by a cycle of continuous improvement. In addition, we have a mandatory cyber-awareness training program for all employees which ensures that they can detect and report malicious behaviour.

#### Number of At-Risk Assets from Flooding<sup>[1]</sup>

	50-year flood	Floor area <sup>(2)</sup> (sq. ft.)	100-year flood	Floor area <sup>(2)</sup> (sq. ft.)	200-year flood	Floor area <sup>(2)</sup> (sq. ft.)	500-year flood	Floor area <sup>(2)</sup> (sq. ft.)
DRM <sup>(3)</sup>	3	4,000,000	1	400,000	-	-	1	37,000
MPCT.UN <sup>(4)</sup>	-	-	1	61,000	-	-	-	-
D.UN	-	-	1	78,000	-	-	1	228,000
DIR.UN	1	86,000	13	1,900,000	17	2,400,000	14	2,600,000

<sup>(1)</sup> Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories. Changes from 2020 are the result of acquisitions or dispositions of assets since the previous reporting year. As of September 30, 2021.

(2) Floor area square footage is based on Gross Leasable Area (GLA).

(4) MPCT.UN assets managed by D.UN were included in this assessment at 100% of GLA.



Ottawa, ON / Gatineau, QC

Based on the results, we are actively exploring developing site-specific plans, such as water damage mitigation plans and emergency plans for industrial properties at risk of windstorms. For example, our Zibi development, which is in a 50-year flood plain, has been designed to withstand 1,000-year flood risk. Going forward, our goal is to integrate standardized policies and procedures to further mitigate against physical climate risks across our portfolio. We believe this will also lead to lower insurance premiums and avoidance of stranded assets.

<sup>(3)</sup> Includes Dream Unlimited's Canadian Income Properties, Arapahoe Basin, Willows in Saskatoon and Zibi at 100% of GLA as of September 30, 2021.

### **Business Ethics**

As one of Canada's leading real estate organizations, Dream is committed to maintaining the highest standards as it relates to Board governance and ethical business conduct.

We are steadfast in our commitment to maintaining the highest business and personal ethical standards by dealing openly and honestly with each other and with our Directors, Trustees, investors, tenants and suppliers. We are also acutely aware of the laws and regulations that govern our conduct at work, in the marketplace and in our communities.





The various policies governing business ethics and norms of behaviour at the Dream group of companies are developed by respective entity Boards. Compliance with these policies is the responsibility of all employees.

Each Dream entity has a Code of Conduct which is reviewed annually. The Codes are our statement of the values and principles that guide us in our day today business activities. The keystones of our Codes are: integrity, respect, fairness, accountability and transparency. The Codes support our commitment to operate our businesses at the highest level of legal, moral and ethical standards and they provide the overriding principles for all of our policies and our approach to business. Each entity's Code of Conduct applies to all members of the organization, including Directors, Trustees, Officers and employees.

These Codes have guidelines for expected behaviours and practices in day-to-day business activities, and direct employees to report conflicts of interest to a manager.

Conflicts of interests related to Directors, Trustees and Officers are disclosed in our Annual Information Forms, while related party transactions are disclosed in each entity's financial statements.

Dream Unlimited Corp. Website ↗	Annual Information Form 7 Code of Conduct 7
	DIA Code of Conduct 7
Dream Impact Trust	Annual Information Form 7
Website <b>↗</b>	Code of Conduct 7
	DIA Code of Conduct 7
Dream Office REIT	Annual Information Form 7
Website <b></b> ✓	Code of Conduct 7
	DIA Code of Conduct 7
Dream Industrial REIT	Annual Information Form 7
Website <b></b>	Code of Conduct 7
	DIA Code of Conduct 7



# Social

At Dream, our people set us apart. We take great pride in our workforce and know that investing in them creates long-term value for our company.



### How Our ESG Framework Applies

Our goal is to be an inclusive employer that fosters a workplace where diversity is recognized as our strength and all employees enjoy equal opportunities to unlock their potential and grow their careers.

The approximately 500 employees across our entities come from a variety of backgrounds and places, bringing valuable skills and perspectives to our team. Together, we are united by our company values and common purpose of Building Better Communities. We believe that employees should have better lives because they work at Dream - both professionally and personally through the impact they have on the communities we are developing and through the knowledge that they are contributing to a better and more sustainable future.

Material social topics that are key priorities for Dream are:





Community and NGO Partnerships

Diversity, inclusion, and advancement

Valuing employees

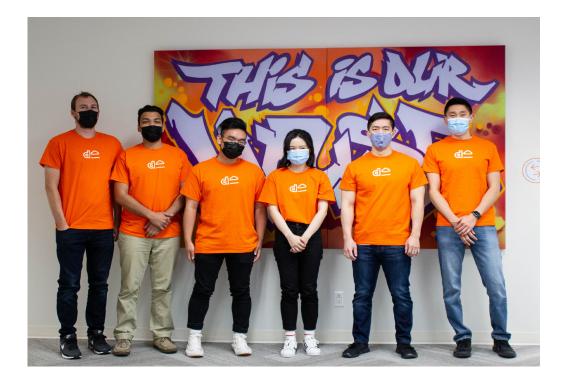
The following sections in this chapter will illustrate how we are addressing material social topics for Dream and provide examples of how our business contributes positively to social outcomes.



**Valuing Employees** 



Community and NGO Partnerships



Diversity, Inclusion, and Advancement

Throughout the COVID-19 pandemic, Dream has remained committed to flexibility, support, transparency and most importantly, the well-being of our employees, their families and our communities in general. Over the past year and a half, we developed our Better Together Plans, our response to dealing with the pandemic and how we plan to safely welcome back employees, tenants and guests. Through continued communication, we provided the information our employees needed to stay informed and supported while adhering to the best health and safety practices and standards.



Gordon Wadley
Chief Operating Officer, Dream Office REIT
Lead of Dream's Pandemic Response Team

Social

# **Employee** Development & **Engagement**

We are focused on developing leaders throughout Dream by prioritizing internal hires and providing opportunities for personal and professional growth.

#### Our Approach

Employee development and engagement is managed by Dream's People & Culture team, which serves all Dream entities. Our approach is guided by employee opinions to understand what makes working at Dream enjoyable and how best to improve their experience.

Our People & Culture team works together with our Health & Safety team and Diversity, Inclusion and Advancement Committee to enhance engagement and employee development, as well as further embed wellness, diversity, inclusion, and advancement across all areas of the Dream employee experience. Employee development and engagement is governed by the Organization Design and Culture Committee of the DRM Board.

#### **Key Accomplishments**

- 86% response rate achieved in our 2021 employee engagement survey
- Certified as a Great Place to Work® in 2021
- Named one of Canada's Best Employers for Recent Graduates in 2021 by The Career Directory
- Recognized as one of the Best Workplaces for Giving **Back** in 2021 by Great Place to Work
- 24 virtual events were held to engage employees throughout the pandemic
- 5 Dream employees were awarded with Ethos Awards for living Dream values
- \$13,400 donated to local foodbanks in lieu of holding annual holiday party as part of our Home for the Holidays employee initiative



#### **Dream Group of Companies - Employee Summary**

	2019			2020		
Employee <sup>(1)(2)</sup>	Total	Men	Women	Total	Men	Women
Permanent <sup>[3]</sup>	470	251	219	476	252	224
Contract	24	11	13	14	6	8
Full-time <sup>(4)</sup>	488	259	229	486	255	231
Part-time	6	3	3	4	3	1

- (1) Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp. and Dream Office Management Corp and Dream Advisors
  Does not include employees at Dream recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) or interns.
   (2) Numbers represented as total headcount, not full-time equivalent.

- (3) Includes permanent part-time employees.(4) Includes all employees with a work schedule of 35 hours or greater per week

#### Dream Group of Companies - New Hires and Turnover Rates

In 2020, Dream hired a total of 68 new full-time employees and had an overall voluntary turnover rate of 7%. The decrease in turnover rate from 2019 can be attributed to uncertainty caused by COVID-19, Dream's commitment to no layoffs and a bonus payment to all employees earning under \$100,000 annually at the beginning of COVID-19.

	Total	Men	Women	Age >30	Age 30-50	Age 50+	Central Canada	Western Canada	United States	Europe
New Hires <sup>(1)</sup>										
2019	97	50	47	44	41	12	80	16	-	1
2020	68	41	27	19	40	9	55	9	-	4
Voluntary Turnover Rate <sup>(1) (2)</sup>										
2019	16%	7%	9%	5%	9%	2%	12%	4%	-	-
2020	7%	4%	3%	2%	3%	2%	6%	1%	-	-

- (1) Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp. and Dream Office Management Corp and Dream Advisors
  Does not include employees at Dream recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) or interns.
- (2) Turnover is calculated as a percentage of average employee headcount for 2020.

### **Employee Development**

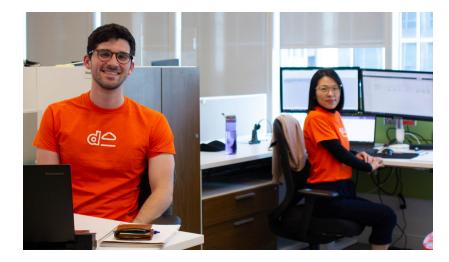
At Dream we strongly believe in developing future talent, which is why we have a strong internship program where we welcome a broad range of students from different backgrounds to experience our corporate environment and provide them an opportunity to learn practical skills relevant to their field of study.

We hire students from different universities and colleges and are always proud to rehire past interns in full-time roles post-graduation. In addition to this, we are a Chartered Professional Accountant (CPA) accredited organization which allows our employees to receive the accredited hours they require to obtain their CPA designation. Dream also has a 360 Rotational Analyst Program to develop up-and-coming talent by awarding them full time employment upon graduation after spending a summer term with Dream.

# Dream Group of Companies - Employee Training and Development

	2019	2020
Tuition	\$72,229	\$73,273
Professional fees	\$440,989	\$351,982

In 2021, Dream was recognized by The Career Directory as one of Canada's Best Employers for Recent Graduates



#### **Employee Engagement Survey**

In 2021, we conducted an employee engagement survey to better understand employee satisfaction across a variety of topics. The survey was deployed by Great Place to Work Canada®, as part of our certification process to be recognized as a Great Place to Work®, and achieved an 86% completion rate. The Great Place to Work® certification is based upon the following factors:

- The level of trust that employees have in leadership
- The level of pride employees have in their jobs
- The extent to which employees get along with colleagues

The survey results provided our People & Culture team with meaningful insights regarding employees' satisfaction with our benefit program and leadership's communication throughout the pandemic. For example:

- 84% of respondents agreed that "the organization's current health benefits program (Medical, Dental, Employee Assistance Program, Telemedicine, Health Spending Accounts, League etc.) meets or exceeds my needs"
- 97% of respondents agreed that "Leadership has been keeping us informed of the emergency measures' impact on the business during the COVID-19 pandemic"
- 96% of respondents agreed that "Leadership has kept me wellinformed of measures being taken by the organization to protect employees during the COVID-19 pandemic"

#### **Employee Benefits**

Dream's benefits for full time employees and their dependents are effective starting day one of employment and boast a wide variety of competitive perks including a parental leave top-up program, annual bonuses, and retirement savings programs. Our People & Culture team are proactive about evolving our benefits program to prioritize employee health and wellbeing with flexible options to suit a variety of preferences. See below for more highlights of our employee benefits.

#### **Health and Wellness:**

- Employee Assistance Program
- Telemedicine services
- Virtual counselling
- League platform:
  - Benefits concierge
  - Health programs and challenges
  - Wellness marketplace and discounts
  - · Health and lifestyle spending accounts

#### Learning and Development:

- Up to \$2,500 tuition reimbursement
- Up to \$500 reimbursement for textbooks per year
- Reimbursement of professional membership or designation fees
- Reimbursement for job-related training, seminars, or conferences

#### **Engagement:**

- Ethos employee award program for living Dream values
- Half-day Fridays before summer long weekends
- Bi-monthly virtual events, contests and activities, in lieu of in-person events due to COVID-19
- Donations, and volunteer work that impact our communities



Case Study

# Dream Exchange / Ten Thousand Coffees

In June 2021, Dream implemented a new mentorship program, prompted by employee feedback gathered through our diversity survey. Employees shared with us that they wanted more opportunities to connect with colleagues, as well as gain a stronger understanding of different parts of the company. In response, the People & Culture team partnered with Ten Thousand Coffees to launch Dream Exchange – a platform that employees can use to help expand their internal networks. The tool offers Dream staff the option to set up one-on-one connections based on professional topics of interest, as well as participate in small-group Q&A discussions with leadership.

OE

Valuing employees

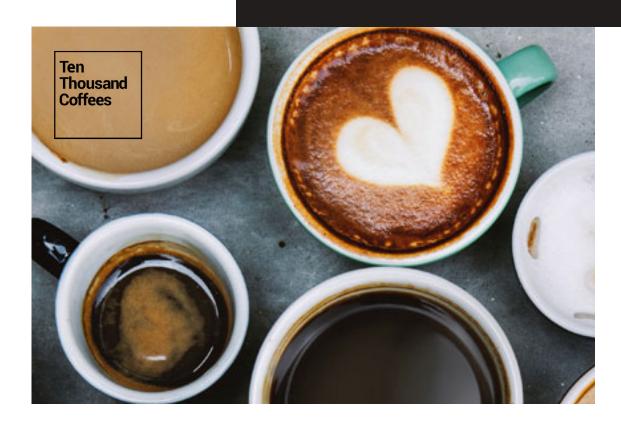
Case Study

### Dream 360 Program

Dream 360 is a rotation program that allows soon-to-be graduates to gain experience in various departments of a diverse real estate business. Successful applicants join us as summer analysts following their third year of post-secondary studies before joining Dream on a full-time basis upon completion of their fourth and final year of school. Program participants get to experience various groups within Dream including Investments, Development Finance, Asset Management, Financial Planning & Analysis, Strategic Finance and Portfolio Management. Each rotation is approximately one year long, and after two rotations analysts join one group in a permanent role. This competitive program allows participating analysts the flexibility to shape their experience at Dream, working with us to develop and identify their interests.



Valuing employees



### Forward-looking Plans

Dream will continue to support employees during the COVID-19 pandemic and provide a safe return to the office. In addition, we are using the results of the employee engagement survey and focusing on the following new initiatives to enhance the Dream experience:

#### **Not Myself Today**

Not Myself Today is a new initiative Dream is preparing to roll out to invest in the mental health of our workforce. This initiative will complement our existing mental health benefits and programs such as our virtual counselling offering and mental health focused lunch and learns. Not Myself Today provides participating companies with tools and resources to build greater awareness and understanding of mental health, reduce stigma, and foster a supportive culture. The program offers support and expert resources developed by the Canadian Mental Health Association and will provide our People & Culture team with best-practice tools to engage, evaluate and educate the organization to strengthen our approach to mental health.

#### Dream Exchange / Ten Thousand Coffees

In early 2022, our People & Culture team is planning to expand our Dream Exchange platform to include a 'genius bar' expert speaker series. This initiative will support employee engagement and development by providing opportunities for in-house subject matter experts to deliver custom presentations to an audience of interested colleagues and allow for all employees to benefit from the wealth of skill and knowledge that exists at Dream.

Social

# Diversity, Inclusion & Advancement

At Dream we value Diversity, Inclusion and Advancement (DIA) for our workforce and communities. We believe in making our work environment and the communities in which we operate a space for all individuals to be their most authentic selves. This is best reflected through engagement in our four pillars: Listen, Learn, Action and Accountability.



#### Listen

We hear the stories of our employees and stakeholders to understand the pulse around diversity, inclusion, advancement, and equity at Dream.



#### Action

Not only do we say we want to accomplish things, we take actionable measures to ensure we are following through on our obligations.



#### Learn

We believe in constantly educating ourselves on best practices and ways to make our workforce and communities more inclusive.



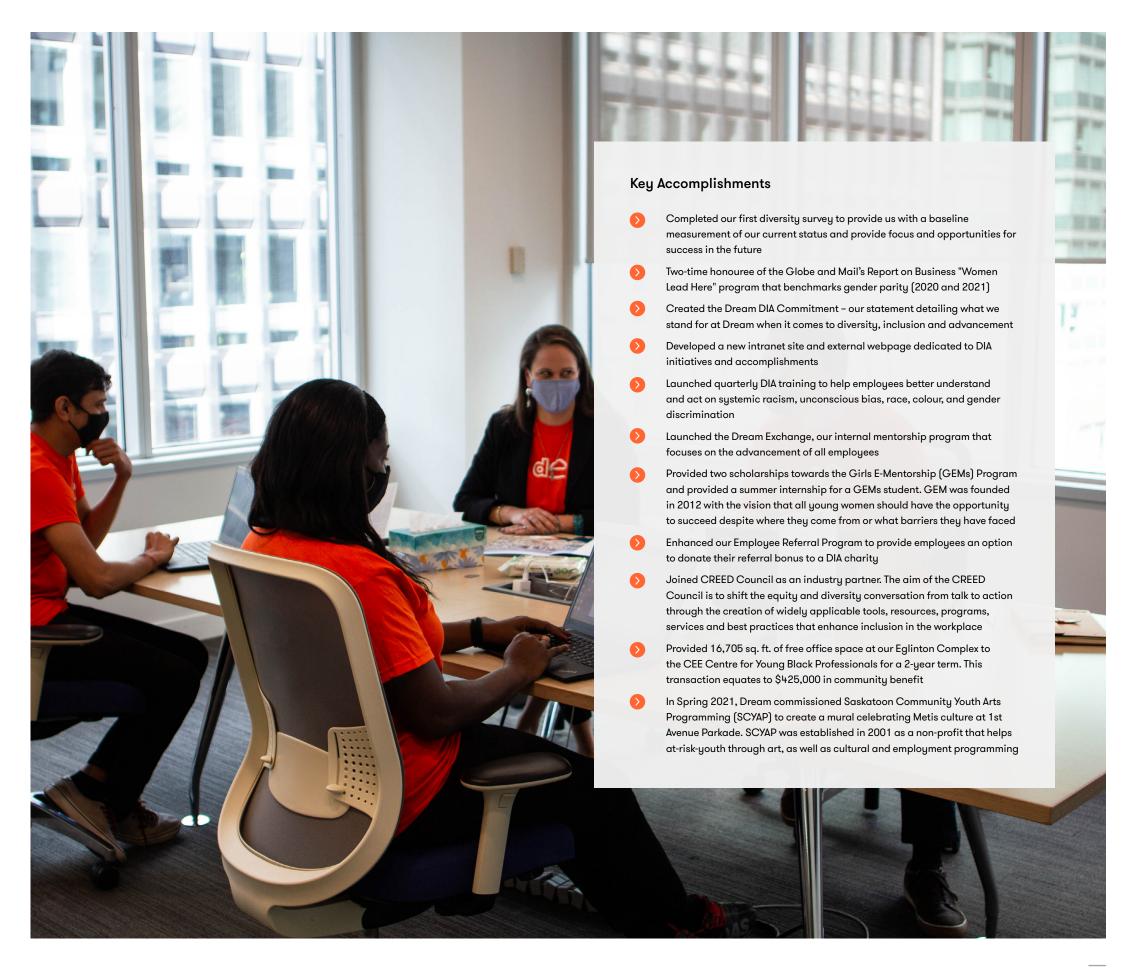
#### Accountability

We hold ourselves responsible by measuring and monitoring our goals and progress with data and analysis.

### **Approach**

Diversity, Inclusion and Advancement (DIA) at Dream is managed by the DIA Committee. The Committee membership includes employees of all levels, including C-suite, Directors, Managers, as well as our President and Chief Responsible Officer.

The DIA Committee is chaired by the Chief Operating Officer of Dream Office REIT and Dream Unlimited's Director of Technology Operations. The Committee's mandate is to learn, listen and develop best practices to enhance diversity and inclusion at Dream, as well as build accountability for advancing DIA across the business.



We are committed to reviewing our practices and ensuring there are no gaps in how we operate. To do this effectively, we have focused on our four employee-led workstreams that aim to foster a more inclusive culture:



#### Community

The community workstream works towards giving back, promoting inclusivity and providing support to community-based organizations that are focused on under-served communities. We believe that it is fundamentally important to give back and support these communities.



#### Recruitment

Our recruitment workstream focuses on continuing to hire diverse talent while removing unconscious bias during the hiring process. We also target a larger network by supporting community-based organizations to create pipelines to recruit, attract, expose and mentor underrepresented communities.



#### Advancement

Our advancement workstream works towards growing and developing our internal talent at all levels within Dream. In addition, we work externally to provide support and resources toward growth and access to employment opportunities.



#### **DREAM Difference**

Our DREAM Difference workstream focuses on opportunities to leverage our networks, partners and contractors in order to provide opportunities to those in the BIPOC Community. We also have a unique opportunity to pay it forward by supporting not-for-profit groups via providing accommodations and/or mitigating the cost of their rent. Please see the Social Procurement section [+] for further details.

### **Performance**

We measure our progress on diversity, inclusion and advancement in many ways. Most recently, in our 2021 employee engagement survey, our employees voluntarily self-disclosed diversity information which will act as our benchmark data. Through our activities, initiatives and programs we will strive to create an even more diverse workforce.

Dream Group of Companies - Gender Breakdown of	2019 <sup>(1)</sup>			2020 <sup>(2)</sup>		
Dream Employees and Governance Bodies:	-	Women	Men		Women	Men
Employees <sup>(3)</sup>	0	47%	53%	0	47%	53%
Managers	0	<b>4</b> 5%	55%	0	45%	55%
Executive Team	0	31%	69%	0	30%	70%
DRM - Board of Directors	0	50%	50%	0	50%	50%
MPCT.UN - GP & Trust Boards <sup>(4)</sup>	0	43%	57%	0	60%	40%
D.UN - Board of Trustees	0	43%	57%	0	50%	50%
DIR.UN - Board of Trustees	0	25%	75%	0	25%	75%

- (1) As of November 2020.
- (2) As of December 2021.(3) Includes employees at all levels.
- (4) Includes members of both the GP and Trust Boards.

#### **Diversity Survey**

In 2020, we completed a milestone accomplishment: our first diversity survey. The insights gained from the survey will be used as a baseline to help measure the success of future DIA initiatives. The survey results show that a vast majority of Dream employees strongly agree that diversity and equity are essential for business success. We are encouraged by our results as we believe we are setting a high bar at the start of this journey. Our DIA Committee is looking forward to continuing to build on this accomplishment.

#### Dream Group of Companies - Additional Diversity Metrics\*

35%

aged under 35

between the ages of

51%

ges of

over the age of 55

14%

29%

of employees identify as visible minorities

5%

of employees identify as having a disability

3%

of employees identify as LGBTQ+

2%

of employees identify as Indigenous



#### Lunch & Learn Series

We believe that education is a key factor for us to understand our differences and commonalities. Enhanced education helps foster an environment that is open, inclusive and unbiased, which is why we offer workshops and training for our employees to share and learn from each other. In 2020, we completed the planning for the launch of our 2021 Lunch & Learn Series which will cover a wide variety of social topics.



Pride Lunch and Learn Webex



Indigenous Education Lunch & Learn Webex

### Forward-looking Plans

#### Formalized Recruiting Framework

We believe in embracing diverse backgrounds, experiences, talents, and perspectives and that we are stronger when we create equitable opportunities for growth and advancement. To improve our diversity and inclusion practices in recruiting, Dream is working to create an inclusive hiring guide and provide anti-bias training and educational resources for managers. We are also working to enhance the accessibility of our hiring process, and are reviewing our external marketing with the aim to broaden and diversify our typical recruitment strategies.

#### **Voluntary Demographic Census**

In the coming year, we are planning a voluntary demographic census. The census will allow employees to anonymously self-identify their race, ethnicity, disability status, sexual orientation and gender. This data will allow our People & Culture team to better tailor employee programs, as well as support our DIA Committee in understanding the makeup of our employee population. This data will be leveraged to guide organizational DIA efforts and address systemic inequities.

#### **Employee Resource Groups**

Dream's People & Culture team is working on launching Employee Resource Groups (ERGs), a new initiative to build community among employees and provide greater opportunities for organic learning experiences that contribute to both personal and professional development. ERGs may be convened around employee identity or experience such as female professionals, people of colour, young professionals, or new hires. ERGs can serve to benefit employees by creating opportunities to form supportive professional relationships outside of their teams or department.

<sup>\*</sup> Based on 86% of employees responding to survey.

<sup>\*</sup> Data as of June 2021.

Social

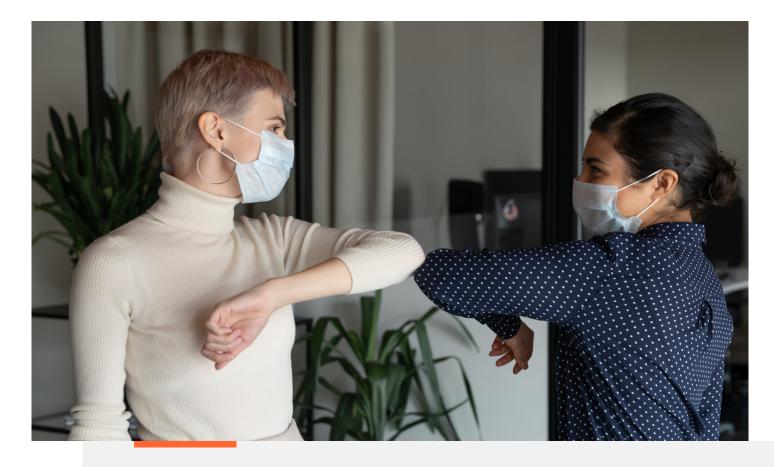
# **Health and Safety**

Health and safety at Dream is collectively overseen by the Head of People & Culture and the VP of Property Management.

Day-to-day management of Health and safety is the responsibility of our Health and Safety Coordinator who is responsible for monitoring and tracking health and safety incidents, training requirements and implementing corporate and property level preventative measures. All levels of management work in consultation and cooperation with employees, Joint Health and Safety Committees, contractors and visitors to ensure that the requirements of Dream's Health and Safety Policy, the Occupational Health and Safety Act, and other applicable legislation are met.

All managers and supervisors are responsible and accountable for the health and safety of the individuals and workplaces under their oversight. They are expected to advise employees of the existence of potential or actual workplace hazards and ensure that employees work safely in accordance with the Occupational Health and Safety Act and its regulations, as well as all applicable Dream policies and procedures.

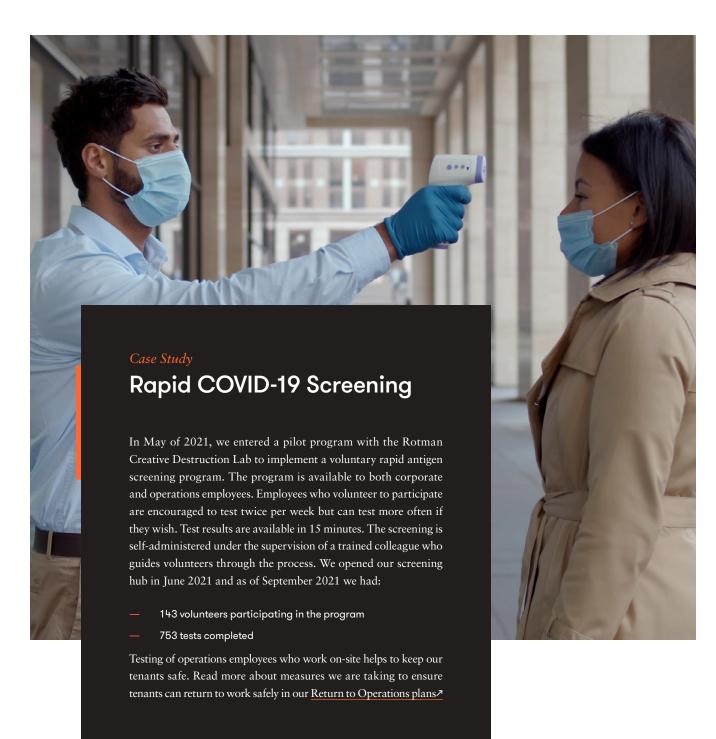
Joint Health and Safety Committees and representatives are required to do regular inspections at various frequencies depending on what province they are located in. Our Health and Safety department receives a copy of each inspection and may direct concerns to supervisors, schedule follow-up inspections, or investigate any instances of non-compliance. We provide health and safety training for all employees, specific to their roles and job requirements.



#### **Key Accomplishments**

- Began updating National Corporate Health and Safety Program to ensure consistency throughout all divisions
- Created mandatory health and safety courses to be completed by all new Dream employees
- Updated tracking system to record all incidents, accidents, and inspection reports to continuously improve hazard assessment
- 90% of respondents in employee engagement survey reported that "Our organization has been providing adequate support for me to feel physically and emotionally safe during the COVID-19 crisis"

Performance	2019		2020		
	Lost-time injuries	Near misses	Lost-time injuries	Near misses	
Men	1	-	1	-	
Women	-	-	-	-	
Central Canada	1	-	-	-	
Western Canada	-	-	1	-	
Injury type(s)	Saw dust in eye	N/A	Slip / trip	-	
Lost days	2	N/A	10	-	
	1	l			



Valuing employees

OE

#### RiskCheck Health and Safety Services

Dream employs RiskCheck, Canada's leading environmental health and safety risk management company, to perform annual inspections for our buildings in Ontario and quarterly checks across all of our buildings in Canada. RiskCheck's services provide assurance that Dream complies with regional regulations related to all aspects of health and safety. RiskCheck also supports Dream's Health & Safety teams in delivering, designing and implementing internal training and risk management programs to mitigate any risks identified in annual inspections.

### **Forward-looking Plans**

Our Health & Safety team's goals and objectives are to develop and implement a robust, standardized, and comprehensive Health and Safety program across Dream that meets and exceeds industry standards. To achieve this, we are working on:

- Achieving 100% completion for health and safety training for operations employees and new employees
- Launching an internal health and safety platform to share health and safety policies, forms and other health and safety topics in a convenient and central location for all employees
- Conducting an annual review of our health and safety policies and procedures

# HIVE App

HIVE is an app that allows us to help ensure the return to our corporate offices is done safely, while assisting employees with the transition to hybrid-work. The app houses our daily checkin health questionnaire, where staff are prompted to self-assess for symptoms of COVID-19. HIVE also enables easy contact-tracing, should we need to do so. Other features include helping to facilitate desk and space bookings, as well as allowing our teams to monitor office density. As of the publication of this report, we are trending at 90% reminder-less check-ins.

OE

Valuing employees

\_\_\_\_

Social

# **Volunteering & Giving**

We complement our community development projects with volunteering that supports vital social services and serves our communities' most vulnerable populations.

Dream also encourages all employees to live our values by becoming involved with causes they care about. Employees are then evaluated on how well they lived the company's values as part of the annual review process. Dream prioritizes charitable organizations both locally and nationally that support youth in sport, women in shelters, women's health, youth services and homeless and marginalized communities. Each Dream entity also supports additional initiatives of their choosing.

Through our business and volunteering and giving initiatives, we are focused on improving the local economy and social fabric by supporting and partnering with local businesses and charities, contributing to community well-being and engaging citizens and our employees.











66 Social good is in our DNA. That's why making an impact is one of our core company values. We seek to create positive social and environment change by running fundraisers, organizing campaigns or volunteering in the community.



Cynthia Barria
Manager, Office Services

### Our Approach

Regardless of position, tenure or title, we encourage every employee to do great things both inside and outside of the office. We recognize that some employees are active participants in their communities and want to help them give back.

#### We offer employees:

- One paid volunteering day per year through our relationships with charitable organizations
- \$500 annually through our employee donation program whereby we contribute to charitable organizations that employees are actively involved with
- \$1,000 awarded to five recipients to contribute to a cause they believe in through our annual ETHOS awards peer nomination program
- The option to donate all or part of their referral bonus to a charitable organization

# In 2020, our local and National charitable partners include:



#### The Shoebox Project ↗

The Shoebox Project for Women collects and distributes gift-filled shoe-boxes to women impacted by homelessness in communities across Canada and the United States. Each thoughtfully created and decorated Shoebox is filled with items valued at \$50 that can enhance self-esteem and reduce feelings of isolation for women in need.



#### Tropicana Community Services ▶

Tropicana Community Services offers a culturally aware and supportive program to those in need, with a predominant focus on the Caribbean, Black and African communities of Toronto.



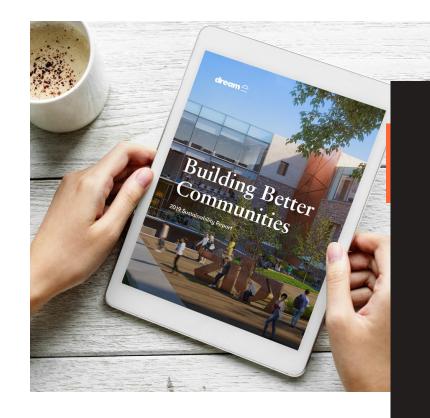
#### Minwaashin Lodge ↗

Minwaashin Lodge provides a range of programs and services to First Nations, Inuit and Métis women and children (regardless of status) who are survivors of domestic and other forms of violence.



#### Rainbow Railroad 7

Rainbow Railroad helps LGBTQ+ people escape statesponsored violence. Since 2006, Rainbow Railroad has helped more than 800 persecuted LGBTQ+ people from 38 countries travel to safety.



In 2021, Dream was named a 2021
Best Workplaces<sup>TM</sup> for Giving Back
by Great Places to Work®

#### Case Study

# Collect, Communicate and Share

We are proud of the work we do and the difference we can make in people's lives. In 2020, we adopted an innovative approach to profile and support all the great community initiatives and programs we include in our annual sustainability report by developing the Collect, Communicate and Share program. As part of this program, we have committed to donate \$1.00 per download of our sustainability report up to a maximum of \$10,000 per year to support our charitable partners.

SR

Community / NGO partnerships

#### **Key Accomplishments**

\$800,000+

donated to charities by Dream group of companies

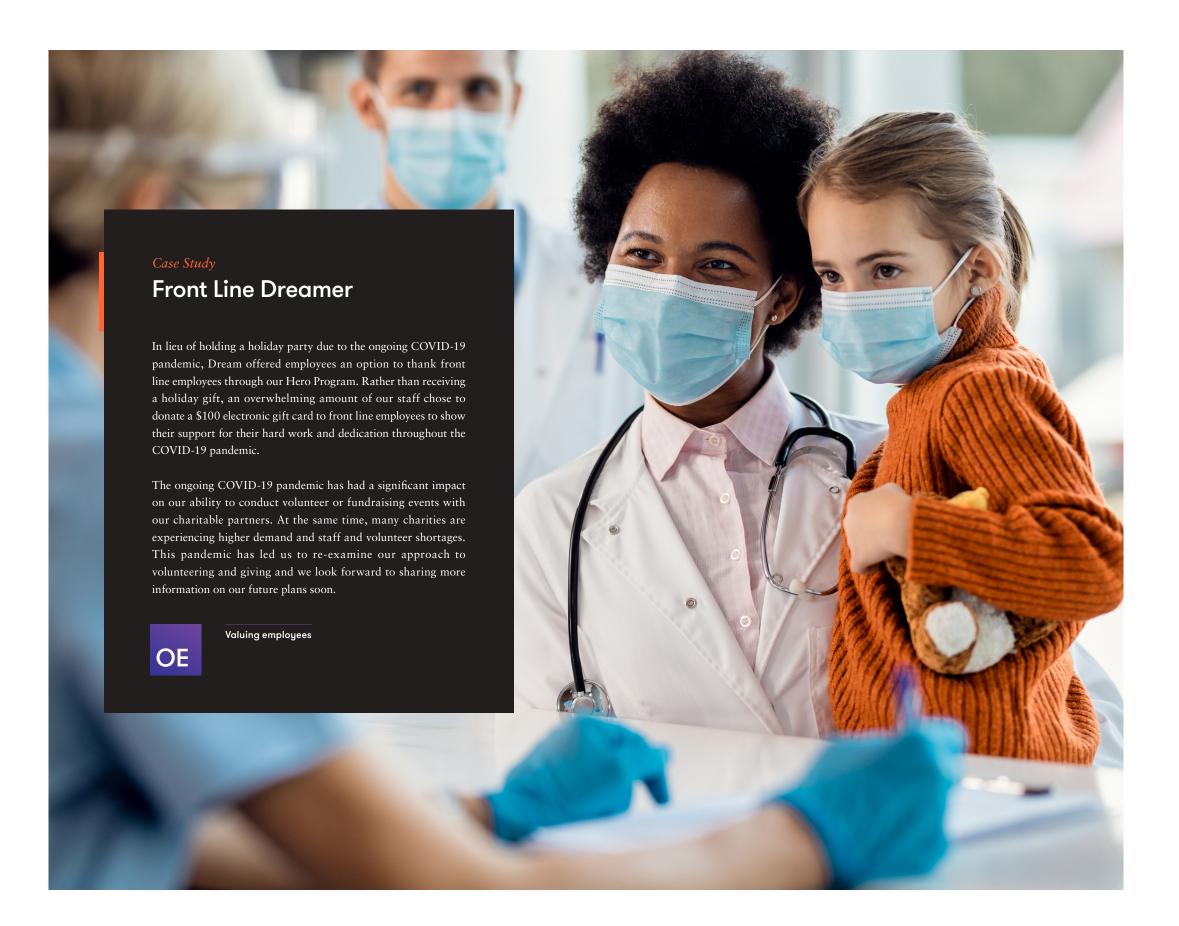
\$13,400

donated to local food-banks in lieu of holiday party as part of our Home for the Holidays employee initiative \$10,000

donated from 2019 Sustainability Report downloads through our Collect, Communicate and Share program

\$2,500

donated to seven charities that provide assistance to under-served communities in lieu of tenant gifts during the 2020 holiday season



## Forward-looking Plans

Dream is proud to have been able to continue to provide charitable support to our communities during the COVID-19 pandemic.

We continue to develop and implement initiatives to provide Dream employees different ways of giving back to their communities with time, money or items. We look forward to resuming higher levels of in-person volunteering and on-site fundraising events to help support post-pandemic recovery efforts in our communities.

In addition, we are developing community art programs in collaboration with local artists at properties as a way to inspire and bring communities together.

**Dream Group of Companies** 

# Dream Unlimited Corp.

Dream Unlimited Corp. (TSX: DRM) is a innovative developer of exceptional office and residential assets in Toronto. DRM owns stabilized income generating assets in both Canada and the U.S. and has an established and successful asset management business, inclusive of \$13 billion of assets under management. DRM has a proven track record for being innovative and for its ability to source, structure and execute on compelling investment opportunities. DRM is the asset manager for Dream Impact Trust and Dream Industrial REIT.

\$13 billion

assets under management<sup>[1]</sup>

11.7 million

sq.ft. of commercial / retail GLA across the Dream group portfolio  $\ensuremath{^{[1]}}$ 

23,810

condominium and purpose-built rental units in the Dream group portfolio (including development pipeline)<sup>(1)</sup>

\$40 billion

of real estate transactions completed<sup>[1]</sup>



# 2020 Highlights



In 2021, Dream further expanded its impact platform by successfully launching one of the world's first open-ended private funds dedicated exclusively to impact investing. With investments from some of Canada's leading institutions and family offices, Dream Impact Fund shares a similar mandate to Dream Impact Trust, including the three impact verticals and the Impact Management System.

### **Environmental**

63%

waste diversion at Arapahoe Basin, an increase of 15% over 2019

## Carbon Neutral

made progress toward 2025 goal of achieving 100% carbon neutral operations at Arapahoe Basin

# Increased Biodiversity

of plants and animals as well as reintroduced native vegetation at Zibi

13,937

metric tons of soil remediated at Zibi

### Net Zero

Started construction on our permanent Zibi Community Utility ("ZCU" or the "District Energy System") plant which will enable zero-carbon heating and cooling at our Zibi development

# Increased Data Collection

and disclosures of energy, GHG emissions and water data

### Social

\$761,065

donated to charities and NGOs

# Protected Employees

by ensuring rigorous health and safety measures were taken during the COVID-19 pandemic

0

49%

of employees are women<sup>[1]</sup>



40%

of managers are women<sup>[1]</sup>

\$265,629

paid for employee tuition and professional fees<sup>(1)</sup>

96%

employee response rate for employee engagement satisfaction survey

231

affordable units under construction at West Don Lands Block 8, with first occupancies expected in 2023



43%

of executives are women<sup>[1</sup>

### Governance

### **GIIN**

DRM became a member of the Global Impact Investing Network (GIIN)

# 1st Impact Report

DRM published our first Impact Report 7 that presents our approach to impact investing through the creation of the Dream Impact Management System and reports on our impact performance aligned with the leading impact framework, the Operating Principles for Impact Management

# Signatory

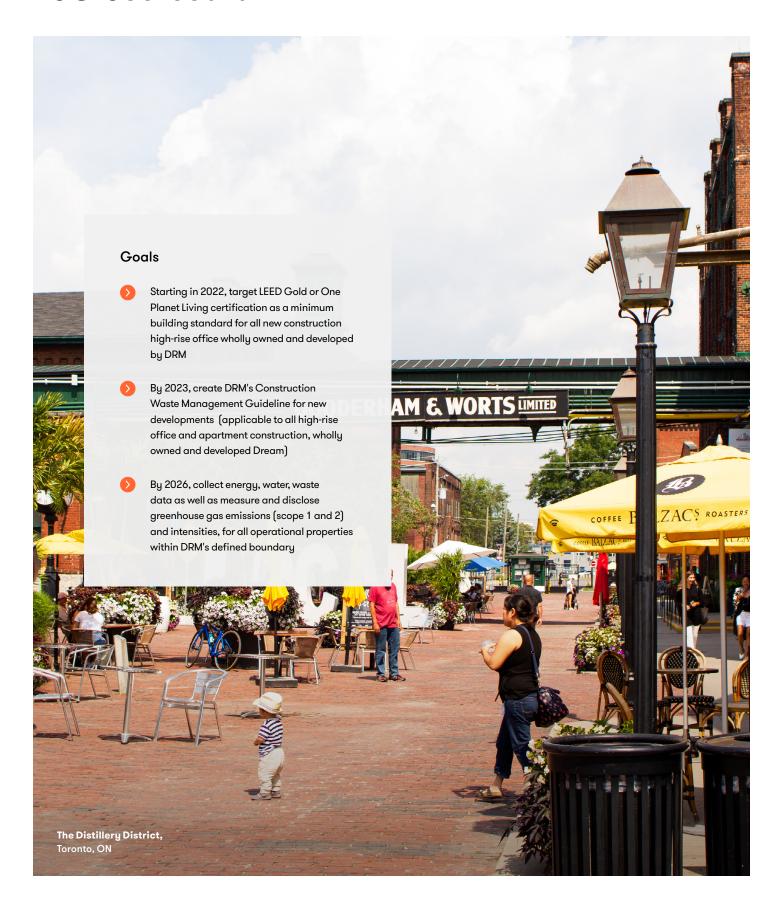
DRM became a signatory to the International Finance Corporation's Operating Principles for Impact Management

# Developed ESG Framework

DRM's new ESG Framework sets out the most material sustainability topics and how we are responding based on the type of asset class and specific objectives

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

# **ESG Scorecard**



### **ESG** Scorecard

Indicator <sup>(1)</sup>	2020
Energy	
Energy consumption (ekWh)[2]	21,131,324
Energy intensity (ekWh / sq. ft.)[3]	64
Water <sup>(3)</sup>	
Water consumption (m³)	33,833
Emissions <sup>(2)(4)</sup>	
Scope 1 emissions (tCO <sub>2</sub> e)	2,338
Scope 2 emissions (tCO <sub>2</sub> e)	2,038
Total GHG emissions (Scope 1 and 2; tCO <sub>2</sub> e)	4,376

 <sup>2019</sup> data is not available. We continue to improve our data collection processes and coverage for transparency and comparability purposes.
 Data covers only the Broadview Hotel, Distillery District and Arapahoe Basin Ski Resort.
 Data covers only the Broadview Hotel and Distillery District.
 GHG emissions are calculated in accordance with the World Resource Institute Greenhouse Gas Protocol. They capture activities DRM has direct and indirect operational control over:

 Scope 1 emissions generated directly from its operations, including heating at Impact's properties.
 Scope 2 emissions indirectly associated with generation of purchased electricity, heating, cooling and steam consumed by properties.

# How Our ESG Framework Applies to DRM

The following sections in this chapter will illustrate how we are addressing material ESG topics for DRM and provide examples of how our business contributes positively to social and environmental outcomes.

#### ESG topics that are a key priority for DRM are:

- Sustainable development
- Carbon and resource efficiency
- Attainability
- Connectivity

- ESG impact and management
- Sustainable procurement
- Diversity, inclusion and advancement









DRM has committed to be net zero by 2035 for operations and new developments, including Scope 1, 2 and select Scope 3 emissions

### **Key Accomplishments**

Within the real estate industry there is general agreement that in order for countries to meet the Paris Agreement all buildings will need to emit net zero GHG emissions by 2050. Leadership is needed to show the industry how this will be achieved sooner rather than later.

In 2021, we launched our Net Zero Steering Committee and announced our net zero goals for each Dream entity.

Dream's overarching commitment to Building Better Communities requires us to address climate change. Beyond the ESG metrics, targets and impact verticals built into each of our projects, we are committed to an overall net zero approach to reducing carbon emissions in line with international standards and commitments. We look forward to sharing our net zero strategy in 2022, which will include best-in-class methodologies, science-based interim targets, road-maps and reporting requirements.

In 2021, DRM became a signatory to three voluntary international initiatives to demonstrate our commitment to climate action and responsible investing:



NET ZERO ASSET MANAGERS INITIATIVE

DRM, on behalf of the Dream group of companies, joined the Net Zero Asset Managers (NZAM) Initiative 7, which is a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius.





DRM, on behalf of the Dream group of companies, signed onto the <u>United Nations</u>

<u>Principles for Responsible Investment (UN PRI)</u>, which includes a group of more than 4,300 investment managers and asset owners from nearly 90 countries committed to developing a more sustainable global financial system.





DRM became an official supporter of the Task Force for Climate-related Financial

Disclosures (TCFD) which provides guidance and recommendations to help companies
provide better climate disclosures to support capital allocation. More than 2,300 companies
support the TCFD and Dream is one of the first Canadian public real estate companies to
become an official supporter.



Dream Unlimited Corp.

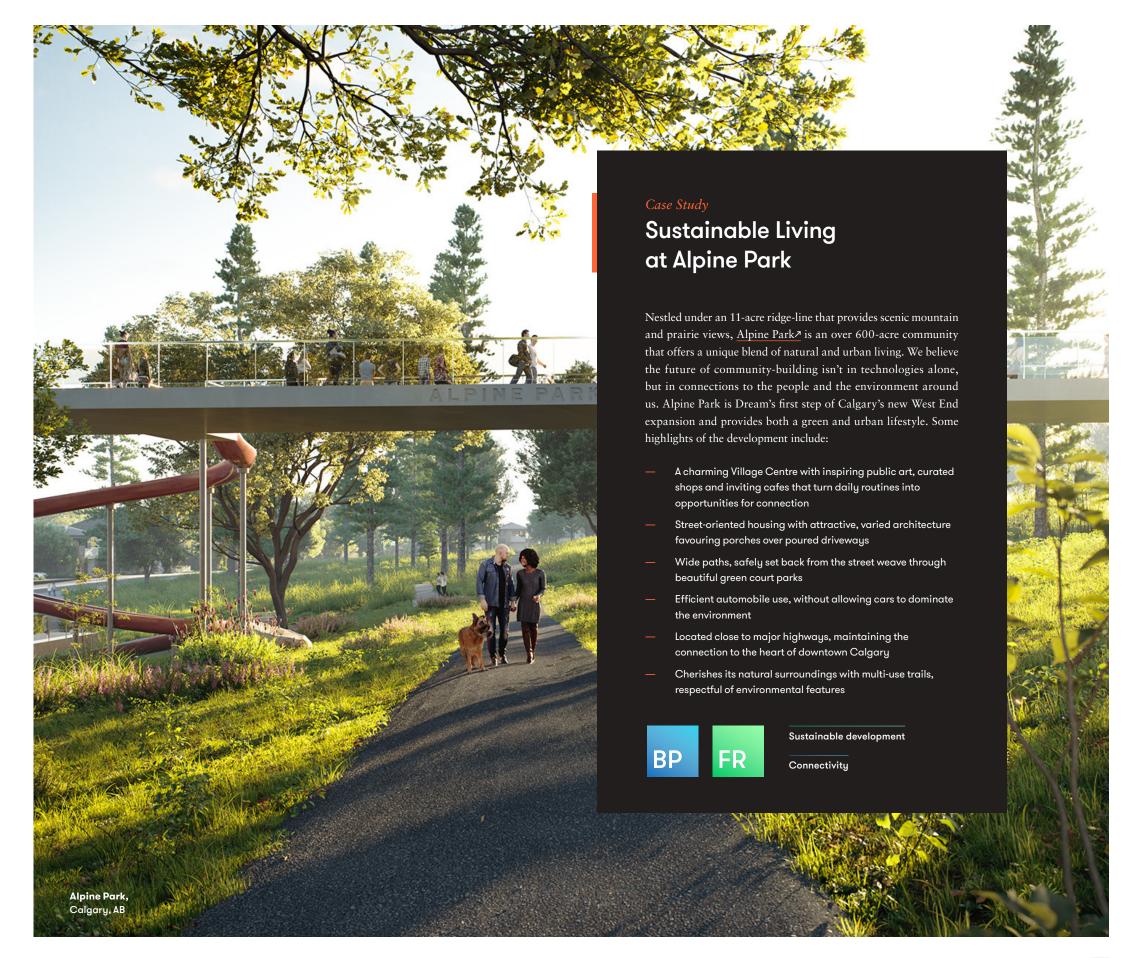
# **Our ESG Approach**

We have always managed our business with a focus on environmental responsibility and creating inclusive communities for our residents, tenants and employees while generating strong financial returns.

We have a legacy of building communities that showcase best practices in sustainability. We strive to make positive impacts on the natural environment and the communities in which we operate, work and live. Our communities cater to buyers and tenants seeking a green, urban lifestyle where transit and public spaces have premium value. Whether we are building new communities, making new investments or operating our existing assets, we always aim to integrate sustainability into our practices for our customers, tenants, employees and home-buyers.

We are committed to building inclusive and equitable communities. This includes creating sustainable communities that reduce socio-economic inequalities and effectively manage resource consumption and production. Often, we have done this in partnership with various levels of government to support individuals in under-served groups. Building a better community is bigger than our organization and the assets we develop, it encompasses society at large and the cities in which we live and operate.

DRM has policies covering 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.



Dream Unlimited Corp.

### **Environmental**

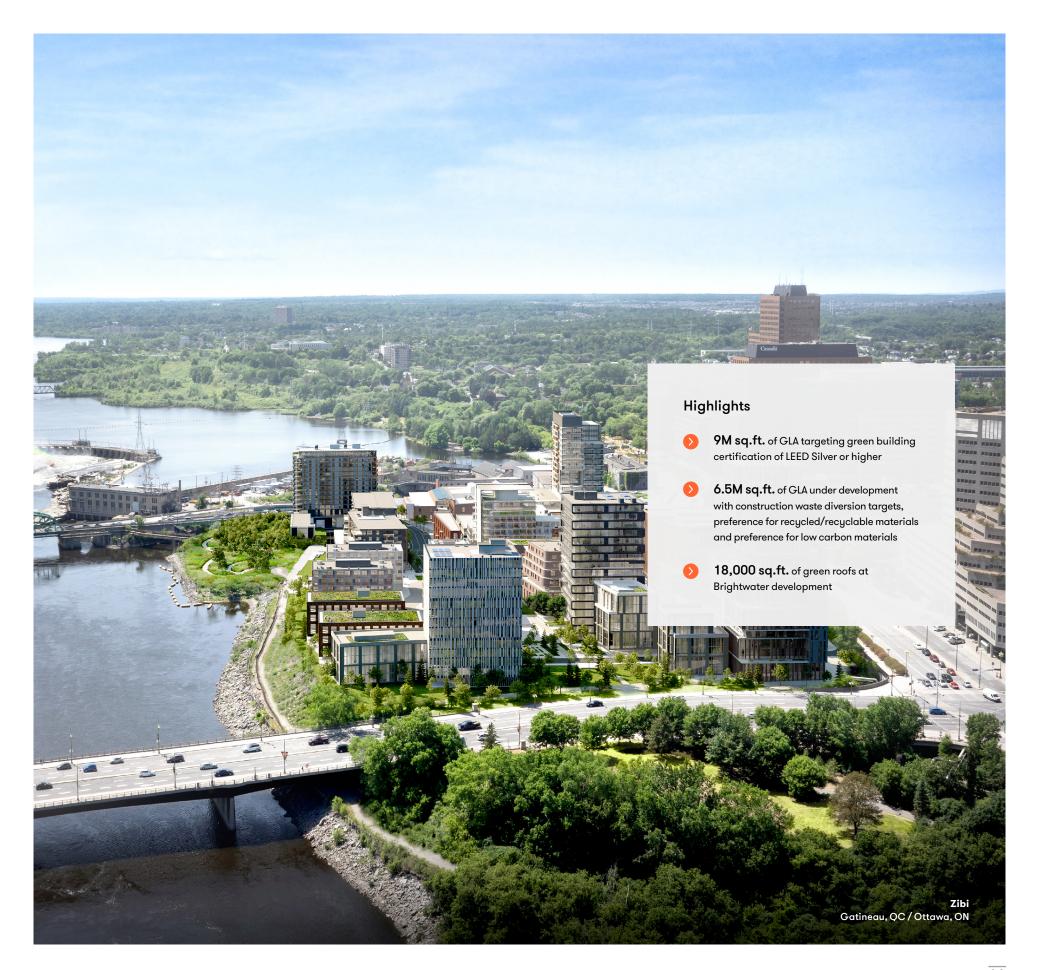
#### Sustainable Development

Dream is committed to integrating sustainability into the design, construction and operations of all our buildings.

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.

#### 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 of which a minimum of 10% will be accessible<sup>[1]</sup>
- Integrating market and affordable units to create diverse, mixed-income, family focused communities
- Committing to sustainable design in urban centres
- Partnering with Indigenous communities
- Integrating our communities into the natural environment by building around important environmental amenities and using native plants and grasses
- Design inclusive spaces for all users including accessible units





Tsering Yangki Head of Real Estate Finance & Development

Interview

# Tsering Yangki

Integrating sustainability considerations into development and construction

# How does sustainability factor into your day-to-day role and responsibilities at Dream?

Sustainability has always been a part of my day-to-day role at Dream and it underpins many of our decisions. In 2019, the building and construction industry was responsible for close to 38% of total global energy related carbon emissions as stated by the 2020 Global Status for Buildings and Construction. At Dream, we realize the urgency of the problem and are driven to be part of the solution with aspirational goals operationalized through our day-to-day decisions.

Our Development team constantly learns from and works collaboratively with internal and external stakeholders towards designing, building, and owning inclusive, financially sustainable, and environmentally regenerative assets. The team is mindful of our carbon footprint throughout the life-cycle of our developments, and we ensure our lands are being remediated with minimal waste and impact on biodiversity. We are also mindful of the materials we use and are working towards eliminating, reducing, or replacing carbon intensive products. It is our belief that creating and preserving green spaces, as well as designing and constructing healthy and energy efficient buildings is critical to creating communities where our residents and tenants can thrive.

# What are your future goals as it relates to sustainable development at Dream?

Reducing our carbon footprint is one of my top goals at Dream. I think that as an industry, real estate has a long way to go in reducing carbon emissions and managing healthy and smart buildings. We need to work collaboratively and with urgency. This creates a huge opportunity for innovation, unlocking of values and for new leaders to rise. Dream is an emerging thought leader. Our area of focus in our developments is moving towards net zero embodied carbon emissions, enhancing our social procurement strategy, and supporting a regenerative economy. We continuously learn from and work with our suppliers to understand the progress made in concrete, alternatives to steel, and other sustainable technology and materials.

# How does sustainable design and development improve environmental and social outcomes?

I think intentionality combined with transparency and accountability lead to better environmental and social outcomes. When we acquired 262 Jarvis, an existing apartment building, our impact and asset strategy was clear - align with our impact verticals: sustainability and resilience, attainable and affordable housing and inclusive communities. Our plan was to retrofit with a goal to decarbonize the

asset and preserve affordability while ensuring market returns. This intentionality allowed us to design our community programs, offer affordable units and minimize our carbon footprint. Using key performance indicators, we can measure, manage and report the environmental and social outcomes for each project.

Zibi is another great example of this approach. As stated in the <a href="One Planet">One Planet</a> Planet Living Framework which range from Zero Carbon and Waste to Health and Happiness, underpin our 34-acre community in Ottawa/Gatineau. We measure the reduction of embodied carbon in our materials and products based on the percentage of recycled content and/or materials that are locally sourced. As of 2020, raw materials used in concrete production in our projects now meet LEED requirements..

# Why is diversity, inclusion and advancement important for real estate?

As a woman and a minority at a leading real estate development firm, I am mindful of the challenges, my privilege, and recognize my responsibility in ensuring I make space for inclusion, engagement and empowerment. If you have a culture of inclusion, diversity naturally follows. Inclusivity is a powerful force that unlocks value and strengthens business. Inclusivity-perspectives, lived experiences, etc. - in the composition of the decision makers as we design and construct is imperative for us in real estate, as we are building for all residents and tenants as well as for future generations. It's a long path ahead but I am optimistic in where we are heading.

I recall a conversation with a colleague who mentioned she was the only woman during a design development workshop. She noted it was a beautiful mixed-income and mixed-use development with lush, towering bushes for privacy. She noted that as a young woman walking home at night, she would feel safer if the community's green spaces were more open. Her peers incorporated that perspective, allowing for a more livable and inclusive community.

# What drives you to care about environmental issues so deeply?

I was born and grew up in a small refugee settlement in India, where there was shortage of a lot, even basic clean water! Many in my community, including myself, have touched melting glaciers and know families displaced due to climate change. That is a lived experience that defines my personal and professional life. My parents grounded me with the values of compassion and interdependence, be it people or planet, so being intentional on environmental stewardship is personal to me.



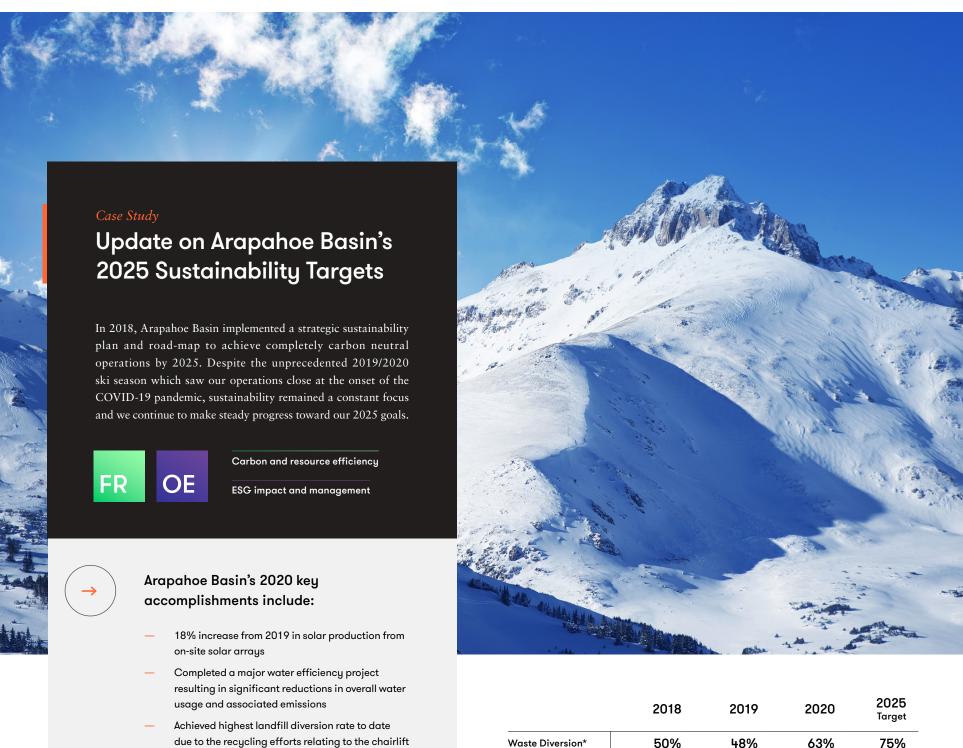
#### **Energy Management**

DRM 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**

DRM 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.



replacement projects

Arapahoe Basin Sustainability Report↗

	2018	2019	2020	2025 Target
Waste Diversion*	50%	48%	63%	75%
Renewable Electricity*	46%	48%	53%	100%

<sup>\*</sup> Metrics reported are based on Arapahoe Basin's reporting period October 1 – September 30.

#### **Physical Climate Risks**

We conduct analysis on an annual basis to identify physical climate risks in our portfolio and assess our level of resiliency. Climate resiliency describes the actions to prepare, adapt and endure the shocks and stressors we face related to climate change. The goal of climate resilience is to reduce the likelihood and impact of a catastrophic or disruptive event on our properties and in our communities.

Using third-party climate data, we assessed the physical climate risk at each property in DRM's portfolio against the following hazards:

Wildfire

Windstorm

Earthquake

Hailstorm

We are committed to improving the resilience of our properties from the effects of physical climate risks. Using this analysis, we will identify specific regions and properties with increased climate risk and identify opportunities to improve resilience through ongoing capital and operations investments.

As part of the physical climate risk analysis, we have updated the flood risk and catastrophic loss risk assessment in 2021 to identify properties in our portfolio that are at risk of losses from 50, 100, 200 and 500-year floods. Our next step in this process is to develop a plan to increase resilience to flooding and water damage and ensure there are supporting emergency management and business continuity procedures in place.

#### Number of At-Risk Assets from Flooding<sup>(1)</sup>

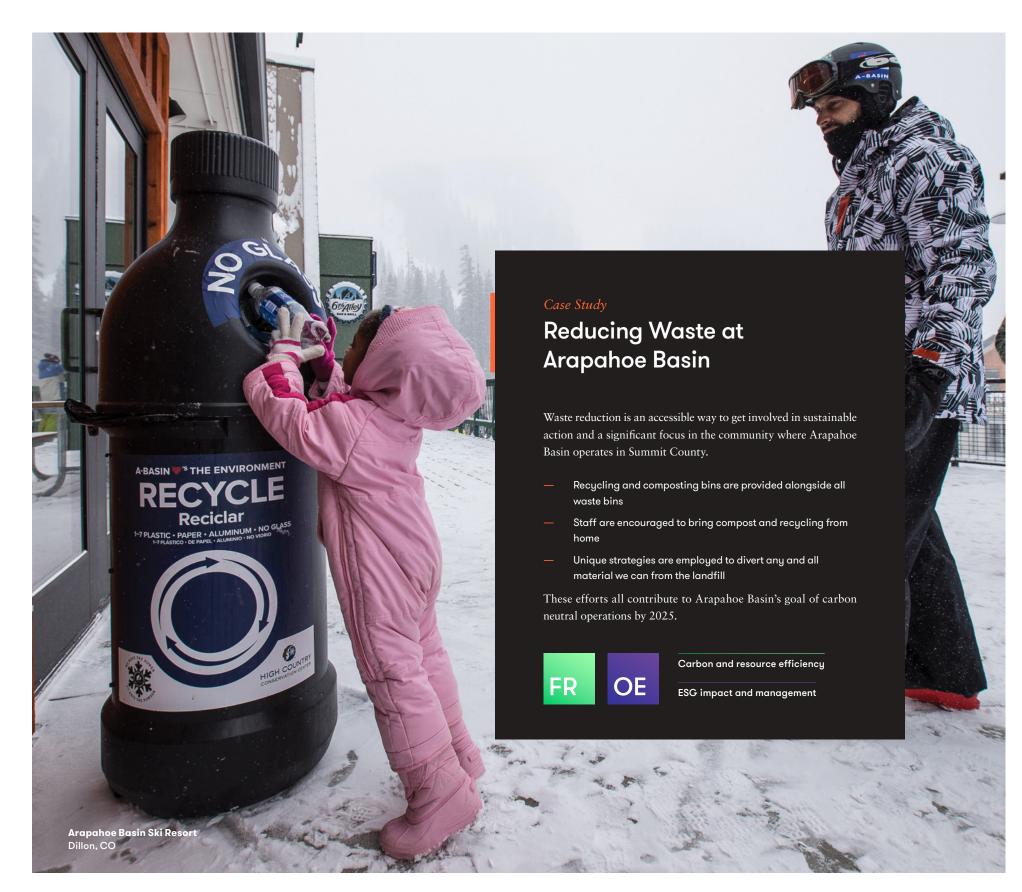
D	D	M	(3)

50-year	Floor area <sup>(2)</sup>	100-year	Floor area <sup>(2)</sup>
flood	(sq. ft.)	flood	(sq. ft.)
3	4,000,000	1	400,000
200-year	Floor area <sup>(2)</sup>	500-year	Floor area <sup>(2)</sup>
flood	(sq. ft.)	flood	(sq. ft.)
-	-	1	

- (1) Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories. Changes from 2020 are the result of acquisitions or dispositions of assets since the previous reporting year. As at September 30, 2021.

  (2) Floor area square footage is based on Gross Leasable Area (GLA).

  (3) Includes Dream Unlimited's Canadian Income Properties, Arapahoe Basin, Willows in
- Saskatoon and Zibi at 100% of GLA.



Dream Unlimited Corp.

## Social

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.





As of December 31, 2020, the average length of service for DRM employees is 4.2 years.

#### Gender Breakdown

#### Employees\*

- 49% Women
- 51% Men



#### Managers

- 40% Women
- 60% Men



#### **Executive Team**

- 43% Women
- 57% Men



\*Includes employees at all levels.

#### DRM - Employee Summary

Employee (1)(2)	Total	Men	Women	Central Canada	Western Canada
Permanent <sup>(3)</sup>	187	95	92	126	61
Contract	9	4	5	4	5
Full-time <sup>(4)</sup>	193	97	96	128	65
Part-time	3	2	1	2	1

- Based on employees of Dream Asset Management Corporation, which includes employees of DRM and MPCT.UN. Does not include employees at Dream recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) or interns.
   Numbers represented as total headcount, not full time equivalent.

- (3) Includes permanent part-time employees.
  (4) Includes all employees with a work schedule of 35 hours or greater per week.

#### **New Hires and Turnover Rates**

	Total	Men	Women	Age Under 30	Age 30-50	Age 50+	Central Canada	Western Canada
New Hires <sup>(1)</sup>	22	16	6	9	10	3	20	2
Voluntary Turnover Rate <sup>(2)</sup>	10%	5%	5%	3%	6%	1%	9%	1%

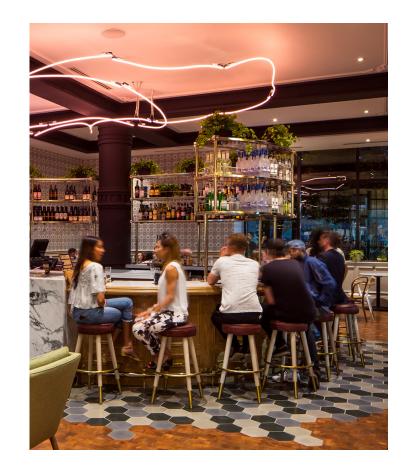
- Based on employees of Dream Asset Management Corporation, which includes employees of DRM and MPCT.UN. Does not include employees at Dream recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) or interns.
   Turnover is calculated as a percentage of average employee headcount for 2020.

# Social Procurement at Dream

DRM aims to develop local supply chains to minimize our environmental footprint and create local jobs.

Our new program, The Dream Difference, will establish a clear, intentional and equity-focused strategy for social procurement to leverage and influence our entire supply chain. As a start, Dream is creating a request to suppliers and contractors to highlight their company diversity programs.

For further information please see our Social Procurement Brochure



#### Case Study

### The Broadview Hotel

The Broadview Hotel is an example of our social procurement strategy in action. The hotel collaborates with the community to support local artists, social entrepreneurs and independent businesses through the sourcing of various hotel products and services, such as skincare, mini-bar items, vinyl records, coffee and chocolate. This year, we will be expanding to include a specific focus on BIPOC and women-owned businesses.





Sustainable procurement

Diversity, inclusion and advancement



#### Case Study

### Indigenous Hub

Canary Block 10 is an innovative development in Toronto's Canary District that we are working on in partnership with Anishinábe Health Toronto. Canary Block 10 is a mixed-use project that will house the first purpose-built Indigenous Hub in a major North American city. The development will be composed of a 238-unit condominium building, a 206-unit residential rental building, heritage retail space, a community health centre and a mixed-use commercial building that includes a training, education and employment centre, offices for Indigenous-owned businesses and a city daycare. The five-building development will be built to a LEED Gold Standard and draws from Indigenous architectural and design influences to foster a lasting spirit of diversity and inclusivity.

Anishinabe Health Toronto is a community health centre with the mission to improve the health and well-being of Indigenous People in spirit, mind, emotion and body by providing Traditional Healing within a multi-disciplinary healthcare model.

#### **Canary District**

Toronto, ON





Sustainable development

Indigenous engagement





# The Indigenous Hub project is expected to deliver the following environmental and social impacts:

- Reduction of energy consumption by 31% compared to the building code
- Reduction of GHG emissions by 38% compared to the building code
- Reduction of potable water consumption by 35% compared to market standard
- Increased access to healthcare will improve the overall effectiveness of health services
- Fully funded education, health and childcare centre to support the local Indigenous community

Dream Unlimited Corp.

## Governance

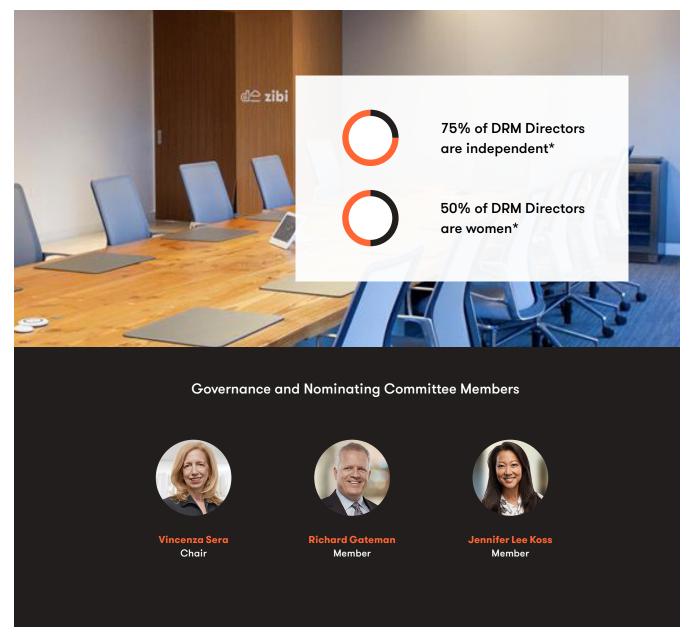
As part of the ESG Framework, DRM links ESG performance to executive and employee goals and compensation.

#### Sustainability at DRM is managed by the following:

Role	Responsibilities
Chief Responsible Officer; President of Asset Management	Provide oversight of sustainability and ESG at DRM
Governance and Nominating Committee	Provide oversight of environmental property risks
Organization Design and Culture Committee	Provide oversight of corporate culture and employee satisfaction
Leaders and Mentors Committee	Provide oversight of diversity and inclusion at all levels of organization
	Adopt ESG framework for each Dream entity
ESG Executive Committee	Communicate sustainability strategy and commitment across company and key external stakeholders
	Delegate implementation to the Sustainability and ESG team
	Report to the Governance and Nominating Committee
Vice Chair, Development	Manage the implementation of sustainable practices in the design of select development projects, including the Distillery District, Broadview Hotel, Canary District and West Don Lands
Head of Impact Investments and Strategy	Responsible for the execution of Dream's impact pathways, which includes delivering specified, measurable outcomes for specific social and environmental goals
Tioda of impact infocultion and ou deogg	Identify opportunities with external stakeholders and community partners to further advance DRM's impact initiatives and broader community objectives
Sustainability and ESG Team	Oversee and manage portfolio sustainability initiatives including building certifications, energy, water and waste management and monitoring, as well as strategic initiatives
	Meet quarterly with the ESG Executive Committee
Sustainability Working Groups	Serve as a forum to share information across departments and groups
Sustainability Manager, Arapahoe Basin Ski Area	Manage the implementation of site-specific sustainability plans and objectives
Program Manager, Sustainability at Zibi	Manage the implementation of site-specific sustainability plans and objectives



For the second consecutive year, Dream Unlimited Corp. is a recipient of the Globe and Mail's "Women Lead Here" award. With 50% of our Board, 43% of our executives, 40% of our managers, and 49% of our employees being women, we are proud to be recognized for our leadership in corporate Canada.



<sup>\*</sup> As of December, 2021.

 $\overline{45}$ 

#### **Fact Box**



#### United Nations Principles for Responsible Investment 7

The United Nations Principles for Responsible Investment (UN PRI) is the world's leading responsible investor collaboration. It supports its signatories to incorporate environmental, social and governance (ESG) factors into their investment and ownership decisions. Signatories commit to follow UN PRI's six principles and report annually on their progress through the UN PRI Reporting Framework. DRM became a signatory to the UN PRI in 2021 and will report on our responsible investment activities starting in 2023.



#### 

In 2017, the Financial Stability Board established the Taskforce on Climate-related Financial Disclosures (TCFD) to provide guidance and recommendations on climate-related risk and opportunity disclosures. The TCFD recommendations are structured around four core reporting areas: governance, strategy, risk management and metrics and targets. More than 2,300 organizations support the TCFD. DRM became an official supporter in 2021.



#### The Impact Management Project<sup>▶</sup>

The Impact Management Project (IMP) is a forum of over 2,000 practitioners as well as a structured network of 16 standard-setting organizations for building global consensus and providing complete standards on how to measure, manage and report impacts. The IMP has reached a consensus that impact can be measured across five dimensions: What, Who, How Much, Contribution, and Risk. These measurement dimensions have been incorporated into Dream's Impact Scoring System.



#### GIIN.

DRM is a member of the Global Impact Investing Network (GIIN). The GIIN is the leading non-profit dedicated to increasing the scale and effectiveness of impact investing. Impact investments are made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending upon the circumstances. Our membership signifies a commitment to deepening our engagement in the impact investing industry.

NET ZERO ASSET MANAGERS INITIATIVE

#### NZAM.

The Net Zero Asset Managers (NZAM) Initiative is an alliance of global asset managers committing to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with the global efforts to limit warming to 1.5 degrees Celsius. The initiative has 128 signatories and \$43 trillion in assets under management. DRM joined the NZAM initiative in 2021 and there are currently fewer than 10 Canadian signatories.



#### Operating Principles for Impact Management

DRM is a signatory to the Operating Principles for Impact Management, acting in our capacity as the asset manager for Dream Impact Trust. Over time, further assets or entities under our asset management umbrella may be added to the assets that align with this standard for impact investors.

### Forward-looking Plans

We will continue to manage our business with a focus on impact investing and ESG integration. As a signatory to the OPIM and the UN PRI, we aim to increase the number of investments that incorporate social and environmental impact investing principles and continue to incorporate ESG factors into our investment and ownership decisions as we go forward.

#### We Will Do this Through:

- Publishing our second Impact Report
- Identifying opportunities for employees in all entities to contribute to impact
- Iterating and enhancing the impact framework for MCPT.
   UN based on the OPIM
- Prepare for participating in the UN PRI Reporting &
   Assessment Framework, starting in 2023

#### **DRM Key Priorities Include:**

- Apply the Digital Transformation standard, which was developed to future-proof our assets information and operational technology infrastructure, to new construction projects
- Conduct tenant and resident satisfaction surveys regularly and track and report response rate and scores
- Increase use of green and impact leases
- Link ESG performance to executive goals and compensation



# As one of the Dream Group of Companies, DRM is Committed to:

# Communicating our Plan to Reach Net Zero by 2035

DRM has committed to net zero GHG emissions by 2035 – fifteen years ahead of the Paris Agreement's 2050 goal. With the Zibi development and Arapahoe Basin leading the way, we will be taking a similar approach with each of our properties, guided by our overall net zero strategy. Over the next year we will communicate a thoughtful and specific strategy on how we will achieve this overarching goal with a detailed plan and annual milestones to reduce our Scope 1, Scope 2, and select Scope 3 emissions.

#### **Beginning to Fulfill NZAM Commitments**

In 2021, DRM became a signatory to the Net Zero Asset Managers Initiative. In 2022, DRM will be setting interim targets for 2030.

#### **Evaluating UN PRI Readiness**

DRM became a UN PRI signatory in 2021. In 2022, we will prepare for participating in the UN PRI Reporting & Assessment Framework, starting in 2023.

# Increasing Alignment with the TCFD Recommendations

In 2021, DRM became an official supporter of the TCFD recommendations. We support the development of consistent climate disclosures and will develop a plan for DRM to systematically assess climate change risk, in line with TCFD recommendations.

**Dream Group of Companies** 

# **Dream Impact Trust**

Dream Impact Trust (MPCT.UN) targets projects that create positive and lasting impacts on communities and the environment, while generating attractive financial returns. MPCT.UN provides investors with access to an exceptional portfolio of real estate development and income properties that would not otherwise be available in a public and fully transparent vehicle.





\$677.2 million

total assets<sup>[1]</sup>

566,000

square feet of gross leasable area (GLA)<sup>(1)(2)</sup>

6,358

units under development or in our development pipeline (at MPCT.UN's share)<sup>(1)</sup>

84.8%

portfolio occupancy (including committed)<sup>[1]</sup>

29

assets<sup>[1]</sup>



<sup>(1)</sup> As of September 30, 2021
(2) The Gross Leasable Area (GLA) includes Sussex Centre at Dream Impact Trust's 50.1% share, 10 Lower Spadina, 349 Carlaw, 49 Ontario, 68-70 Claremont and 76 Stafford.

# 2020 Highlights



MPCT.UN was the first public impact company in Canada and has openly committed to positively effecting environmental and social change through its role as a real estate owner, developer and operator.

#### **Environmental**

### Net Zero

Started construction on our permanent Zibi Community Utility ("ZCU" or the "District Energy System") plant which will enable zero-carbon heating and cooling at our Zibi development

# Increased Data Collection

and disclosures of energy, GHG emissions and water data

# Increased Biodiversity

of plants and animals as well as reintroduced native vegetation at Zibi



### LEED Gold

certification was achieved at Sussex Centre located at 50 and 90 Burnhamthorpe Rd. West in Mississauga in 2021

90%

of operating income office assets certified to BOMA Best and/or LEED building certifications<sup>(1)</sup>

13,937

metric tons of soil were remediated at Zibi

### Social

\$761,065

donated to charities and NGOs by DRM, MPCT.UN's asset manager

231

affordable units under construction at West Don Lands Block 8, with first occupancies expected in 2023

0

51%

of employees are women<sup>(2)</sup>



40%

of managers are women<sup>(2)</sup>

96%

employee response rate for employee engagement satisfaction survey

\$265,629

paid for employee tuition and professional fees<sup>[2]</sup>

### First

Canadian Impact-Dedicated Convertible
Debenture Offering in 2021

# Protected Employees

by ensuring rigorous health and safety measures were taken during the COVID-19 pandemic

#### Governance





# Five Star Rating

achieved by MPCT.UN on its first GRESB submission

### **GIIN**

DRM, MPCT.UN's asset manager, became a member of the Global Impact Investing Network (GIIN)

# Developed ESG Framework

MPCT.UN's new ESG Framework sets out the most material sustainability topics and how we are responding based on the type of asset class and specific objectives

## Signatory

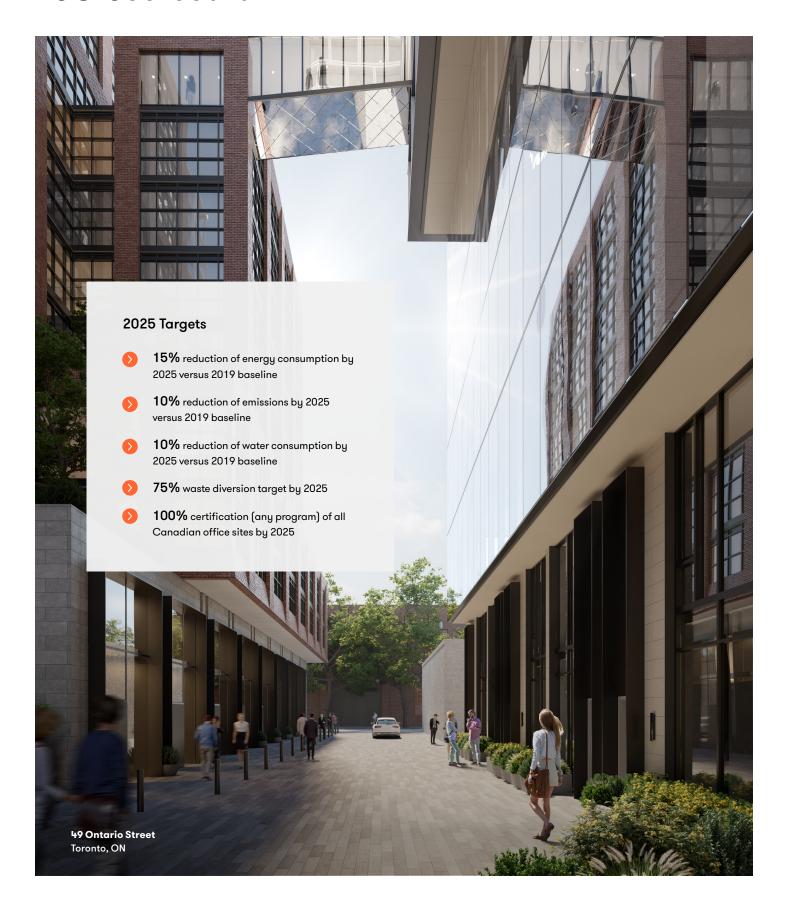
DRM, MPCT.UN's asset manager, became a signatory to the International Finance Corporation's Operating Principles for Impact Management

(1) Excludes developments.

(2) Includes employees employeed by Dream Asset Management Corporation, which includes DRM and MPCT.UN employees. Does not include employees at Dream recreational properties, employees on leaves of absence (e.g., permanent disability, long-term disability, parental leave) and interns.

The LEED® certification trademark is owned by the U.S. Green Building Council and is used with permission.

## **ESG Scorecard**



# **ESG** Scorecard

Indicator	2025 Target	2019 <sup>(7)</sup>	2020 <sup>(7)</sup>	YOY % Change <sup>(7)</sup>	On track for target
Energy <sup>(1)</sup>					
Energy consumption (ekWh)	15% reduction of energy consumption by 2025 versus 2019 baseline	22,455,431	19,251,096 🕢	-14%	√
Energy intensity (ekWh / sq. ft.)		22.96	19.69	-14%	
Emissions <sup>(1)(2)</sup>					
Scope 1 emissions (tCO <sub>2</sub> e)		1,390	986 🕢	-29%	
Scope 2 emissions (tCO <sub>2</sub> e)		440	<b>412 </b> ✓	-6%	
Total GHG emissions (Scope 1 and 2; tCO <sub>2</sub> e)	10% reduction of emissions by 2025 versus 2019 baseline	1,830	1,398 🕢	-24%	√
GHG emissions intensity (kgCO <sub>2</sub> e / sq. ft.)		1.9	1.4	-24%	
Water <sup>(1)</sup>					
Water consumption (m³)	10% reduction of water consumption by 2025 versus 2019 baseline	62,358	37,809 🕢	-39%	√
Water intensity (m³/sq. ft.)		0.064	0.039	-39%	
Waste generation <sup>(3)</sup>					
Waste to landfill (tonnes)		16	19	19%	
Waste diverted (tonnes)		15	36	140%	
Total waste generated (tonnes)		31	55 🕜	77%	
Waste diversion	75% waste diversion target by 2025	48%	65%	37%	√
Certifications					
Percentage of portfolio that has a green building certification <sup>(4)</sup>	100% certification (any program) of all Canadian office sites by 2025	N/A <sup>(5)</sup>	90%		√
Percentage of eligible portfolio that has an energy rating <sup>(6)</sup>		100%	96%	-4%	

Energy, emissions and water metrics stated in the scorecard is from the following assets: 349 Carlaw, 49 Ontario St, 10 Lower Spadina and Sussex Centre.
 GHG emissions are calculated in accordance with the World Resource Institute Greenhouse Gas Protocol. They capture activities MPCT.UN has direct and indirect operational control over:
 Scope 1 emissions generated directly from its operations, including heating at MPCT.UN's properties.
 Scope 2 emissions indirectly associated with generation of purchased electricity, heating, cooling and steam consumed by properties.
 Waste data stated in the scorecard is from the following assets 349 Carlaw, 49 Ontario St and 10 Lower Spadina. Sussex Centre, co-owned by MPCT.UN, and D.UN, is included in D.UN data
 Based on total GLA owned by MPCT.UN as of June 30th, 2021, representing 566,000 sq ft of portfolio including Sussex Centre (owned GLA), 68-70 Claremont St, 76 Stafford St, 10 Lower Spadina, 49 Ontario and 340 Carlaw.

and 349 Carlaw.
(5) Metric not calculated in 2019.

 <sup>(6)</sup> Represents the percentage of portfolio based on sq.ft. using ENERGY STAR Portfolio Manager (ESPM).
 (7) Each years energy, GHG, water, waste, building certification and energy rating data is based on the relevant properties owned for the full calendar year in that year.

### How the ESG Framework Interacts with the Impact Management System

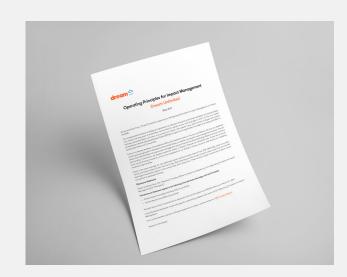
Dream's ESG Framework serves as a guide for the operations of MPCT.UN for material ESG issues related to our portfolio of properties that we develop and operate.

While reflecting the unique characteristics of each Dream entity and its market, the ESG Framework creates a consistent approach, supports the advancement of our ESG priorities and drives ESG performance across Dream. The ESG Framework seeks to create better places, build and operate with the future in mind, foster strong relationships and focus on purpose and profit.

The Impact Management System also guides MPCT.UN's operations, but through a different lens. Each investment is measured through three impact verticals so we can understand, evaluate and effectively communicate the impact we are generating for each property. MPCT.UN's impact verticals are environmental sustainability and resilience, attainable and affordable housing and inclusive communities. These topics align with the ESG Framework and its pillars: Best Places, Future Ready, Strong Relationships and Operational Excellence.

Overall, the integration of impact and ESG throughout our business is complementary and furthers our objective of continuing to build a financially successful business that contributes positively to social and environmental outcomes with lasting impacts on communities.

In 2021, DRM, the asset manager for MPCT.UN, successfully launched the DRM Impact Management System and outlined our approach to impact investing and achieved the following milestones:



Released the inaugural Disclosure Statement to affirm alignment of investment process with the Operating Principles for Impact

Management

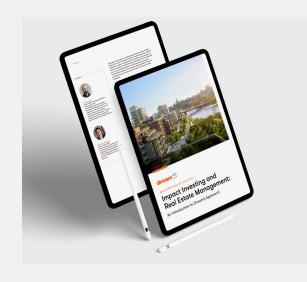
# Obtained independent verification on the DRM Impact Management System

The DRM Impact Management System and processes were verified by an independent firm in June 2021. This verification reports on the alignment of DRM's impact management practices with the Operating Principles for Impact Management. The verification will be completed every three years.



#### Published first annual Impact Report 7

This report presents DRM's approach to impact investing through the creation of the Dream Impact Management System and reports on its impact performance aligned with the Operating Principles for Impact Management. We are committed to reporting on impact performance annually.



#### Released first Impact White Paper 7

DRM will periodically publish white papers on topics of impact investing, impact management and sustainable and socially responsible real estate. The papers aim to advance thinking on a variety of topics and continuously promote the need to define and pursue positive impacts through real estate. The first white paper "Impact Investing and Real Estate Management" was published in July 2021.

# How Our ESG Framework Applies to MPCT.UN

The following sections in this chapter will illustrate how we are addressing material ESG topics for MPCT.UN and provide examples of how our business contributes positively to social and environmental outcomes.

#### ESG topics that are a key priority for MPCT.UN are:

- Carbon and resource efficiency
- Indigenous engagement
- Attainability and affordability
- Community and NGO partnerships
- ESG impact and management
- Sustainable development
- Tenant engagement









MPCT.UN has committed to be net zero by 2035 for operations and new developments, including Scope 1, 2 and select Scope 3 emissions.

### **Key Accomplishments**

Within the real estate industry there is general agreement that in order for countries to meet the Paris Agreement all buildings will need to emit net zero GHG emissions by 2050. Leadership is needed to show the industry how this will be achieved sooner rather than later. In 2021, we launched our Net Zero Steering Committee and announced our net zero goals for each Dream entity.

Dream's overarching commitment to Building Better Communities requires us to address climate change. In addition to the ESG metrics and targets and impact verticals built into each of our projects, we are committed to an overall thoughtful and specific approach to reducing carbon emissions in line with international standards and commitments. We look forward to sharing our net zero strategy in 2022, which will include best-in-class methodologies, science based interim targets, road-maps and reporting requirements.

In 2021, MPCT.UN will be supporting three voluntary international initiatives to demonstrate our commitment to climate action and responsible investing:



NET ZERO ASSET MANAGERS INITIATIVE

As part of the Dream group of companies' commitment<sup>(1)</sup>, MPCT.UN is supporting the <u>Net Zero Asset Managers (NZAM) Initiative</u>, which is a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius.





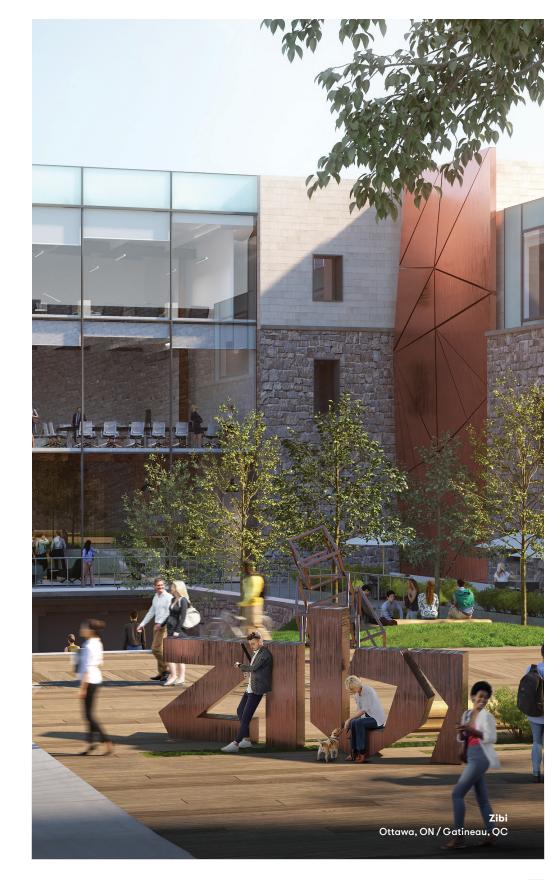
As part of the Dream group of companies' commitment<sup>(1)</sup>, MPCT.UN joined the <u>United Nations Principles for Responsible Investment (UN PRI)</u>, which includes a group of more than 4,300 investment managers and asset owners from nearly 90 countries committed to developing a more sustainable global financial system.





MPCT.UN became an official supporter of the Task Force for Climate-related Financial

Disclosures (TCFD) which provides guidance and recommendations to help companies
provide better climate disclosures to support capital allocation. More than 2,300 companies
support the TCFD and MPCT.UN is one of the first Canadian public real estate companies to
become an official supporter.



<sup>(1)</sup> While DRM is the official signatory, MPCT.UN will be participating in the reporting to the NZAM initiative and UN PRI as part of the Dream group of companies' commitment.

### **Our ESG Approach**

We invest to create positive and lasting impacts on communities and the environment. While many investors are beginning to integrate environmental and social considerations in their investment strategy, we have been doing this and doing it well for many years. With Dream Impact Trust, we see an opportunity to create shared value, targeting investments with measurable impacts together with market returns.



Michael Cooper
Portfolio Manager
Dream Impact Trust



#### Impact Investing

As an open-ended trust dedicated to impact investing, MPCT.UN is focused on United Nations Sustainable Development Goal (UN SDG) 11: Building Sustainable Cities and Communities, with the goal of making cities and human settlements inclusive, safe, resilient and sustainable. Cities are at the core of life, innovation, and are a critical driver of global prosperity. More than 50% of the global population now lives in cities and they spend 90% of their time indoors. Over the next century, city-dwellers will represent an ever-greater share of the world's population. As cities continue to grow, it is imperative the prosperity they generate be more equitably shared.

#### **Dream's Impact Verticals**

Each vertical is integral to our strategy of building complete communities and reflects a component of UN SDG 11: Sustainable Cities and Communities. Through successfully supporting UN SDG 11, we also support the achievement of several other SDGs.

For more information on our impact investing approach, please see our 2021 Impact Report.

✓

#### Our Impact Verticals are:







# Environmental Sustainability and Resilience

Develop sustainable real estate that optimizes energy use, limits greenhouse gas emissions, and reduces water use and waste while also creating resiliency against natural disasters and major climatic events.



#### Attainable and Affordable Housing

Invest in mixed-income communities that are transit oriented, located close to employment opportunities, and support an overall lower relative cost of living with high quality of life.

#### **Inclusive Communities**

Intentionally design and program communities that are safe and inclusive for everyone. This includes creating spaces that encourage mental and physical health, and wellness.



























**Pino Di Mascio** Head of Impact Strategy and Delivery

Interview

### Pino Di Mascio

We sat down with Pino Di Mascio, Head of Impact Strategy and Delivery, to discuss his thoughts on Dream's impact journey and how it aligns with Dream's core mission of building better communities for people to live, work and play in – while delivering returns to shareholders.

#### What lead to Dream's focus on impact investing?

Real estate is an exciting and creative business which can have a profound effect on individuals and communities alike, and we take that responsibility very seriously. We have always invested to create positive and lasting impacts on communities and the environment. While many investors are now beginning to integrate environmental and social considerations in their investment strategy, we have been doing this, and doing it well, for many years.

In 2020, two factors occurred simultaneously to formalize our impact investing approach. First, the Operating Principles for Impact Management were published. These principles set out an approach to impact that is standardized, public and organized and provided a method for evaluating impact investing as an asset class.

Second, COVID-19 revealed the depths of the inequities in our society, which are intolerable. These inequities can be lessened through thoughtful investment and changes in how we look at the communities that we build and operate.

#### What guides your impact philosophy?

Our impact philosophy is guided by the most basic earliest teachings, 'treat others as you would want to be treated', 'leave everything better than how you found it' and 'we only have a short time on this planet – make it mean something'. We view the impact investing asset class as an improved articulation of our company's historical focus on doing the right thing.

We make our investing decisions through an impact investing lens and are committed to applying the same rigour, concentration and transparency to our community impact results as we have to our financial results.



#### What is your overall vision for Impact at Dream?

Our vision for impact is to become the industry leader in creating positive societal and environmental impact through real estate development and operations, related to UN SDG 11: Inclusive, Safe, Resilient and Sustainable Cities.

As a city builder, we are uniquely positioned to design, build and deliver great communities. We believe our purpose of building better communities – ones that revolutionize the way people live and work – can be summarized in our three impact verticals. The first vertical is environmental sustainability and resilience with a focus on decarbonizing real estate and reducing water and waste usage while also creating resilience against natural disasters and major climatic events.

A second vertical is to become a key provider of attainable and affordable housing by investing in mixed-income communities that are transit-oriented, located close to employment opportunities, and support an overall lower relative cost of living with high-quality of life. Housing affordability is a significant issue in Canada and a key focus for us, as well as all levels of government.

Over the next few years, many of our affordable and mixed-use projects will be completing construction and entering the occupancy phase. This lets us further develop our third vertical – creating inclusive communities. For cities to be successful and welcoming, they must be diverse. We are focused on developing and managing our real estate to create inclusive, safe and welcoming places. This includes creating spaces that encourage mental and physical health, and wellness.

#### What are you proudest of having accomplished with impact?

I'm excited about finding new ways to develop more sustainable and inclusive communities. There are so many opportunities to drive positive impact within our organization and within our impact investments. Just over a year ago, Dream Impact Trust was just an idea. Today, it forms an integral part of who we are, and how we invest. More importantly, it represents how we've done business for more than 25 years.

Recently, Harvard Business School published a case study on MPCT.UN's investing approach to teach methods of maximizing both social and financial returns through business. MPCT.UN is now being used to teach students at Harvard Business School as well as offered globally at all other schools that use Harvard Business School cases for their curriculum. We are passionate about driving social impact to improve our communities as well as educating people about the benefits of impact investing. I look forward to seeing what else we can accomplish.

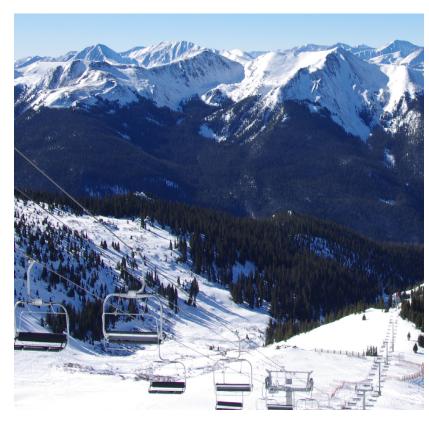
**Dream Impact Trust** 

### **Environmental**

#### **Climate Change**

In 2021, Dream Impact Trust announced the goal of achieving net zero GHG emissions by 2035 – fifteen years ahead of the Paris Agreement's objectives.

Arapahoe Basin, an asset in MPCT.UN's asset manager, DRM's portfolio, is a great example of an innovative approach to achieving net zero (see case study)? and we will be taking a similar approach with each of our properties in MPCT.UN as we develop our plan and milestones for eliminating our GHG emissions.



Arapahoe Basin Ski Resort Dillon, CO

#### **Physical Climate Risks**

We conduct an analysis on an annual basis to identify physical climate risks in our portfolio and assess our level of resiliency. Climate resiliency describes the actions to prepare, adapt and endure the shocks and stressors we face related to climate change. The goal of climate resilience is to reduce the likelihood and impact of a catastrophic or disruptive event on our properties and in our communities.

Using third-party climate data, we assessed the physical climate risk at each property in MPCT.UN's portfolio against the following hazards:

Wildfire Windstorm Earthquake

We are committed to improving the resilience of our properties from the effects of physical climate risks. Using this analysis, we will identify specific regions and properties with increased climate risk and identify opportunities to improve resilience through ongoing capital and operations investments.

As part of the physical climate risk analysis, we have updated the flood risk and catastrophic loss risk assessment in 2021 to identify properties in our portfolio that are at risk of losses from 50, 100, 200 and 500-year floods. Our next step in this process is to develop a plan to increase resilience to flooding and water damage and ensure there are supporting emergency management and business continuity procedures in place.

#### Number of At-Risk Assets from Flooding<sup>[1][3]</sup>

MPCT.UN <sup>(3)</sup>	50-year	Floor area <sup>(2)</sup>	100-year	Floor area <sup>(2)</sup>
	flood	(sq. ft.)	flood	(sq. ft.)
	-	-	1	61,000
	200-year	Floor area <sup>(2)</sup>	500-year	Floor area <sup>(2)</sup>
	flood	(sq. ft.)	flood	(sq. ft.)
	-	-	-	-

- (1) Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories. Changes from 2020 are the result of acquisitions or dispositions of assets since the previous reporting year. As at September 30, 2021.

  (2) Floor area square footage is based on Gross Leasable Area (GLA).
- (3) MPCT.UN assets managed by D.UN were included in this assessment at 100% of GLA.



#### **Energy Management**

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. Our asset manager, DRM's, Water Conservation Policy specifies 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.



#### **Building Certifications**

Green building certifications help us to incorporate a range of sustainability features into our physical properties and our daily practices. According to the Canada 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.



#### MPCT.UN Portfolio Certification by Type and Level<sup>(1)</sup>



<sup>(1)</sup> The chart is based on total GLA owned by MPCT.UN as of September 30, 2021 representing 566,000 sq. ft. of portfolio including Sussex Centre (owned GLA), 68-70 Claremont St, 76 Stafford St, 10 Lower Spadina, 49 Ontario and 349 Carlaw. Properties may have more than one certification which is why the chart adds up to more than 100%.

#### **ESG** Policies

MPCT.UN through its asset manager, DRM, has policies covering 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.

### Zibi District Energy System

In 2020, we started construction on our permanent Zibi Community Utility (ZCU) plant and signed our agreement with Kruger Products. We expect construction to be complete and our District Energy System to be fully operational in late 2021/early 2022.

ZCU is a District Energy System that relies on effluent energy recovery from the local Kruger Products Plant for heating, and the Ottawa River for cooling. A partnership between Hydro Ottawa and Zibi, the ZCU District Energy System will provide zero carbon heating and cooling for all Zibi tenants and residents in the 34-acre waterfront property. The partnership itself is an example of how Dream Impact Trust seeks innovative, collaborative opportunities with government stakeholders.



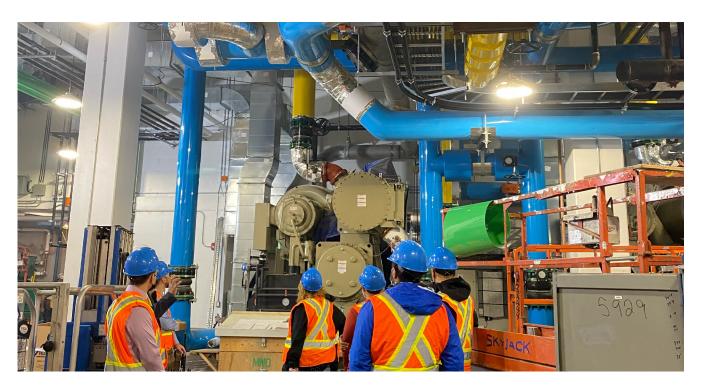
Carbon and resource efficiency

Innovation and technology adoption

ZCU is integral to helping Zibi meet its One Planet Living goal of ensuring its energy needs are satisfied on a net zero carbon basis. While many district thermal systems exist in Canada, ZCU will be the first in North America to use post-industrial effluent energy recovery in a master-planned community.

ZCU will benefit Zibi residents by providing price stability and reliability, as they will not be impacted by price fluctuations of natural gas and will also experience fewer energy supply disruptions. Residents will also benefit from enhanced comfort and convenience in having the ability to control their energy usage using our Zibi-specific mobile app, ZibiStat. Survey results indicate that 63% of residents use the app to reduce their energy demands during working hours or vacation time.

Zibi - One Planet Report



#### Zibi Ottawa, ON / Gatineau, QC

#### Case Study

### Sustainable Materials Sourcing at Zibi

To help Zibi's effort to reduce embodied carbon, we strive to have 20% of construction materials contain recycled content and 20% be locally sourced. In 2021, Zibi will establish an improved system to track recycled content in all products and materials used for each project.

Zibi refined its material tracking process in 2020 by improving tracking sheets and meeting regularly with construction project managers. This has allowed us to improve data collection and fostered a joint sense of appreciation for what we need to accomplish with the project managers.



Carbon and resource efficiency

Sustainable development

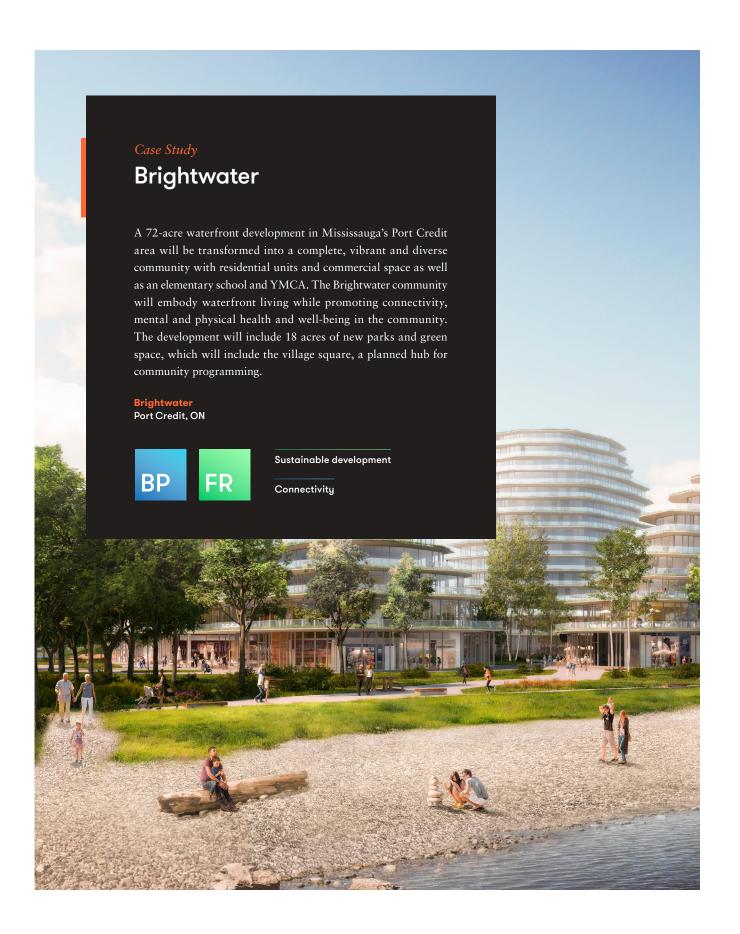


# Objectives related to sustainable development materials at Zibi include:

- Retain and re-purpose 50% of the existing buildings on-site\*
- Re-purpose or recycle 90% of all demolition materials, of which a minimum of 5% by volume should be reused\*\*
- Reduce embodied carbon of buildings
- Use wood products with a minimum of 80% Forest Stewardship Councilcertified content, and/or that are re-claimed, recycled or from locally managed supply chains

\* Excluding primary mill buildings





#### **West Don Lands**

In 2019, we broke ground on West Don Lands Block 8, a public-private partnership with the Government of Canada, Canada Mortgage and Housing Corporation (CMHC) and the Province of Ontario to create long-term affordable housing units (housing where the total monthly shelter cost is at or below Toronto's average market rent). The entire West Don Lands project will deliver 2,279 world-class new rental units of which 30% are affordable, to meet a growing demand in the Toronto housing market.





Sustainable development

Affordability and attainability



#### The project is expected to deliver the following environmental and social impacts:

The West Don Lands is a LEED Gold-certified, purpose-built, multi-

family rental apartment community in Toronto's downtown East End.

The development is one of the largest affordable housing projects in

Canada and the first within the Provincial Affordable Housing Lands Program to break ground. We are focused on addressing one of the

most prevalent issues facing Canadian cities: shortage of attainable

housing. As the first block of the development nears completion, we

will be working with local non-profit groups to establish an inclusive

tenant selection process for the affordable units.

- Reduction of energy consumption by 27% compared to the NECB [1]
- Reduction of GHG emissions by 32% compared to the NECB<sup>(1)</sup>
- Reduction of potable water consumption by 35% compared to market standard



### 68 - 70 Claremont Street

In Q1 2021 Dream Impact Trust acquired 68-70 Claremont Street, representing our first acquisition using our new impact investing approach. The property is a value-add opportunity with long term growth prospects given its location in Toronto's trendy Queen West neighbourhood, its character as a boutique office space, as well as the opportunities it presents for incorporating components of our Impact Pathways – specifically resource efficiency and inclusivity.







Health, safety, and wellness

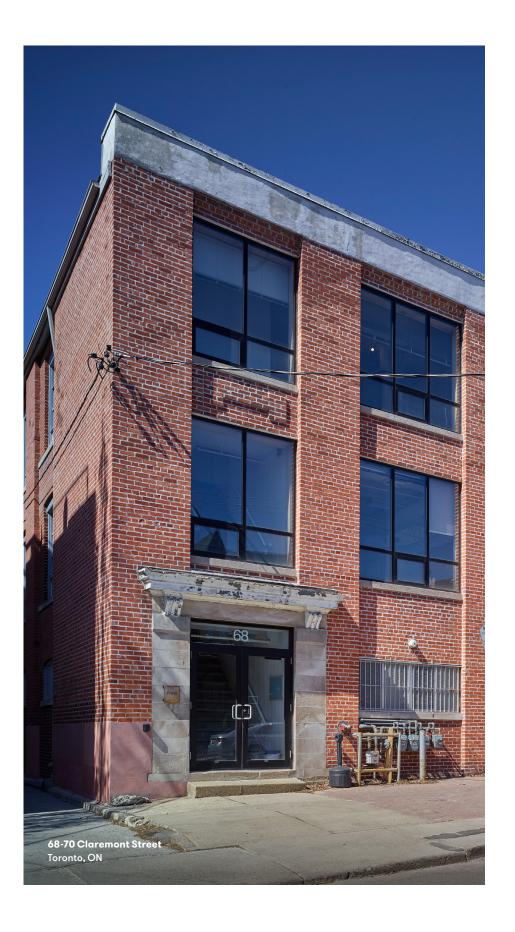
Certifications

Carbon resource efficiency

Sustainable redevelopment

Diversity, inclusion and advancement

ESG impact and management





#### Pathway

# Actions Being Taken to Achieve Impact Pathway Goals



Pathway 1 Inclusive Communities Improving accessibility by installing a ramp at the entrance, installing a passenger elevator, and introducing Accessibility for Ontarians with Disabilities Act (AODA) compliant washrooms.



Pathway 2 Inclusive Communities/ Sustainable and Resilient Communities

Promoting sustainable, alternative transportation usage by providing bike parking as well as including an AODA compliant end-of-trip washroom and shower facility.



Pathway 3 Sustainable and Resilient Communities Improving tenant health and wellbeing by improving access to natural light, adding CO<sup>2</sup> sensors to control fresh air circulation, and using MERV-13 filters to enhance indoor air quality.



Pathway 4 Sustainable and Resilient Communities

Increasing water efficiency by replacing existing water fixtures with high-efficiency, low-flow fixtures.



Pathway 5 Sustainable and Resilient Communities Increasing energy efficiency and reducing GHG emissions by upgrading the HVAC system, windows, and installing LED lighting. We will also work to achieve a BOMA Best Certification to recognize our sustainability achievements.

#### **Dream Impact Trust**

# Social

Our work at Dream Impact Trust is focused on creating positive social change.

We apply that ethos to every aspect of how the business is run, including our relationship with our most important asset, our employees.

Our strong and diverse workforce contributes to the collaborative and innovative work of embedding impact throughout the business. 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.







As of December 31, 2020, the average length of service for MPCT.UN employees is 4.2 years.\*

#### Gender Breakdown

#### Employees\*

- 49% Women
- 51% Men



#### Managers

- 40% Women
- 60% Men



#### **Executive Team**

- 43% Women
- 57% Men



\* Includes employees at all levels.

#### MPCT.UN - Employee Summary

Employee (1)(2)	Total	Men	Women	Central Canada	Western Canada
Permanent <sup>(3)</sup>	187	95	92	126	61
Contract	9	4	5	4	5
Full-time <sup>(4)</sup>	193	97	96	128	65
Part-time	3	2	1	2	1

- Includes employees employeed by Dream Asset Management Corporation, which includes DRM and MPCT.UN employees. Does not include employees at Dream recreational properties, employees on leaves of absence (e.g., permanent disability, long-term disability, parental leave) and interns.
   Numbers represented as total head count, not full time equivalent.

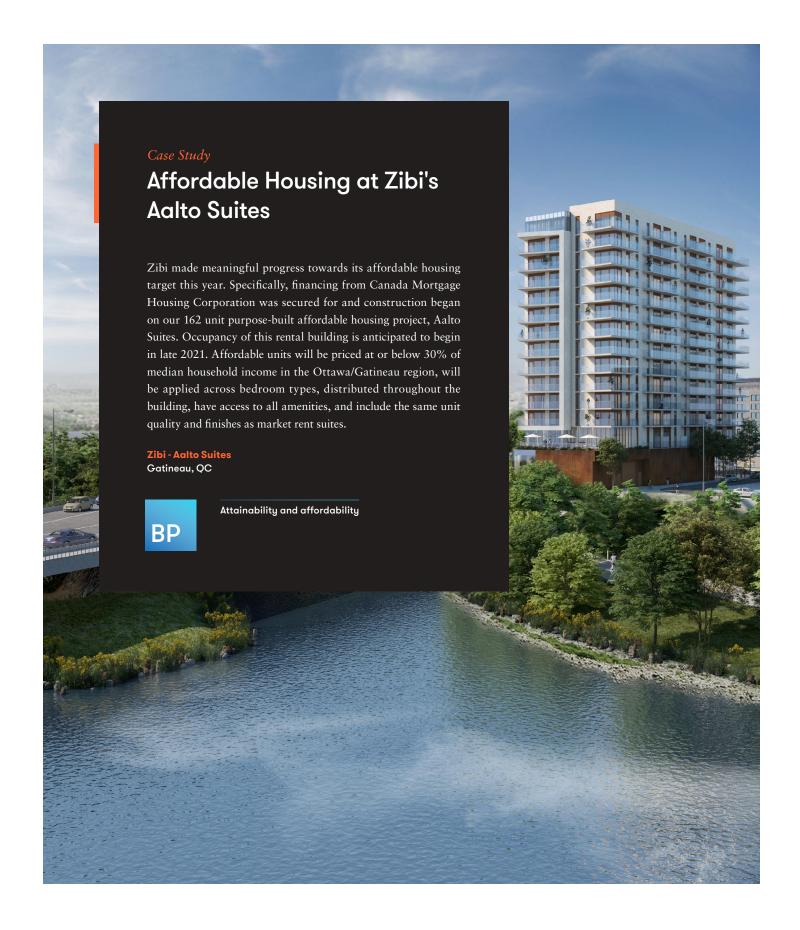
- (3) Includes permanent part-time employees.
  (4) Includes all employees with a work schedule of 35 hours or greater per week.

#### **New Hires and Turnover Rates**

	Total	Men	Women	Age Under 30	Age 30-50	Age 50+	Central Canada	Western Canada
New Hires (1)	22	16	6	9	10	3	20	2
Voluntary Turnover Rate <sup>(2)</sup>	10%	5%	5%	3%	6%	1%	9%	1%

- (1) 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 leaves of absence (e.g., permanent disability, long-term disability, parental leave) and interns.

  (2) Turnover is calculated as a percentage of average employee headcount for 2020.

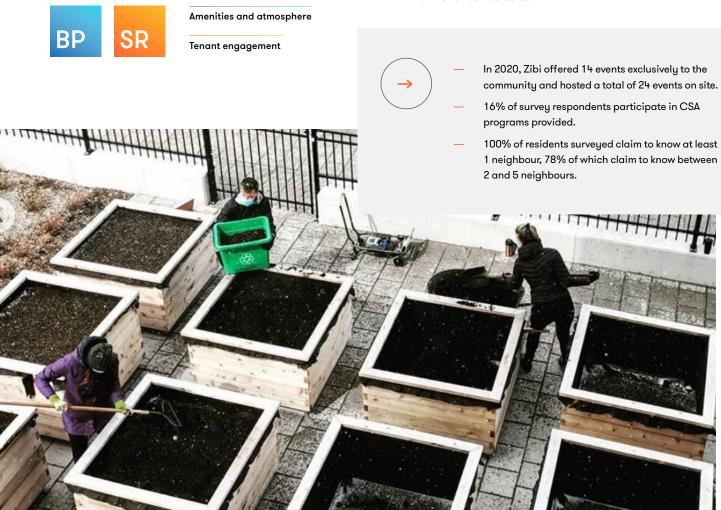


### Tenant Engagement on Sustainable Food at Zibi

Zibi hosts workshops and events centered around Local and Sustainable Food, one of Zibi's One Planet guiding principles. In 2020, we provided garden boxes in O's Community Garden enclosure to 100% of interested residents. We also launched our first community garden group. For the upcoming growing season, the community garden group is working to implement a composting station to help enrich the soil throughout the seasons.

As part of our goal to engage residents in education programs to encourage a reduction in consumption of high-carbon foods, we have also implemented a community supported agriculture (CSA) program with local vendors, including Roots and Shoots Farm. These initiatives provide residents and community members with easily accessible organic, local or fair trade produce.

We believe that the creation of green spaces that facilitate community-building initiatives serve to improve overall quality of life for our residents.



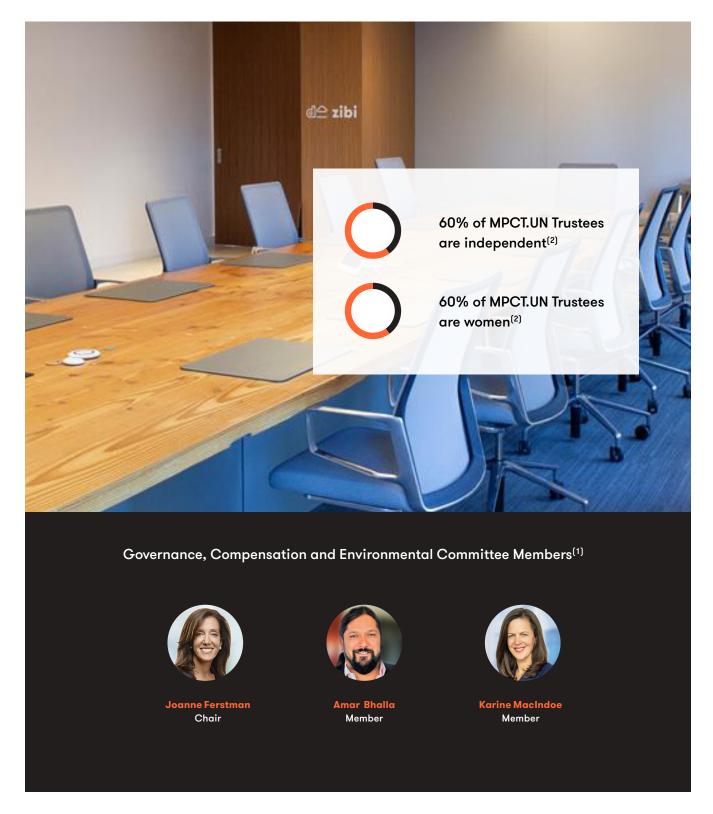
Dream Impact Trust

## Governance

Sustainability at MPCT.UN is overseen and managed by DRM, with whom MPCT.UN co-invests on many of its projects. As part of the ESG Framework, MPCT.UN links ESG performance to executive and employee goals and compensation.

#### Sustainability at MPCT.UN is managed by the following:

Role	Responsibilities
Governance, Compensation & Environmental Committee <sup>(1)</sup>	Review corporate governance practices, review the environmental state of any real property investment and establishing policies and procedures to monitor exposure to environmental related risks and liabilities
	Adopt ESG Framework for each Dream entity
ESG Executive Committee	Communicate sustainability strategy and commitment across company and key external stakeholders
	Delegate implementation to MPCT.UN's Sustainability and ESG team
	Report to the Governance, Compensation & Environmental Committee on a regular basis
Investment Committee	Review the investment's Acquisition Checklist and approve investments that meet both financial and impact goals
	Hold the project team accountable to achieve goals and create impact
Head of head and head and a seed Chande and	Responsible for the execution of Dream's impact pathways, which includes delivering specified, measurable outcomes for specific social and environmental goals
Head of Impact Investments and Strategy	Identify opportunities with external stakeholders and community partners to further advance Dream's impact initiatives and broader community objectives
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)	Manage implementation of sustainable practices in the design of select development projects including the West Don Lands and Canary District projects
Sustainability and ESG Team	Oversee and manage portfolio sustainability initiatives including: building certifications, energy, water and waste management and monitoring, as well as strategic initiatives
	Meet quarterly with the ESG Executive Committee
Sustainability Working Groups	Serve as a forum to share information across departments and groups
Program Manager Sustainability at Zibi	Manages the implementation of site-specific sustainability plans and objectives



- The Governance, Compensation and Environmental Committee is a committee of board of Directors of Dream Impact Master GP Inc, the operating entity of MPCT.UN
   Based on members of both the Trust and GP Boards as at December, 2021.

#### **Fact Box**



#### United Nations Principles for Responsible Investment 7

The United Nations Principles for Responsible Investment (UN PRI) is the world's leading responsible investor collaboration. It supports its signatories to incorporate environmental, social and governance (ESG) factors into their investment and ownership decisions. Signatories commit to follow UN PRI's six principles and report annually on their progress through the UN PRI Reporting Framework. DRM, with support from MPCT.UN, became a signatory to the UN PRI in 2021 and will report on its responsible investment activities starting in 2023.



#### Taskforce on Climate-related Financial Disclosures ✓

In 2017, the Financial Stability Board established the Taskforce on Climate-related Financial Disclosures (TCFD) to provide guidance and recommendations on climate-related risk and opportunity disclosures. The TCFD recommendations are structured around four core reporting areas: governance, strategy, risk management and metrics and targets. More than 2,300 organizations support the TCFD. MPCT.UN became an official supporter in 2021.

IMPACT MANAGEMENT PLATFORM

#### The Impact Management Project<sup>▶</sup>

The Impact Management Project (IMP) is a forum of over 2,000 practitioners as well as a structured network of 16 standard-setting organizations for building global consensus and providing complete standards on how to measure, manage and report impacts. The IMP has reached a consensus that impact can be measured across five dimensions: What, Who, How Much, Contribution, and Risk. These measurement dimensions have been incorporated into Dream's Impact Scoring System.



#### GIIN.

DRM is a member of the Global Impact Investing Network (GIIN). The GIIN is the leading non-profit dedicated to increasing the scale and effectiveness of impact investing. Impact investments are made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending upon the circumstances. Our membership signifies a commitment to deepening our engagement in the impact investing industry.

NET ZERO ASSET MANAGERS INITIATIVE

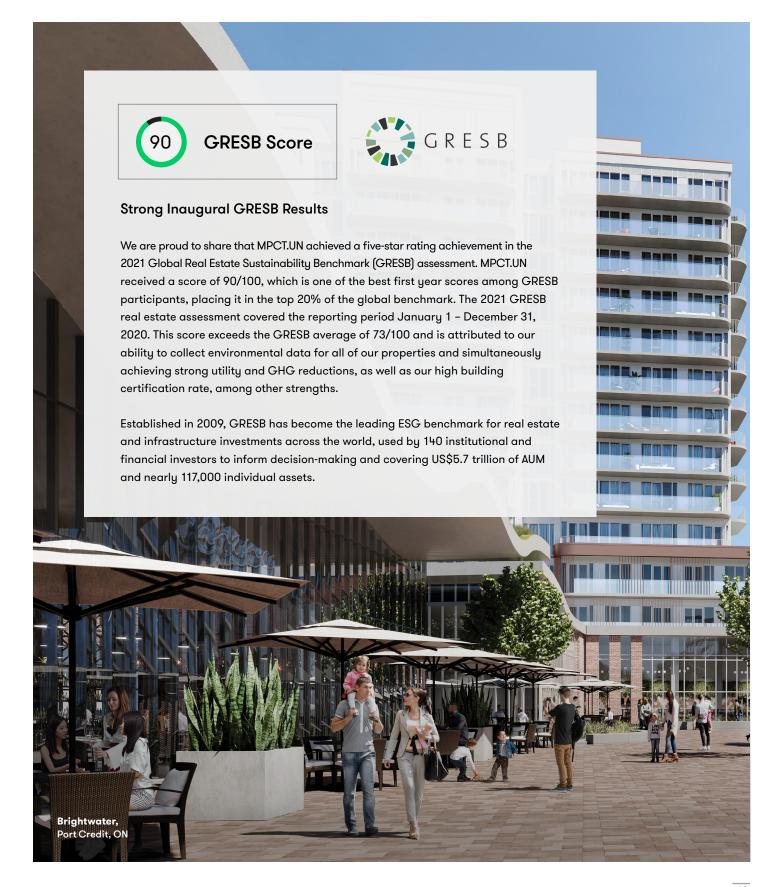
#### NZAM.

The Net Zero Asset Managers (NZAM) Initiative is an alliance of global asset managers committing to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with the global efforts to limit warming to 1.5 degrees Celsius. The initiative has 128 signatories and \$43 trillion in assets under management. DRM, with support from MPCT.UN, joined the NZAM initiative in 2021 and there are currently less than 10 Canadian signatories.



#### Operating Principles for Impact Management

DRM is a signatory to the Operating Principles for Impact Management, acting in our capacity as the asset manager for Dream Impact Trust. Over time, further assets or entities under our asset management umbrella may be added to the assets that align with this standard for impact investors.



### **Forward-looking Priorities**

MPCT.UN's key priorities include:

#### **Enhancing Dream's Impact Management System**

Establishing and maintaining Dream's Impact Management System requires continuous improvement as the industry evolves and best practices are refined. We are committed to continually refining and improving our Impact Management System and ensure we govern our impact activities with the same rigour and oversight as our financial activities.

#### Creating Impact Leases

MPCT.UN is an industry leader in Green Leases and received the Gold Recognition standard in 2021 from Green Lease Leaders. These leases set out shared commitments and responsibilities between MPCT.UN and its commercial tenants in achieving prescribed environmental performance targets and in participation in environmental management plans. MPCT.UN is expanding the Green Leases program into "Impact Leases" which will layer social impact outcomes into the management of our commercial properties. Our Impact Leases will be marketed in 2021 and implemented throughout the coming year.



Zibi Ottawa, ON / Gatineau, QC

#### Committing to our Social Procurement Strategy

MPCT.UN has committed to utilize its project purchasing practices to generate social and economic value in the communities where we develop and manage real estate assets. We established a working group in 2021 that has undertaken extensive research with regards to social procurement opportunities in the real estate industry. The work of this group has led to the framework for a formal Social Procurement Strategy. Specifically, through that framework MPCT.UN is seeking to support equity-seeking groups by:

- 1. Expanding the diversity of our vendors
- 2. Ensuring employment opportunities are created
- 3. Providing local community benefits through the use and programming of space in our projects

The Social Procurement Strategy was announced in 2021 and MPCT.UN is among the first in Canada's private sector to set quantifiable targets to meet these goals by 2025, with progress reports beginning in 2022. Targets include:

- 20 per cent of the annual value of all contracts to be awarded to local, independent and/or socially responsible businesses;
- 20 per cent of the annual value of all contracts to be awarded to businesses that are majority owned or managed by an equity-seeking group;
- 20 per cent of annual jobs created through capital and operating spending to be filled by equity-seeking groups; and,
- 30 per cent of apprentice hours worked on development projects to be by equity-seeking groups.

As one of the Dream Group of Companies, MPCT.UN is Committed to:

# Communicating our Plan to Reach Net Zero by 2035

MPCT.UN has committed to net zero GHG emissions by 2035 – fifteen years ahead of the Paris Agreement's 2050 goal. Over the next year we will communicate a thoughtful and specific strategy on how we will achieve this overarching goal with a detailed plan and annual milestones to reduce our Scope 1, Scope 2, and select Scope 3 emissions.

#### **Beginning to Fulfill NZAM Commitments**

MPCT.UN, as part of the Dream group of companies' commitment, announced in 2021 that it is supporting the Net Zero Asset Managers Initiative. MCPT.UN has set net zero targets and in 2022, MPCT.UN will be setting interim targets for 2030.

#### **Evaluating UN PRI Readiness**

MPCT.UN, as part of the Dream group of companies' commitment, announced in 2021 that it is supporting the UN PRI. In 2022, we will prepare for participating in the UN PRI Reporting & Assessment Framework, starting in 2023.

# Increasing Alignment with the TCFD Recommendations

In 2021, MPCT.UN became an official supporter of the TCFD recommendations. We support the development of consistent climate disclosures and will develop a plan for MPCT.UN to systematically assess climate change risk, in line with TCFD recommendations.

#### **Operating Principles for Impact Management**

The Operating Principles for Impact Management are a standard for systems and processes for the management of investments targeting the achievement of positive social and environmental impact. DRM was an early adopter of the Operating Principles for Impact Management and the first Canadian real estate company to be a signatory.

Dream Group of Companies

## **Dream Office REIT**

Dream Office REIT (TSX:D.UN) is a premier office landlord in downtown Toronto with approximately 3.5 million square feet owned and managed. Dream Office has carefully curated an investment portfolio of high-quality assets in irreplaceable locations in one of the finest office markets in the world.



GRESB Score



30

properties<sup>[1]</sup>

84.6%

portfolio occupancy including committed<sup>(2)</sup>

5.5 million

square feet of gross leasable area (GLA)<sup>(1)</sup>

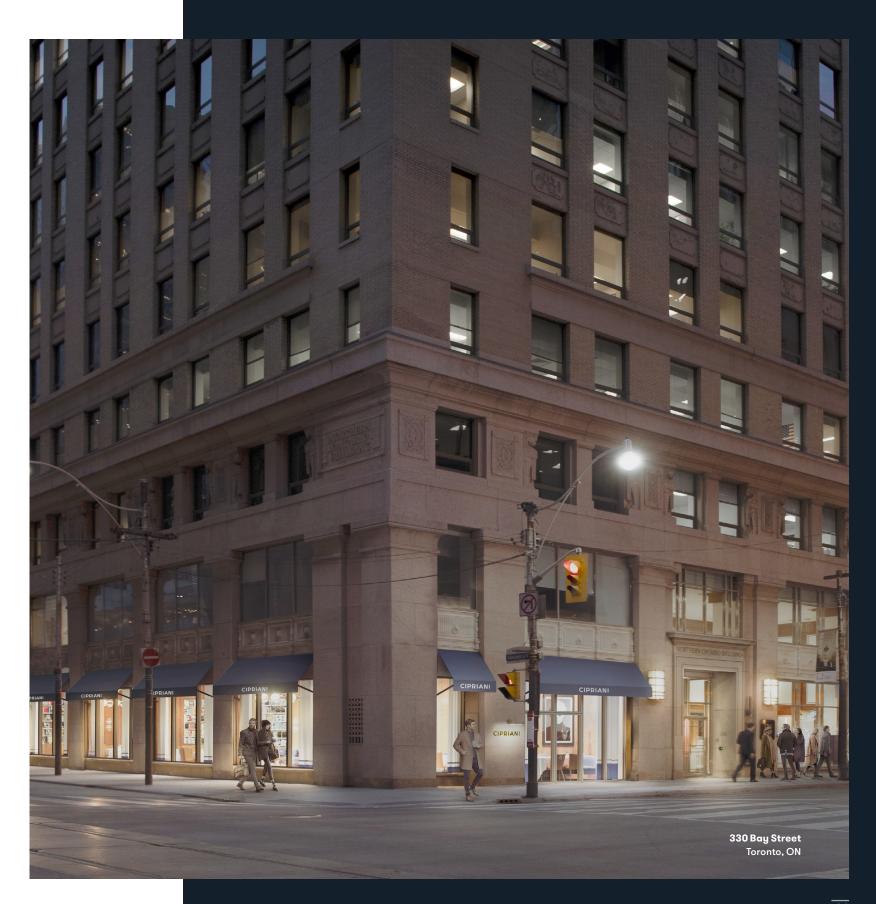
5.2 year

weighted average lease term<sup>[2]</sup>

11,000

square foot average tenant size<sup>[2]</sup>





<sup>(1)</sup> Excluding investment in joint ventures as at September 30, 2021.(2). Excluding investment in joint ventures and properties under development as at September 30, 2021.

# 2020 Highlights



Developing and maintaining high-quality, energy efficient office buildings has become a differentiator that allows us to appeal to a broader range of tenants and sustain high occupancy rates.

#### **Environmental**

# Green Lease Leader

Recognized as a Green Lease Leader (Gold) by the Institute for Market Transformation and the US Department of Energy Better Buildings Alliance in 2021

# Green Will Initiative

Joined the City of Toronto Green Will Initiative to support Toronto-based best practices for low carbon buildings and operations in 2021

28%

of GLA is sub-metered for energy consumption



### LEED Gold

certification was achieved at Sussex Centre located at 50 and 90 Burnhamthorpe Rd. West in Mississauga in 2021

# Top Reducer

350 Bay Street won BOMA Toronto's 2021 Building Challenge Top Reducer Award as part of the Beyond Earth Hour Challenge

# 26 Projects

that improve energy efficiency, water efficiency, or reduce GHG emissions were completed

### Social

\$50,823

donated to charities and NGOs in 2020

# Well Health-Safety Rating

Recognized as Canada's largest commercial portfolio to earn the WELL Health-Safety Rating in 2021

0

40%

of employees are women<sup>(1)</sup>



46%

of managers are women<sup>[1]</sup>

\$125,294

paid out towards employee tuition and professional fees<sup>(1)</sup>

# Return to Operations

plans were updated to ensure the safe return of our tenants to our buildings amid the COVID-19 pandemic

96%

employee response rate for employee engagement satisfaction survey

#### Governance





# Five Star Rating

D.UN achieved a five-star GRESB rating in its first GRESB submission

100%

of properties assessed for climate change risk as of September 30, 2021

# SUSTAINALYTICS

Top 10%

ESG Risk Rating. This represents a low risk<sup>(2)</sup>

## Developed ESG Framework

D.UN's new ESG Framework sets out the most material sustainability topics and how we are responding based on the type of asset class and specific objectives

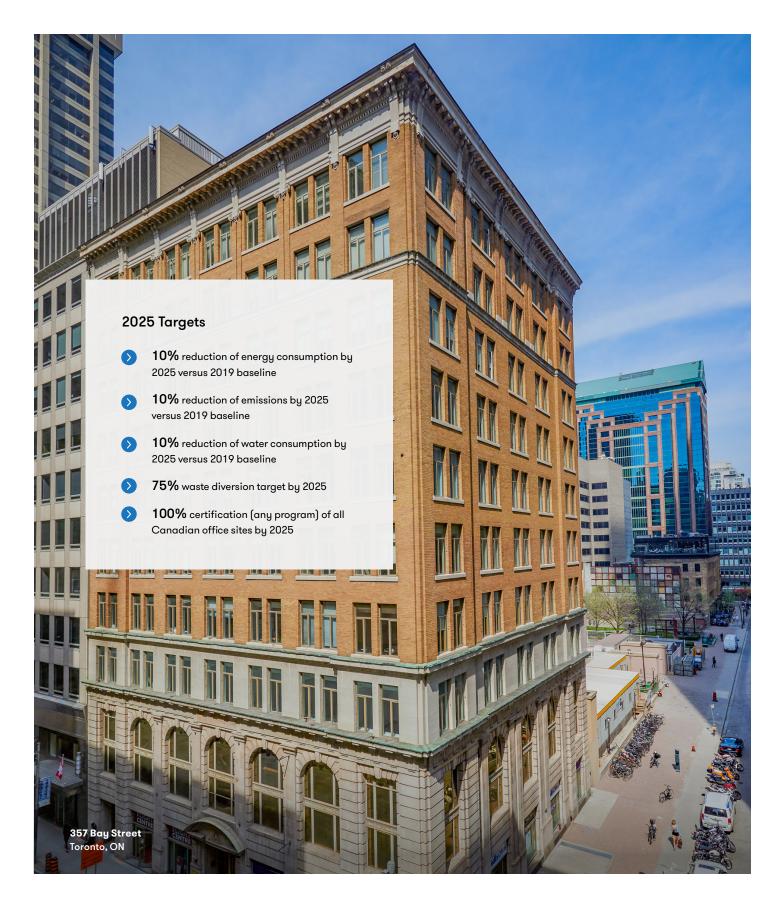
65

Includes only employees 100% dedicated to Dream Office REIT and excludes employees on unpaid leaves of absence (e.g.
permanent disability, long-term disability, parental leave) and interns.

<sup>(2)</sup> Based on 1,054 real estate companies rated by Sustainalytics globally. As of December, 2021.

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## **ESG Scorecard**



### **ESG** Scorecard

Indicator	2025 Target	2019 <sup>(8)</sup>	2020 <sup>(8)</sup>	УОУ % Change <sup>(8)</sup>	On track for target
Energy <sup>(1)</sup>					
Energy consumption (ekWh)	10% reduction of energy consumption by 2025 versus 2019 baseline	170,417,623	141,298,958 🕜	-17%	√
Energy intensity (ekWh / sq. ft.)		26.5	21.8	-18%	
GLA metered or sub-metered for energy consumption		25.7%	28%	9%	
Emissions <sup>(1)(2)</sup>					
Scope 1 emissions (tCO <sub>2</sub> e)		10,981	9,121 🕢	-17%	
Scope 2 emissions (tCO <sub>2</sub> e)		15,013	12,162 🕢	-19%	
Total GHG emissions (Scope 1 and 2; tCO <sub>2</sub> e)	10% reduction of emissions by 2025 versus 2019 baseline	25,994 <sup>(3)</sup>	21,283 🕢	-18%	√
GHG emissions intensity (kgCO <sub>2</sub> e / sq. ft.)		4.03	3.3	-18%	
Water <sup>(1)</sup>					
Water consumption (m³)	10% reduction of water consumption by 2025 versus 2019 baseline	405,633	274,097 🕢	-32%	√
Water intensity (m³/sq. ft)		0.064	0.042	-34%	
Percentage GLA separately metered or sub- metered for water consumption		2.8%	2.8%	0%	
Waste generation (4)(5)					
Waste to landfill (tonnes)		674	430	-36%	
Waste diverted (tonnes)		539	565	5%	
Total waste generated (tonnes)		1213	995 🕢	-18%	
Waste diversion	75% waste diversion target by 2025	44%	57%	30%	√
Certifications					
Percentage of portfolio that has a green building certifications <sup>(6)</sup>	100% certification (any program) of all Canadian office sites by 2025	96%	93%		√
Percentage of eligible portfolio that has an Energy Rating <sup>[7]</sup>		83%	83%		

<sup>(1)</sup> Energy, emissions and water metrics reflects all properties in D.UN's portfolio as of December 31, 2020 where D.UN pays the utility bills. Excludes developments and major renovations.

(2) GHG emissions are calculated in accordance with the World Resource Institute Greenhouse Gas Protocol. Calculations in this table capture activities Dream Office has direct and indirect operational control over:

Scope 1 emissions generated directly from its operations, including heating with Office's properties

Scope 2 emissions indirectly associated with generation of purchased electricity, heating, cooling and steam consumed by properties

(3) In the previous report, the 2019 metric was reported as 23,819 tCO<sub>2</sub>e and 4.5 kg tCO<sub>2</sub>e/sq.ft. This has been updated in this report to reflect the accurate GHG emissions and GHG emissions intensity.

(4) Data coverage represents 89% of D.UN's portfolio in 2019 and 80% of D.UN's portfolio in 2020. Reduction in data coverage is due to missing data.

(5) 100% of waste generated at Sussex Centre which is a co-owned asset by D.UN and MPCT.UN is included.

<sup>(6)</sup> Based on total GLA owned by D.UN as of June 30, 2021 representing 5.5M sq ft of portfolio including owned GLA of Sussex Centre.

(7) Represents the percentage of portfolio (based on sq. ft.) using ENERGY STAR Portfolio Manager.

(8) Each years energy, GHG, water, waste, building certification and energy rating data is based on the relevant properties owned for the full calendar year in that year.

### **How Our ESG Framework Applies to D.UN**

The following section will illustrate how we are addressing material ESG topics for D.UN and provide examples of how our business contributes positively to social and environmental outcomes.

#### ESG topics that are a key priority for D.UN are:

- Sustainable redevelopment
- ESG impact and management
- Carbon and resource efficiency

Connectivity

Valuing employees

 Innovation and technology adaptation

Health, safety, and

wellness

Tenant relationships









D.UN has committed to be net zero by 2035 for operations and new developments, including Scope 1, 2 and select Scope 3 emissions.

### **Key Accomplishments**

Within the real estate industry there is general agreement that in order for countries to meet the Paris Agreement all buildings will need to emit net zero GHG emissions by 2050. Leadership is needed to show the industry how this will be achieved sooner rather than later. In 2021, we launched our Net Zero Steering Committee and announced our net zero goals for each Dream entity.

Dream's overarching commitment to Building Better Communities requires us to address climate change. Beyond the ESG metrics and targets and impact verticals built into each of our projects, we are committed to an overall net zero approach, a thoughtful and specific approach to reducing carbon emissions in line with international standards and commitments. We look forward to sharing our net zero strategy in 2022, which will include best-in-class methodologies, science based interim targets, road-maps and reporting requirements.

In 2021, D.UN will be supporting three voluntary international initiatives to demonstrate commitment to climate action and responsible investing:



NET ZERO ASSET MANAGERS

As part of the Dream group of companies' commitment<sup>(1)</sup>, D.UN, is supporting the Net Zero Asset Managers (NZAM) Initiative, which is a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius.



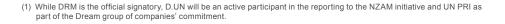


As part of the Dream group of companies' commitment<sup>(1)</sup>, D.UN is supporting the United Nations Principles for Responsible Investment (UN PRI) , which includes a group of more than 4,300 investment managers and asset owners from nearly 90 countries committed to developing a more sustainable global financial system.





D.UN became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) which provides guidance and recommendations to help companies provide better climate disclosures to support capital allocation. More than 2,300 companies support the TCFD and Dream is one of the first Canadian public real estate companies to become an official supporter.



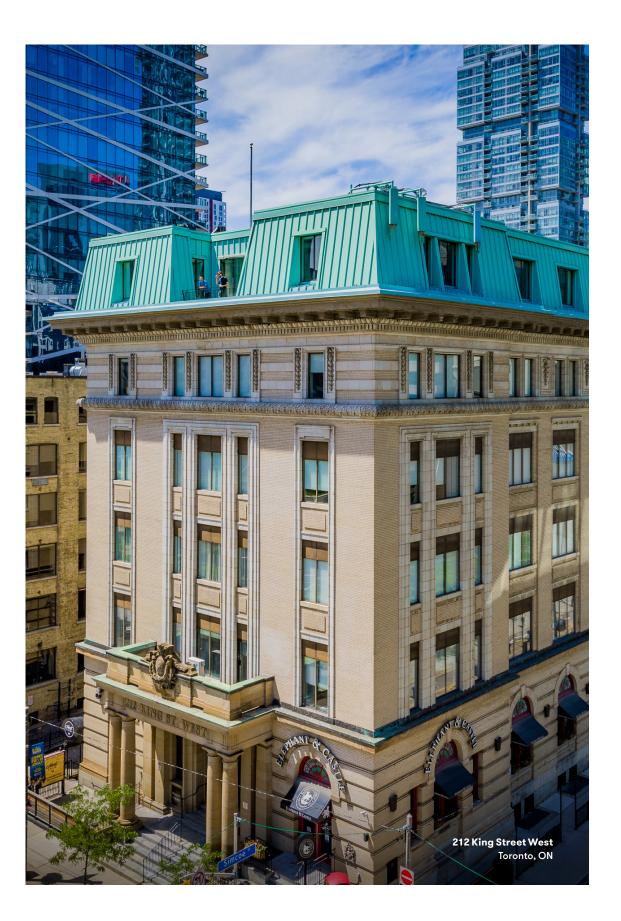


# Management Approach to ESG

Prioritizing efficient and livable buildings has always been a part of our core values at Dream that connects to our mission to Build Better Communities.

Our experience as property managers and building operators also gives us a competitive advantage in executing impactful capital planning initiatives that improve both the environmental footprint and the tenant experience. At D.UN we take pride in working to meet our environmental targets and objectives and creating inclusive, healthy spaces.

Sustainability at D.UN is guided by policies that cover activities across the value chain, including our Guide to Sustainable Building Operations, Environmental Management Handbook, Green Leases and our Tenant Sustainability Handbook and Occupant Environmental Communication Program for customer relations.



A green lease is defined as a lease with specific clauses that allow better alignment between financial incentives and sustainability goals of landlords and tenants.

Institute for Market Transformation, April 2015



214-220 King Street West Rendering
Toronto, ON

**Dream Office REIT** 

### **Environmental**

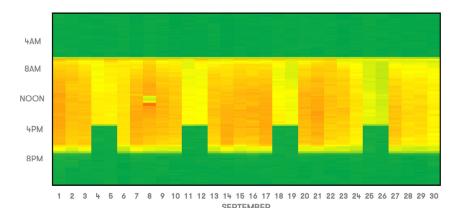
#### 2020 Performance

Due to COVID-19 and the transition to working remotely, energy and water consumption and waste generation in our office properties significantly decreased in 2020.

The decrease is partly due to fewer people working in our office buildings, resulting in less energy and water use and reduced waste generation. It is also partly due to energy and water efficiency measures put in place in our properties. These include full building lighting upgrades at most of our properties in addition to operating improvements, controls upgrades and other high efficiency equipment upgrades.

Though COVID-19 has delayed energy efficiency projects, we are diligently monitoring our environmental performance through normalization and regular audits to identify additional opportunities for energy and water savings and reductions.

#### Electricity Heat Map - 36 Toronto Street



Heat map showing hourly electricity consumption for 36 Toronto Street
Source: D.UN Monthly newsletters



#### Energy Management

We achieve energy efficiency and conservation through capital investments in technological and operational improvements, process changes and modifying occupant behaviours. In addition, we have a comprehensive energy and water tracking process that includes real-time data monitoring, utility bill reviews with data analytics and working with our property managers to ensure required improvements are completed in a timely manner. A major focus of our Sustainability and ESG Team has been on implementing technology solutions that enable real-time metering. Real-time data allows us to significantly improve the accuracy and completeness of our energy and water data. Across the portfolio, we have multiple real-time metering projects at varying stages of completion.

Where monitoring systems are in place, data insights are shared with our energy managers in monthly newsletters. The newsletters provide a snapshot of energy and water usage versus the previous year, as well as identify trends, explain drivers, and flag concerns. This information assists our teams in improving building performance by pinpointing demand spikes, identifying atypical consumption and troubleshooting efficiency challenges more easily.

#### Water Management

We aim to minimize our use of potable water and decrease water consumption where possible through fixture retrofits and efficiency upgrades. Water management plans at each building provide a framework for identifying water conservation measures, developing implementation plans and setting building targets.

In addition, we benchmark water consumption per square foot to identify areas of high consumption and conduct water audits to identify opportunities for conservation.

A key priority of our water management strategy is to deploy leak detection systems at all of our properties. Real-time data technology contributes to this effort as it allows our property managers to pinpoint abnormalities such as latenight water usage that leads to discoveries of leaks and malfunctioning equipment.

#### **Physical Climate Risks**

We conduct analysis on an annual basis to identify physical climate risks in our portfolio and assess our level of resiliency. Climate resiliency describes the actions to prepare, adapt and endure the shocks and stressors we face related to climate change. The goal of climate resilience is to reduce the likelihood and impact of a catastrophic or disruptive event on our properties and in our communities.

Using third-party climate data, we assessed the physical climate risk at each property in D.UN's portfolio against the following hazards:

Flooding

Hailstorm

Wildfire

Windstorm

Earthquake

We are committed to improving the resilience of our properties from the effects of physical climate risks. Using this analysis, we will identify specific regions and properties with increased climate risk and identify opportunities to improve resilience through ongoing capital and operations investments.

As part of the physical climate risk analysis, we have updated the flood risk and catastrophic loss risk assessment in 2021 to identify properties in our portfolio that are at risk of losses from 50, 100, 200 and 500-year floods. In our assets that were found to be in the 50-year flood zone, we are installing leak and water detection technology to alert our property managers in the event of an extreme water weather event. Our next step in this process is to develop a plan to increase resilience to flooding and water damage and ensure there are supporting emergency management and business continuity procedures in place.

As of December 31, 2020, we have implemented real-time metering in 7 properties and have 12 projects in progress with an expected completion in 2021.



**438 University Avenue** Toronto, ON

#### Number of At-Risk Assets from Flooding<sup>(1)</sup>

50-year	Floor area <sup>(2)</sup>	100-year	Floor area <sup>(2)</sup>
flood	(sq. ft.)	flood	(sq. ft.)
1	-	1	78,000
200-year	Floor area <sup>(2)</sup>	500-year	Floor area <sup>(2)</sup>
flood	(sq. ft.)	flood	(sq. ft.)
-	-	1	

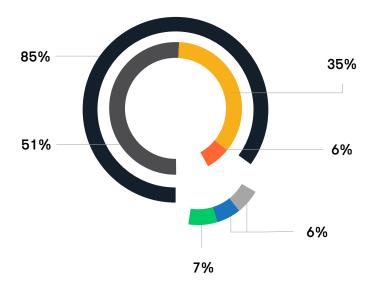
<sup>(1)</sup> Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories. Changes from 2020 are the result of acquisitions or dispositions of assets since the previous reporting year. As at September 30, 2021.

(2) Floor area square footage is based on Gross Leasable Area (GLA).

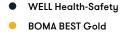
### D.UN's portfolio has an average Walk Score of 94, Transit Score of 94 and Bike Score of 80.

#### **Building Certifications**

We are proud to report that 100% of our Canadian properties over 100,000 square feet are BOMA BEST certified with operating standards requiring ongoing management of energy, water and waste. Additionally, we are raising the bar and challenging our sites to achieve a BOMA Gold Certification standard across the portfolio moving forward.



#### D.UN Portfolio Certification by Type and Level<sup>(1)</sup>



 LEED Platinum LEED Gold

**BOMA BEST Silver BOMA BEST Bronze**  Uncertified

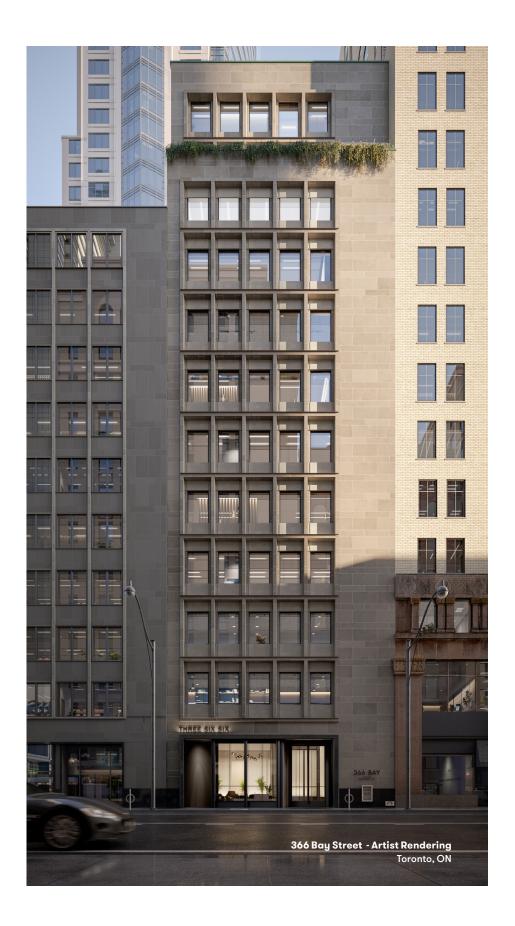
<sup>(1)</sup> Chart is based on total GLA owned by D.UN as of September 30, 2021, representing 5.5M sq ft of portfolio, including owned GLA of Sussex Centre. Properties may have more than one certification which is why the chart

### 366 Bay Street Profile

Throughout its history, D.UN has been developing in-house expertise to lower the embodied carbon footprint for new developments by re-using as much of the existing buildings as possible instead of demolishing carbon intensive materials and starting anew.

Within our ESG Framework, we call this Sustainable Redevelopment. Building off our successes at 30 Adelaide Street East and 357 Bay Street in Toronto, D.UN is taking the opportunity to revitalize its latest boutique modernist building in Toronto's financial core at 366 Bay Street. The redevelopment project will provide the latest technologies that companies and their employees want plus a sophisticated, luxury look and feel that will impress their clients and partners.

Situated in the middle of the Dream Collection buildings, 366 Bay Street will be improved with better floor layouts, improved air quality systems, and new technology for smart building applications. Dream is also actively implementing the recently announced social procurement strategy. To ensure equality in accessing opportunities for individuals and companies to do business with Dream. Additionally, by redeveloping a building from 1959, Dream is retaining in-place embodied carbon, which is significantly more efficient from a GHG emission perspective than demolishing and building new.





366 Bay Street - Artist Rendering Toronto, ON

Tearing down existing buildings to build new ones should be avoided when possible. We can have new, modern and high-performance buildings within the shell of a beautiful, historic building. This is better for the climate, community and our tenants.



Brad Keast

VP, Innovation & Development, Dream Office REIT

### BOMA Beyond Earth Hour Challenge

D.UN's 350 Bay Street was the Top Reducer of this year's Beyond Earth Hour Challenge, which saw buildings compete to reduce energy use over a 60-hour weekend period. Hosted by BOMA Toronto, the Challenge evaluated competitors in two categories: Building and Tenant. This was the second D.UN property to win an award as part of BOMA's Beyond Earth Hour Challenge. In 2020, 67 Richmond Street West won for impressive energy reductions over the earth hour weekend.



Carbon and Resource Efficiency



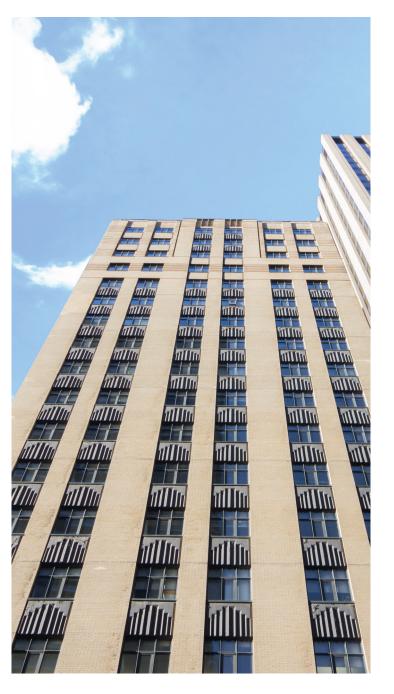


#### **Green Lease Strategy**

In 2021, Dream Office was recognized as a Green Lease Leader (Gold; highest level) by the Institute for Market Transformation (IMT) and the US Department of Energy (DOE) Better Buildings Alliance.

This accolade was achieved as a result of internal engagement efforts with Dream's legal, leasing, asset management, property management, and technical services teams. This multi-stakeholder initiative was key to developing an industry leading green lease because it allowed us to collaboratively determine the most ambitious and appropriate composition. We are grateful to the IMT and DOE to be recognized as achieving the highest level of quality with our green leases.

This achievement has prompted us to work towards changing our default lease to be a green lease. Notable clauses within our green lease include a commitment to data collection and transparency, green construction practices, and commitments related to renewable energy generation. We are beginning to see increased adoption of green leases as all new office leases and lease extensions present opportunities to shift to a green lease. We look forward to tracking and reporting on our progress in the future.



80 Richmond Street West Toronto, ON

#### Case Study

### **Smart Building Pilot**

In 2020, we continued our Smart Building Pilot project at 80 Richmond Street West in Toronto to reposition this 80-year-old asset as a technological market leader. Despite delays caused by the COVID-19 pandemic, the new Building Automation System (BAS), Smart LED lighting, upgraded tenant workplace experience app and advanced indoor air quality sensors are nearing completion. The pilot also involves modernizing the HVAC system to the latest standards and adding a variety of energy management and occupancy sensing technology features to optimize operations and improve tenant comfort. In early 2022, we expect the project to move into the testing and commissioning phase, getting real world feedback from our tenants and building operators.

The goals of this project include making the workplace better than home, leading the technological revolution, future proofing our assets, maximizing long term value, and becoming a wellness leader.

We are eager to report on the lessons learned from this pilot project and intend to use the insights as a blueprint for future integration of smart building technologies throughout our portfolio to improve sustainability performance and tenant experience.

In 2021, we will also finish developing a new Digital Transformation standard that will apply to future construction projects as well as serve as a benchmark for our existing assets. This standard includes requirements for base building networks, converged operations platforms, sub-metering and security systems as well as the outcomes from the Smart Building Pilot at 80 Richmond.

80 Richmond Street West is also currently undergoing certification under the BOMA BEST Smart Buildings program as well as WiredScore's SmartScore certification. These new certifications set a global standard for how to measure smart buildings while also guiding owners and managers on digital transformation within the built environment.



Innovation and Technology Adaptation

Carbon and Resource Efficiency

**Dream Office REIT** 

# Social

D.UN'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 and insurance.

Our employees 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.







As of December 31, 2020, the average length of service for D.UN employees is 6 years.

#### Gender Breakdown

#### Employees\*

- 40% Women
- 60% Men



#### Managers

- 46% Women
- 54% Men



#### **Executive Team**

- 0% Women
- 100% Men



\* Includes employees at all levels.

# D.UN - Employee Summary

Employee (1) (2)	Total	Men	Women	Central Canada	Western Canada
Permanent <sup>(3)</sup>	206	123	83	184	22
Contract	3	2	1	2	1
Full-time (4)	208	124	84	185	23
Part-time	1	1	-	1	-

- Includes only employees 100% dedicated to Dream Office REIT and shared services functions for the Dream entities. Excludes employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) and interns.
   Numbers represented as total headcount, not full time equivalent.

- (3) Includes permanent part-time employees.
   (4) Includes all employees with a work schedule of 35 hours or greater.

#### New Hires and Turnover Rates\*

	Total	Men	Women	Age Under 30	Age 30-50	Age 50+	Central Canada	Western Canada
New Hires [1]	31	15	16	7	19	5	27	4
Voluntary Turnover Rate <sup>(2)</sup>	7%	5%	2%	2%	4%	1%	6%	1%

- (1) Includes only employees 100% dedicated to Dream Office REIT and shared services functions for the Dream entities. Excludes employees on unpaid leaves of absence (e.g.,
- permanent disability, long-term disability, parental leave) and interns.

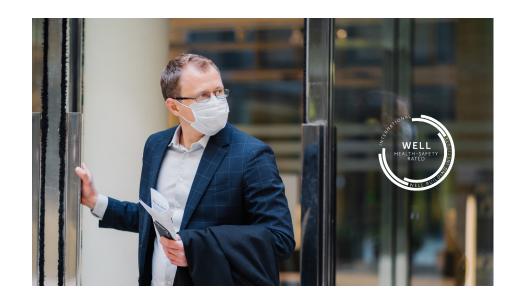
  (2) Turnover is calculated as a percentage of average employee headcount for 2020.

# Return to Operations Plans: Supporting our Tenants to Return to Work Safely

As we continue navigating the COVID-19 pandemic, keeping our tenants safe at work is our number one priority.

Over the last year, we improved tenant-facing Return to Operations plans to help ensure the safe return of tenants to our office buildings. As part of these plans, we've prepared our buildings with numerous safety measures to ensure a safe and healthy workplace for our tenants and their employees. We have implemented a variety of enhancements including increased cleaning measures, new operational safety checks, building employee PPE, HVAC upgrades, UV lights and behavioural and directional signage. We've also acquired some of North America's leading safety designations including WELL Health-Safety, and Post Promise.





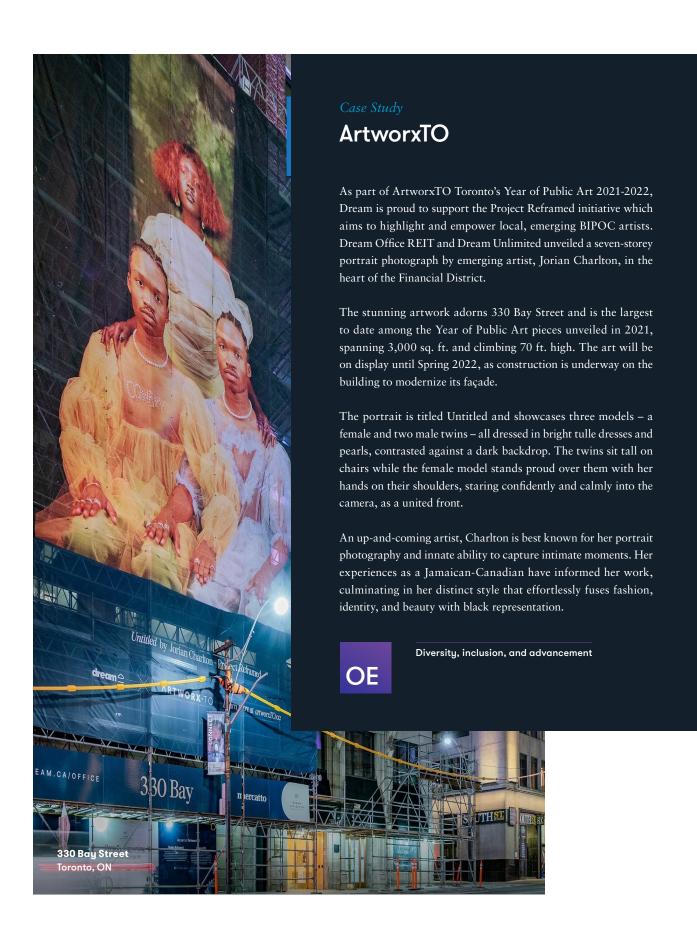
#### **About WELL**

Developed by the International WELL Building Institute and launched in June 2020, the WELL Health-Safety Rating is an evidence-based, third-party verified rating to address a post-COVID-19 environment. The WELL Health-Safety Rating helps guide users to prepare their spaces for re-entry in the wake of the pandemic, leveraging insights drawn from over 600 experts across the globe as part of the IWBI Task Force on COVID-19.

Creating healthy and positive buildings has always been a cornerstone of Dream Office's approach. Over the pandemic, this has never been more important – we have proactively made investments in new technologies and put in place extensive measures to ensure a healthy and safe return to our buildings. >>



Gordon Wadley
Chief Operating Officer, Dream Office REIT
Lead of Dream's Pandemic Response Team



#### Case Study

# UVC Light Sanitation in Elevators

As part of our Return to Operations plans, we have installed UV sanitation ventilation fans to keep people safe while using the elevators in our buildings. These units consist of a ventilation fan and fluorescent UVC lamps, which work together to continuously draw in air, treat it with UV light to kill 99.9% of viruses and bacteria and expel clean, sanitized air into the elevator.



Health, safety, and wellness











#### **Tenant Engagement**

In the past year, we have on-boarded more buildings and users onto Lane and Dream Plus, our tenant engagement platforms. In response to the need for regular pandemic-related communication with our tenants on topics such as safety protocols, we have merged Lane and Dream Plus with Angus, our work order management software. This innovative consolidation creates a more convenient experience for our tenants to assist them in making requests such as ordering additional cleaning services.

#### RiskCheck Health and Safety Services

D.UN employs RiskCheck, Canada's leading environmental health and safety risk management company to perform annual inspection for our buildings in Ontario and regular checks across all of our buildings in Canada to provide assurance that Dream complies with regional regulations related to all required aspects of health and safety. RiskCheck also supports Dream's Health & Safety teams in delivering and designing internal training programs and implementing risk management programs to mitigate any risks identified in annual inspections.

#### **Accessibility**

We make efforts to design inclusive spaces for differently abled residents/tenants/users. All commercial office space is designed and delivered to the Federal Governments most current Standards of Accommodations to provide barrier free access to a quality work environment for people with mobility challenges.

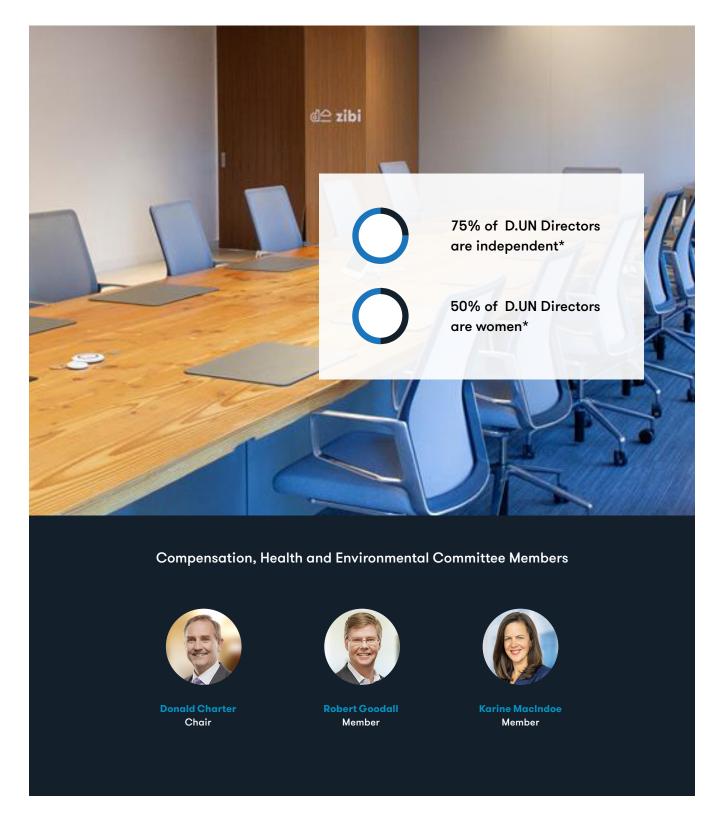
Dream Office REIT

# Governance

As part of the ESG Framework, D.UN links ESG performance to executive and employee goals and compensation.

## Sustainability at D.UN is managed by the following:

Role	Responsibilities
Compensation, Health and Environmental Committee	Provide oversight of sustainability at the Board level
	Adopt ESG Framework for each Dream entity
ESG Executive Committee	Communicate sustainability strategy and commitment across company and key external stakeholders
	Delegate implementation to D.UN's Sustainability and ESG team
	Reports to the Compensation, Health and Environmental Committee
	Oversee the implementation of the ESG Framework for each Dream entity
Head of Sustainability	Embed sustainability strategy and commitment across company and key external stakeholders
	Reports to the ESG Executive Committee on a quarterly basis
Sustainability and ESG Team	Oversee and manage portfolio sustainability initiatives, including: building certifications, energy, water and waste management and monitoring, as well as strategic initiatives
	Meets quarterly with the ESG Executive Committee
	Responsible for advancing sustainability initiatives and activities at company and property level
Sustainability Working Groups	Includes four working groups covering the following focus areas: Green Property Operations, Employee Engagement, Tenant Engagement, Reporting and Communications
	Includes representatives from central functions, regions and properties
	Each group reports monthly to the Sustainability and ESG team



\* as of December, 2021.

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# **Fact Box**



## United Nations Principles for Responsible Investment

The United Nations Principles for Responsible Investment (UN PRI) is the world's leading responsible investor collaboration. It supports its signatories to incorporate environmental, social and governance (ESG) factors into their investment and ownership decisions. Signatories commit to follow UN PRI's six principles and report annually on their progress through the UN PRI Reporting Framework. DRM, with support from D.UN, became a signatory to the UN PRI in 2021 and will report on our responsible investment activities starting in 2023.



#### Taskforce on Climate-related Financial Disclosures

In 2017, the Financial Stability Board established the Taskforce on Climate-related Financial Disclosures (TCFD) to provide guidance and recommendations on climate-related risk and opportunity disclosures. The TCFD recommendations are structured around four core reporting areas: governance, strategy, risk management and metrics and targets. More than 2,300 organizations support the TCFD. DRM, with support from D.UN, became an official supporter in 2021.

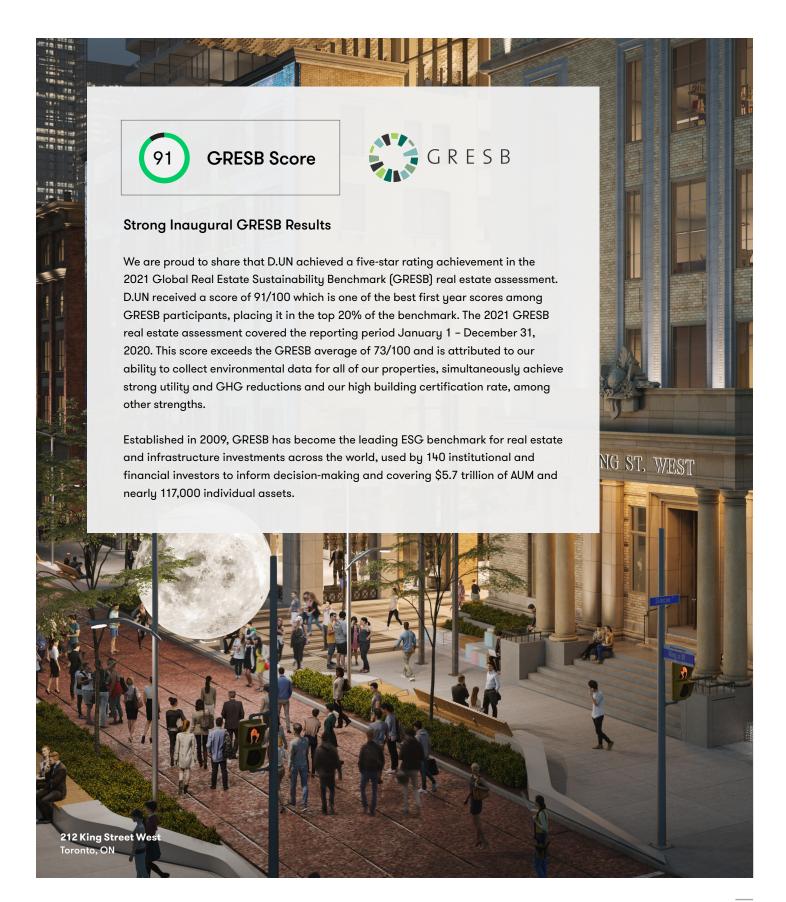
NET ZERO ASSET MANAGERS INITIATIVE

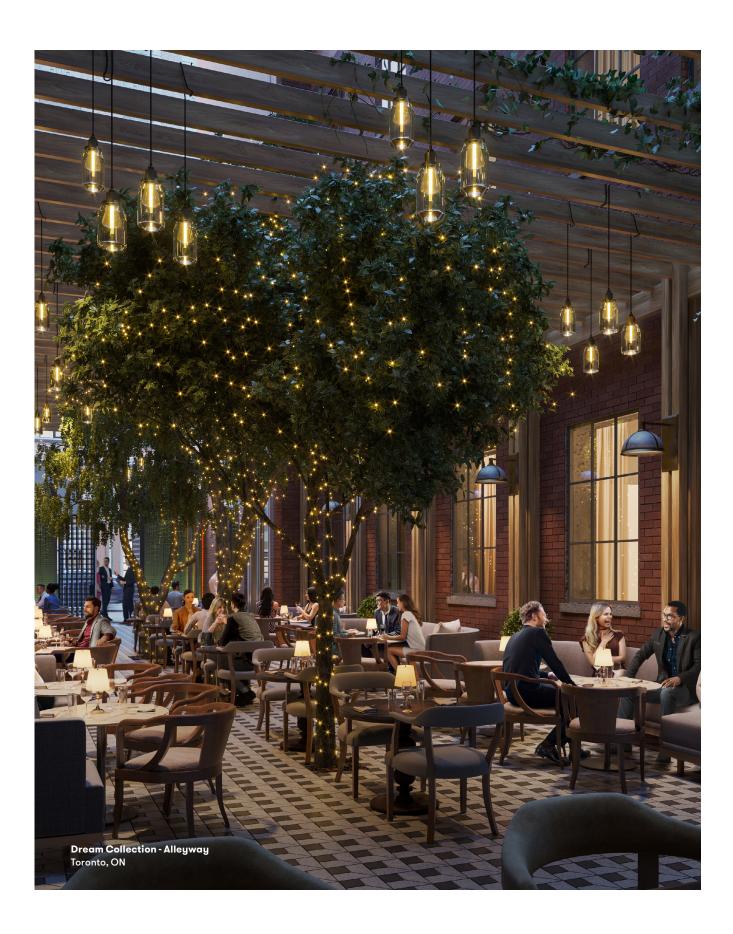
#### Net Zero Asset Manager<sup>▶</sup>

The Net Zero Asset Managers (NZAM) initiative is an alliance of global asset managers committing to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with the global efforts to limit warming to 1.5 degrees Celsius. The initiative has 128 signatories and \$43 trillion in assets under management. DRM, with support from D.UN, joined the NZAM initiative in 2021 and there are currently less than 10 Canadian signatories.



250 Dundas Street West Toronto, ON





# Forward-looking Plans

# D.UN's key priorities include:

- Track and measure our progress for green lease adoption
- Apply the Digital Transformation standard to new construction projects
- Increase measurement of our Scope 3 emissions to include business travel and tenant emissions
- Improve our GRESB score by increasing data coverage for waste, conducting more energy and waste audits and enhancing our employee satisfaction survey
- Review the outputs from the 2021 physical climate change analysis and develop plans to implement mitigation measures within the D.UN portfolio
- Enhance Tenant Sustainability Handbook and re-launch to tenants
- Conduct tenant satisfaction surveys and track and disclose response rate and scores
- Launch a new consolidated data management system to better collect, measure and track ESG and impact data across the portfolio
- Obtain verification for material ESG data



30 Adelaide Street East Toronto, ON

# Communicating Our Plan To Reach Net Zero By 2035

D.UN has committed to net zero GHG emissions by 2035 – fifteen years ahead of the Paris Agreement's 2050 goal. Over the next year we will communicate a thoughtful and specific strategy on how we will achieve this overarching goal with a detailed plan and annual milestones to reducing our Scope 1, Scope 2, and select Scope 3 emissions.

# Increasing Alignment With The TCFD Recommendations

In 2021, D.UN became an official supporter of the TCFD recommendations. We support the development of consistent climate disclosures and will develop a plan for D.UN to systematically assess climate change risk, in line with TCFD recommendations.

#### **Beginning To Fulfill NZAM Commitments**

In 2021, D.UN, as part of the Dream group of companies' commitment, committed to the Net Zero Asset Managers Initiative. D.UN has set net zero targets and in 2022, D.UN will be setting interim targets for 2030.

# **Evaluating UN PRI Readiness**

D.UN, as part of the Dream group of companies' commitment, committed to UN PRI in 2021. In 2022, we will prepare for participating in the UN PRI Reporting & Assessment Framework, starting in 2023.

Dream Group of Companies

# **Dream Industrial REIT**

Dream Industrial REIT (TSX: DIR.UN) owns, manages, and operates a global portfolio of well-located, diversified distribution, urban logistics and light industrial properties across Canada, Europe and the U.S. We have access to highly experienced, local investments and asset management platforms that have a proven track record of creating long-term value. Our strategy is to invest in high-quality assets and markets that provide growing cash flow and net asset value over the long-term to our unitholders.

\$5.3 billion

total assets<sup>[1]</sup>

39.8 million

sq. ft. of leasable floor area<sup>(1)</sup>

98%

in-place and committed occupancy<sup>(1)</sup>

221

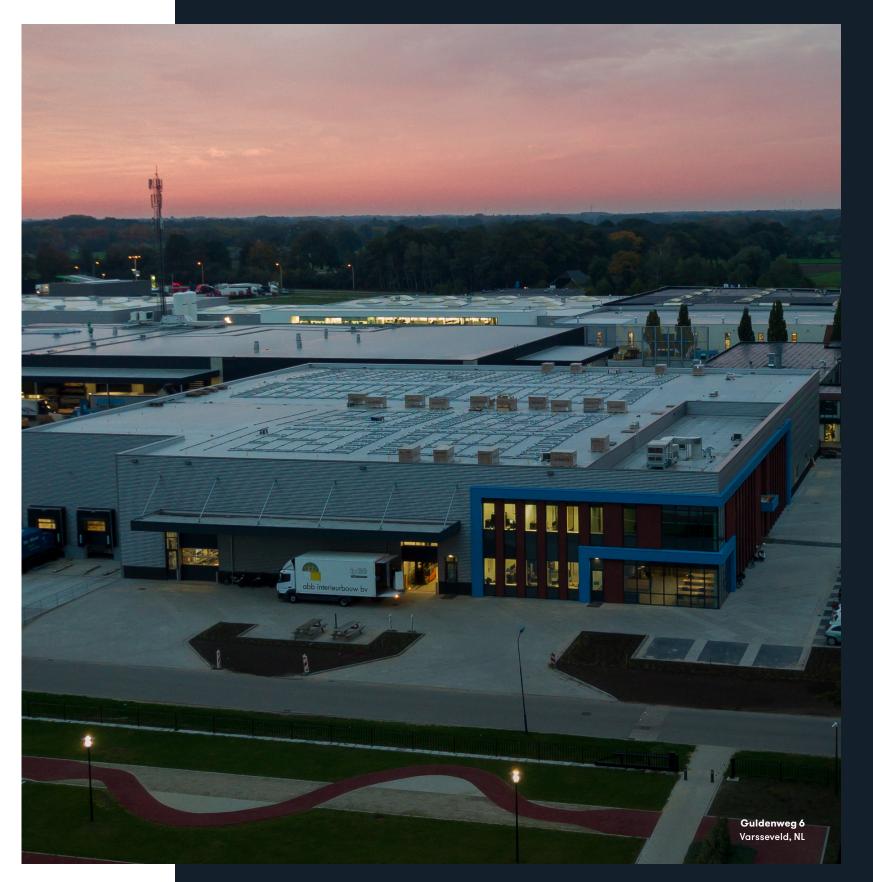
assets<sup>[1]</sup>

8

offices globally<sup>(1)</sup>

78

employees<sup>(1)</sup>



# 2020 Highlights



Our sustainability strategy enables us to establish meaningful and realistic benchmarks, measure our progress and integrate our environmental and social obligations into the ways we manage our business and create value.

# **Environmental**

# 1.2 Million

sq. ft. LED lighting upgrades<sup>(2)</sup>

# 17 MW

of potential installed solar capacity from 30+ renewable energy projects assessed for feasibility

# 2.36 Million

sq. ft. of green building certifications underway for 10 properties (including properties under development)[3]

# Green Financing

framework established to integrate sustainable finance in our capital strategy

# \$400 Million

inaugural green bond issued<sup>(1)</sup>

# 40 Assets

with energy ratings of EPC B or higher totaling 5.2 million sq. ft.

# 1.4 Million

sq. ft. of buildings with green certifications including LEED, BREEAM and DGNB added to the portfolio

# 3 MW

of installed solar capacity added at 9 properties

# Social

# **Improved**

accessibility through ramp installations and washroom upgrades at 5 buildings representing 190,000 sq. ft.<sup>(1)</sup>

# Centralized

technology platform for marketing, leasing and asset management to improve tenant relationship management

63%

of employees are women<sup>[4</sup>

of managers are women<sup>[4]</sup>

# Tenant Survey

to determine satisfaction levels and measure interest in sustainable initiatives<sup>(1)</sup>

# Protected **Employees**

by ensuring rigorous health and safety measures were taken to during the COVID-19 pandemic

96%

employee response rate for employee engagement satisfaction survey

\$34,296

paid out towards employee tuition and professional fees in 2020<sup>(4)</sup>

# Governance

# \$573 Million

available liquidity as of December 31, 2020, from deleveraging effort and proactive financing strategies

# Top 3

2021 GRESB rank for Public Disclosure among North America industrial group<sup>[1]</sup>

# **Improved**

financial resiliency by increased scale of portfolio to \$3.2 billion in 2020, further diversified portfolio and tenant mix, and achieved an investment grade credit rating significantly improving our access to capital



Top 25%

ESG Risk Rating. This represents a low risk<sup>(5)</sup>

# Developed ESG Framework

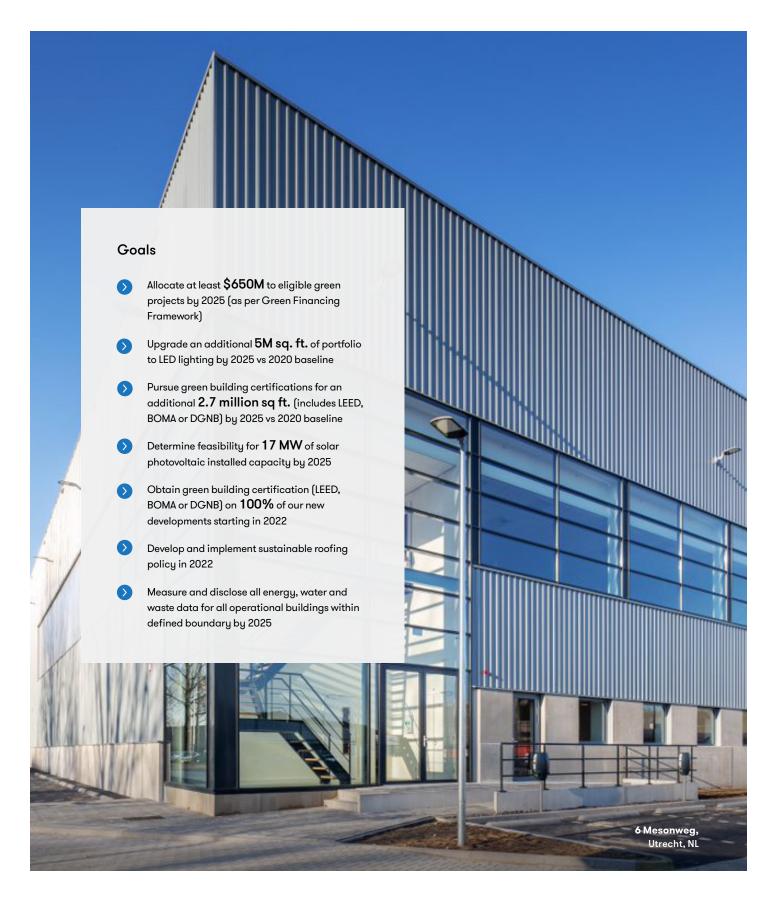
outlining key milestones and operational initiatives with executive compensation linked to ESG metrics and deliverables

100%

of properties assessed for climate change risk<sup>[1]</sup>

- (1) Occurred as of September 30, 2021.(2) Between January 1, 2020 and September 30, 2021.
- (3) Existing and forecasted building areas as of September 30, 2021.
- (4) Includes only employees dedicated to Dream Industrial REIT activities and excludes employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) and interns.
   (5) Based on 1,054 real estate companies rated by Sustainalytics globally. As of December, 2021.
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# **ESG** Scorecard



# **ESG** Scorecard

Indicator	2019(1)	2020(1)	
Energy			
Cumulative percentage of total floor area with energy consumption data coverage <sup>(3)</sup>	NA <sup>(2)</sup>	28%	
Cumulative percentage of eligible portfolio that has an energy rating <sup>(4)</sup>	<b>NA</b> <sup>(2)</sup>	25%	
Annual mWh of renewable energy produced <sup>(5)</sup>	2,507	2,975 <sup>(6)</sup>	
GHG Emissions			
Cumulative percentage of total floor area with GHG data coverage <sup>(3)</sup>	NA <sup>(2)</sup>	28%	
Water			
Annual water savings from climate-controlled irrigation (litres) <sup>[7]</sup>	15,667,000	13,331,000	
Cumulative percentage of total floor area with water consumption data coverage <sup>(8)</sup>	NA <sup>(2)</sup>	42%	2021 Year-
Building Lighting Upgrades			to-date Progress <sup>(1)</sup>
Cumulative total floor area with lighting upgrades (sq. ft.) <sup>(9)</sup>	10.8M <sup>(13)</sup>	11.4M	14.1M <sup>(10)</sup>
Green Building			
Percentage of portfolio GLA with green building classification <sup>[11]</sup>	2%	10%	17%(10)
Renewable Energy			
Cumulative on-site solar PV system capacity (kW) <sup>(5)</sup>	2,433	2,817 <sup>(6)</sup>	5,795
Cumulative percentage of total floor area with on-site renewable energy generation <sup>(5)[12)</sup>	3.7%	4.2%	5.9% <sup>(10)</sup>

<sup>(1)</sup> There has been a significant change in portfolio size in 2019, 2020 and 2021. The change is the result of acquisitions and dispositions of assets in the portfolio. Each year's

energy, GHG, water, building lighting upgrades, building classification and renewable energy data is based on the relevant properties owned for the full calendar year in that year. Metric was not calculated in 2019.

Represents percentage of total GLA under EWRB regulation and GLA representing 100% floor area of properties where DIR.UN has operational control over energy consumption including outdoor lighting and common areas.

Energy ratings include GLA representing 100% of floor area of properties with Energy Star Portfolio Manager scores and Energy Performance Certificates (EPC) ratings Includes capacity from roof-top solar PV that is leased to third parties.

Includes estimations from engineering calculations for some solar panel systems where production data was not provided

 <sup>(7)</sup> Data is based on 42 sites in Calgary.
 (8) Represents percentage of total GLA under EWRB regulation, GLA representing 100% floor area of properties where DIR.UN has operational control over water and some estimated water consumption from properties in Quebec.

Includes T5 upgrades that were completed prior to 2019. Upgrades in 2020 and beyond are LED.

<sup>(10)</sup> As of 30 September 2021 and includes portfolio under U.S. Fund at 24.5% owned share.
(11) Green building classifications include LEED (Silver, Gold or Platinum), DGNB (Silver, Gold or Platinum), BREEAM (Very Good, Excellent or Outstanding), BOMA BEST (Silver, Gold or Platinum), Green Globes (Two, Three, Four), Toronto Green Standards (Tier 2,3,4), EPC (level A or B).

<sup>(12)</sup> Represents total GLA of buildings with rooftop solar system

<sup>(13)</sup> In 2019 Sustainability Report, we reported 11.3M sq ft with lighting upgrades; this value included 2020 Year-To-Date values and prior years.

# **How Our ESG Framework Applies to DIR.UN**

The following sections in this chapter will illustrate how we are addressing material ESG topics for DIR.UN and provide examples of how our industrial business contributes positively to social and environmental outcomes.

## ESG topics that are a key priority for DIR.UN:

- Certifications
- Amenities and atmosphere
- Climate change and resilience
- Carbon and resource
- ESG impact and management
- Valuing employees
- Tenant relationships
- efficiency









DIR.UN has committed to be net zero by 2035 for operations including Scope 1 and 2 emissions and net zero by 2050 for select Scope 3 emissions

# **Key Accomplishments**

Within the real estate industry there is general agreement that in order for countries to meet the Paris Agreement all buildings will need to emit net zero GHG emissions by 2050. Leadership is needed to show the industry how this will be achieved sooner rather than later. In 2021, we launched our Net Zero Steering Committee and announced our net zero goals for each Dream entity.

Dream's overarching commitment to Building Better Communities requires us to address climate change. Beyond the ESG and impact metrics and targets built into each of our projects, we are committed to an overall net zero approach, a thoughtful and specific approach to reducing carbon emissions in line with international standards and commitments. We look forward to sharing our net zero strategy in 2022, which will include best-in-class methodologies, science based interim targets, roadmaps and reporting requirements.

In 2021, DIR.UN will be supporting three voluntary international initiatives to demonstrate commitment to climate action and responsible investing:



NET ZERO ASSET MANAGERS

As part of the Dream group of companies' commitment<sup>1</sup>, DIR.UN, is supporting the Net Zero Asset Managers (NZAM) Initiative, which is a group of international asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius.





As part of the Dream group of companies' commitment<sup>1</sup>, DIR.UN is supporting the United Nations Principles for Responsible Investment (UN PRI), which includes a group of more than 4,300 investment managers and asset owners from nearly 90 countries committed to developing a more sustainable global financial system.





DIR.UN became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) which provides guidance and recommendations to help companies provide better climate disclosures to support capital allocation. More than 2,300 companies support the TCFD and Dream is one of the first Canadian public real estate companies to become an official supporter.



<sup>(1)</sup> While DRM is the official signatory, DIR.UN will be an active participant and included in the boundary for reporting to the NZAM initiative and UN PRI as part of the Dream group of companies' commitment

**Dream Industrial REIT** 

# Our ESG Approach

DIR.UN aspires to be a market leader in sustainability.

We have a responsibility to manage and mitigate our overall impact on the environment. We recognize that sustainability and impact investing is fundamental to how we do business and is a key driver of creating long-term value for its stakeholders.

Our approach to sustainability includes increasing energy efficiency throughout our portfolio, engaging tenants, lowering operational costs and incorporating energy management initiatives into our capital expenditures.

At the property level, DIR.UN promotes energy efficiency amongst its tenants through education and awareness including coordination of energy audits with recommendations to reduce consumption and costs. As part of the asset management and investment processes, DIR.UN actively seeks to incorporate energy management initiatives into its capital plans. Sustainability initiatives that reduce resource intensity or increase building efficiency help to reduce costs for tenants and help make our buildings more leasable.

In 2020, we have taken action on many of our 2019 forward-looking priorities as described in the following sections. In 2021, we furthered our commitment to sustainability by developing an ESG action plan and road-map to enhance our ESG approach and take meaningful steps towards implementing sustainability initiatives across the business.





#### **Policy Development**

In 2021, we partnered with a third-party consultant to develop an enhanced suite of sustainability policies governing our management of capital investments, biodiversity, green building certifications, waste, sustainable procurement, and new developments. Numerous sessions were conducted to incorporate feedback from internal stakeholder teams including property management, leasing and investments.

Our updated energy conservation policy recognizes that energy consumption is an important part of lessening climate change as it outlines practices to reduce emissions and our carbon footprint.

Our new green building certification policy will enable DIR.UN to implement management practices to prioritize building efficiency, as it outlines practices to decrease operational costs, increase asset value, and ensure productivity, comfort, health, and wellbeing for occupants.

DIR.UN understands its part in minimizing the negative impact of its buildings on the environment. Our environmental policy is focused on providing holistic training to intensify in-house knowledge, and deliver the practical guidance and technical specifications necessary to identify, implement and measure sustainable improvements to our portfolio.

These new policies will serve to broaden and formalize our commitment to advancing sustainability at DIR.UN and complement our existing sustainability policies for property operations including our Tenant Sustainability Handbook, Guide to Sustainable Building Operations, and Sustainable Procurement Policy for operations staff. Providing excellent communication and guidance to tenants and operations staff is important to ensuring operational practices are aligned with our sustainability priorities and goals. Implementation of our new policies is planned for 2022.

#### **Data Collection**

Over the last year, we have employed multiple strategies to improve data coverage in our portfolio. These strategies include setting data collection requirements for our renewable energy initiatives in Alberta and Europe, setting a target for collecting data from areas under Dream's operational control and single-tenant buildings, initiating a tenant outreach strategy to expand opportunities to improve data collection and tracking, as well as hiring a consultant to engage tenants on data collection. Ontario's mandatory Energy and Water Reporting and Benchmarking (EWRB) program is an additional tool that has helped to bolster our data collection efforts for our properties in Ontario. Using these tactics, we improved data coverage by 28% from 2019 to 2020.

We are working on several initiatives to make further improvements in our data coverage including tenant education and awareness and partnering with industry leading consulting firms.

In 2021, we conducted a tenant survey to benchmark tenant sustainability priorities and goals, identify priority initiatives and assets for sustainability investments, and provide insight into opportunities to broker new sustainability-related partnerships. The majority of the respondents indicated an interest in sustainable initiatives and we will be holding feedback sessions with tenant sustainability teams to review results, develop action plans and discuss the importance of integrating energy, water and emission data collection to inform the process.

**Dream Industrial REIT** 

# **Environmental**

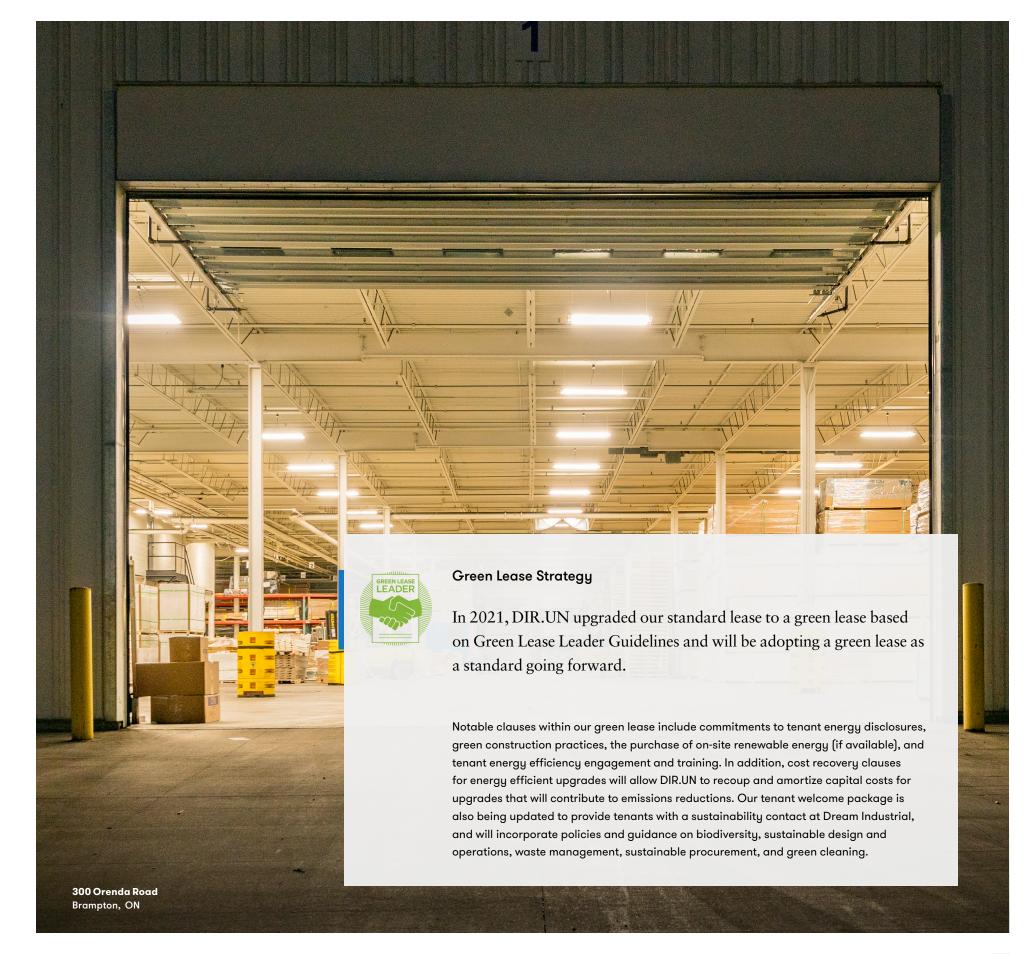
#### GHG, Energy & Water Management:

DIR.UN is actively focused on managing the carbon footprint of our buildings and pursuing energy efficiency in our assets wherever possible.

Our strategy is built on two key pillars –  $\frac{\text{data collection and portfolio}}{\text{optimization}}$ 

<u>Data Collection</u> - We are developing a robust system to efficiently collect and track energy usage and emissions data across our global portfolio. Our primary focus will be to collect, report and establish targets on emissions for which we have operational control, including company facilities and vehicles and utilities that we pay for and manage directly, such as multi-tenant exterior lighting and house meters. We will continue to focus on improving the coverage and quality of data as we collect it, which will include utility bill reviews with data analytics and the potential implementation of real-time data monitoring. In addition, we will work with our tenants to understand their energy usage and provide support to identify trends, demand spikes and efficiency challenges. By working with our tenants to understand their emissions, we will also gain valuable information to guide our strategy to improve sustainability across our portfolio.

Portfolio Optimization - DIR.UN has been developing a GHG emissions methodology to target and measure reductions wherever feasible across our global portfolio. We are utilizing several levers such as improving sustainable measures across our portfolio through energy efficient lighting, better roofing, sustainable landscaping and investments in clean power. We also strive to minimize our use of potable water and decrease water consumption where possible through irrigation monitoring and water fixture upgrades. In addition, DIR.UN continues to allocate capital towards sustainable buildings that are certified green through standards such as LEED, BREEAM, DGNB, BOMA BEST and Green Globes. We plan to further sustainable capital allocation through the usage of low carbon material in the construction of our rapidly expanding development pipeline. We have provided further details on each of these initiatives in this section.



8.5

# **Green Financing**

DIR.UN continues to allocate significant capital towards sustainable initiatives within its existing portfolio as well as towards new investment opportunities.

To efficiently facilitate this endeavor, DIR.UN has established a Green Financing Framework, which allows it to raise capital in support of its sustainable investment strategy. Under the Framework, DIR.UN, or any of its subsidiaries, may issue green bonds, green loans or other financial instruments to finance or re-finance eligible green projects that are aligned to the United Nations Sustainable Development Goals and encompass the following categories:

- Green buildings
- Energy efficiency
- Renewable energy
- Sustainable water and wastewater management
- Clean transportation
- Biodiversity and conservation
- Pollution prevention and control
- Adaptability and resilience to climate change

The Framework has been reviewed by DNV, a global leader in pioneering green, social, and sustainable financial frameworks. In addition, DIR.UN has established a Green Financing Committee which will be responsible for evaluating and approving eligible projects for green financing, in accordance with the evaluation criteria set out in the Green Financing Framework. The Green Financing Committee is a cross-departmental committee co-chaired by the COO and CFO and made up of senior executives representing the following relevant departments at DIR.UN: Finance, Sustainability and Portfolio Management. The Committee meets at least once annually to review and approve eligible projects and existing allocation of proceeds.

More Information

Dream Industrial REIT Green Financing Framework

✓



In order to allow its various stakeholders to assess its progress on its green financing program, DIR.UN will provide annual updates in accordance with the Green Financing Framework. Updates will also be available on its website until the net proceeds of any green financing are fully allocated to eligible green projects.

In 2021, DIR.UN issued a \$400 million inaugural Green Bond and is well underway in allocating the proceeds towards its sustainable investment plans. To date, DIR.UN has financed, refinanced, or completed over \$288 million of eligible green projects.

The table below summarizes the allocation of the proceeds that have been completed to date:

Green Projects Completed						
	Green-certified Buildings and EPC Labelled Buildings <sup>(1)(2)</sup>	LED Upgrades				
Canada	\$40M	\$1.3M				
Europe	\$247M	-				
Total	\$287M	\$1.3M				

<sup>(1)</sup> As of September 30, 2021.

We have identified a further \$240M of eligible green projects that are currently underway including green building certifications in our existing portfolio and investments in clean power. These eligible projects could be applied to future green bond issuances, including our second green bond for \$250M which is expected to close in early December 2021. We expect that these projects will be completed by early to mid-2022 and more eligible projects will be initiated as we expand our portfolio of green-certified buildings and commence more renewable energy installations.

#### Green Projects Currently Underway:

Green Projects Underway						
	Green-certified Buildings <sup>[1][2]</sup>	Investments in Clean Power				
Canada	\$138M	\$2.3M				
Europe	\$96M	\$2.5M				
Total	\$234M	\$4.8M				

<sup>(1)</sup> As of September 30, 2021.

<sup>(2)</sup> In compliance with the Green Bond Framework.

<sup>(2)</sup> Excludes green certifications underway for new developments and expansions.

## Renewable Energy

We are continually exploring opportunities to invest in clean power in our Canadian and European portfolios. Capital investments in solar panels provide DIR.UN with an opportunity to significantly reduce GHG emissions while creating a financially viable revenue stream. It also offers an element of cost certainty to our tenants in an unpredictable energy market. Including existing panels, we are targeting to install over 50,000 solar panels across 3.5 million sq. ft., representing over 10% of our total portfolio as of September 30, 2021.

In Western Canada, we are working with the Energy Savings for Business subsidy from Emissions Reduction Alberta to install up to 6,300 roof-top solar panels on several buildings in our portfolio. We are also progressing on a feasibility assessment of the installation of up to 31,700 solar panels in the Netherlands, pursuant to the subsidy that was granted by the Dutch government in 2020. Additional solar projects are being assessed and we will continue to seek opportunities to expand the scale of our renewable energy projects in Europe.

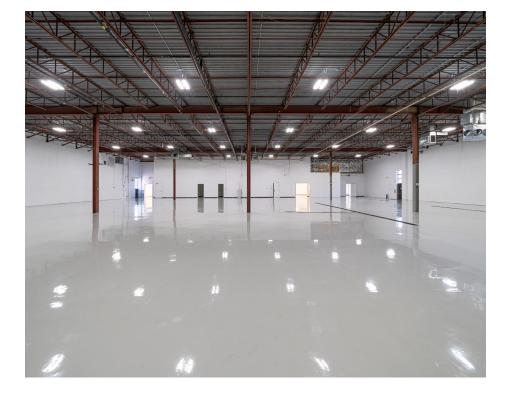


Eiffelstrasse 4 Herbrechtingen, Germany

#### Solar Panels - Estimated System Capacity (kW)

	Existing (as of Q3 2021) <sup>(1)</sup> Capacity (kW)	Under development Capacity (kW)	<b>Planning</b> <sup>(2)</sup> Capacity (kW)	<b>Total</b> Capacity (kW)
Canada	3,102	1,668	1,189	5,959
Europe	2,693	2,401	11,905	16,999
Total Capacity (kW)	5,795	4,069	13,094	22,958

- (1) Existing in Canada and Europe includes solar capacity that is leased to third parties.
- (2) Projects identified under planning are in feasibility assessment phase as of Sept 30, 2021; not all projects may proceed due to feasibility.



**5380 Timberlea Boulevard** Mississauga, ON

#### LED

Lighting is one of the most significant and consistent sources of energy consumption and utility costs in our portfolio. LED (light emitting diodes) lights require substantially less energy, have a longer lifespan, produce less heat and provide more illumination than conventional lighting such as incandescent bulbs. DIR.UN is focused on transitioning our interior and exterior lighting to LEDs. We continue to optimize opportunities to upgrade lighting when tenants renew or when space is returned to us.

In addition, we have commenced an outreach program to increase tenant awareness of the environmental and financial benefits of LED technology and provide them with an opportunity to upgrade lighting during their lease term. Our 2021 tenant survey identified that more than 80% of the respondents are interested in pursuing LED retrofits on their premises, which demonstrates that our LED outreach program has been very well received. DIR.UN is committed to improving energy efficiency through lighting retrofit projects.

In 2021 we established a target to upgrade one million sq. ft. of GLA to LED in the year. We are tracking to meet our 2021 target, a total of 705,000 sq. ft. of GLA was upgraded to LED lighting during the first three quarters of 2021.

#### **LED Upgrades**

	2019	<b>2020</b> <sup>(2)</sup>	2021 YTD
LED Upgrades (in sq ft) <sup>(1)</sup>	631,259	556,000	704,738
LED Upgrades (in \$) <sup>(1)</sup>	643,885	604,000	683,614

- (1) The above indicators exclude LED retrofits for external areas of the building.(2) Note: Upgrades completed in 2020 were lower than average due to adherence to COVID-19
- Note: Upgrades completed in 2020 were lower than average due to adherence to COVID-19 public health restrictions during lockdown periods.

# Sustainable Roofing

Sustainable roofs can both save energy consumption and produce renewable energy.

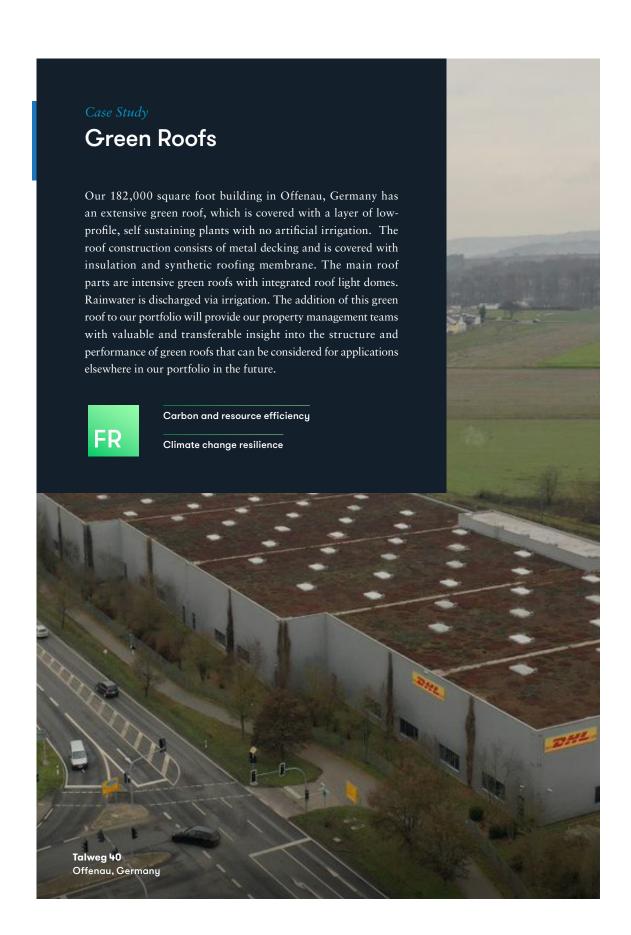
Energy savings can be achieved using properly insulated roofing systems, while white roofs save energy during the air-conditioning season by reflecting sunlight and reducing heat absorption. In addition, white roofs help mitigate heat-island effects in urban areas, reducing air pollution and global warming.

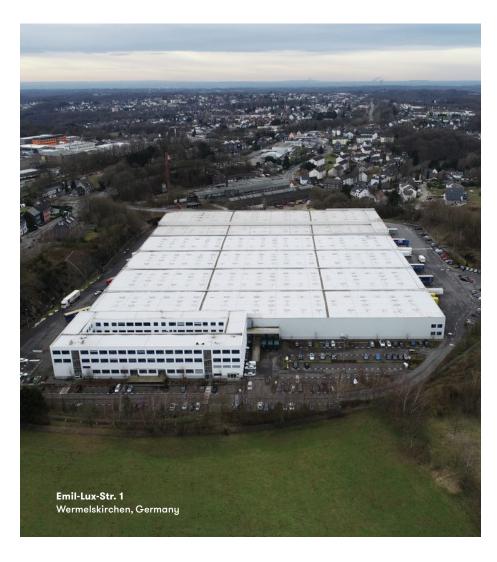
DIR.UN has integrated sustainable attributes into our standard specifications for roof repairs and replacements and is committed to identifying opportunities to improve insulation and utilize light reflecting materials in our roofing projects. Prior to commencing any major roof work, we evaluate if a building is a potential candidate for rooftop renewable energy and will adapt the roof specifications to ensure the roof is solar ready.

We intend to launch a broader roofing upgrade program in our portfolio and will be targeting to install insulated roofing systems with sustainable attributes covering over 2 million sq. ft. over the near to medium term.

# Portfolio Area with Cool Roofing (in sq. ft.) 2019 6.1M 2020 6.8M 2021 YTD 11.2M(1)

(1) Includes US portfolio at 100%.





#### **Waste Reduction**

DIR.UN aims to reduce the ecological footprint of its portfolio wherever feasible and actively contribute to the long-term sustainability for all our projects by taking an integrative approach. We actively seek opportunities to integrate aspects of circularity into our renovation and construction projects. In Calgary, we secured 14,000 sq. ft. of slightly used carpet that was being disposed of from a downtown office tower and installed the carpet in a show suite and several smaller tenant spaces. Our contractors in Quebec track the recycling of demolished construction materials on mid to large size projects.

# Sustainable Buildings

Green building certifications help us incorporate a range of sustainability features into our properties and provide tenants and investors with credible proof points of ESG features of buildings.

As part of our ESG action plan, we are currently evaluating the scope of work required to obtain certification on an initial set of seven buildings in Canada and Europe. We are also incorporating green certification criteria into our development strategy and are targeting LEED certification on two building expansions that are currently under construction in Canada. We are also targeting DGNB Gold on a project that is in the planning stages in Radeberg, Germany.

In addition, we are actively expanding our portfolio of green certified buildings through our investment pipeline in Canada and Europe. In 2020, we acquired over 2 million sq. ft. of buildings with an Energy Performance Certificate (EPC) rating of B or higher. In 2021, we have acquired over 3 million sq. ft. of buildings with an EPC rating of B or higher, including one building that is certified BREEAM Excellent, two buildings that are certified BREEAM Very Good and one building that is certified DGNB Gold. We also acquired a building that is certified LEED Gold.

## Certification and Energy Ratings Chart:<sup>(1)</sup>



<sup>(1)</sup> Based on assets in portfolio as of September 30, 2021. Some properties may have more than one green building certification or classification Developments underway include building expansions and new developments which are either under construction or in advanced planning

Case Study

# Green Building Certifications in Development

DIR.UN is pursuing the development of a 241,544 sq. ft. logistic center in Radeberg, Germany, intensifying excess land in our portfolio. German Sustainable Building Council (DGNB) Gold certification will be pursued and the building total performance score is projected between 65% and 85%. The building roof is being designed with the intent to install solar panels in the future. DIR.UN is planning an initial installation of two EV charging stations with the capacity to add more stations based on tenant demand. Biodiversity has been given special consideration for this project as the existing brownfield site is being redeveloped without affecting the surrounding area.





Carbon and resource efficiency

Certifications

Connectivity





# Pursuing Green Building Certifications

DIR.UN partnered with a tenant in 2021 to conduct a feasibility assessment to obtain LEED O&M Silver on a 30,000 sq. ft. building in Calgary. The feasibility assessment was successful and the certification process will be completed in early 2022. The building is outperforming buildings of similar size and occupancy, both locally and globally in water use. The certification will expand our portfolio of green certified buildings, and aligns with our tenant's sustainability goals and commitments.



Certifications



# Sustainable Development:

Dream Industrial has an active development program. Our development strategy has three key components:

- 1. New development
- 2. Intensification of excess land on our income-producing properties
- 3. Redevelopment of existing properties

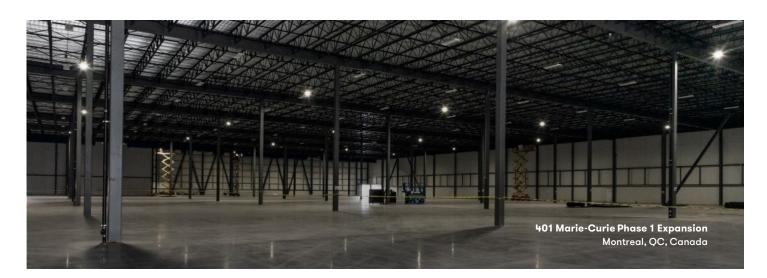
Our near-term development program is comprised of 10 intensification, new development and redevelopment projects across North America and Europe with a target GLA of approximately 3.7 million sq. ft. For additional details on our development projects, please refer to Dream Industrial REIT MD&A.

Our buildings are the largest contributor to our environmental footprint. In addition to building best-in-class, modern logistics premises that meet the requirements of our occupiers, we are pursuing industry leading building technologies with the objective to maximize the energy efficiency of our portfolio and minimize the environmental footprint from the construction process and the operation of the building following completion.

# Our approach to sustainability in our development program includes:

- Green Certifications our goal is to obtain green building certification on 100% of our new developments.
- Building Design we are pursuing modern building design elements in our development projects including:
  - High efficiency wall and roofing insulation
  - · White, cool roofing surfaces
  - Roofs structurally ready for installation of solar panels\*
  - Enhanced natural light in the warehouse through additional glazing or skylights
  - · High efficiency HVAC units
  - · LED lighting with sensor motion control
  - · High efficiency docks seals or vertical dock levelers
- Circularity of Building Materials we are actively pursuing opportunities to enhance circularity and recycling of materials on our redevelopment projects.
- Sustainable Procurement DIR.UN intends to expand its
  Sustainable Procurement Policy to include our development and
  construction projects
- Carbon Footprint we are in the process of investigating strategies and technologies to pursue carbon-neutral construction in the near future.

# DIR.UN Q3 Report<sup>↗</sup>



The table below summarizes the sustainable attributes of some of our near-term development projects that are in the advanced stages of planning and building design:



401 Marie-Curie Boulevard Montreal, QC, Canada



100 East Beaver Creek Richmond Hill, ON, Canada



Abbotside Drive Caledon, ON, Canada



Radeberg, Germany

Projects	401 Marie-Curie Boulevard	100 East Beaver Creek	Abbotside Drive	Radeberg
Project type	Intensification / expansion	Intensification / expansion	New Development	Intensification/ expansion
Construction volume	230,000 sq. ft.	44,000 sq. ft.	152,000 sq. ft.	241,000 sq. ft.
Target green building certification	LEED Silver	LEED Certified or Silver	LEED Certified or Silver	DGNB Gold
High efficiency wall and roofing insulation	√	√	√	√
Cool/white roofs	√	√	√	√
Solar ready roofs	n/a	n/a	√	√
High efficiency HVAC	√	√	√	√
LED lighting	√	√	√	√
Enhanced natural light	√	√	√	√
High efficiency dock seals	√	√	√	√

Our goal is to obtain green building certification on 100% of our new developments.

<sup>\*</sup> Targeting solar ready roofs for larger projects that pass the initial economic feasibility for solar installation

# **Physical Climate Risks**

We conduct analysis on an annual basis to identify physical climate risks in our portfolio across each of our entities and assess the level of resiliency. Climate resiliency describes the actions to prepare, adapt and endure the shocks and stressors we face related to climate change. The goal of climate resilience is to reduce the likelihood and impact of a catastrophic or disruptive event on our properties and in our communities.

Using third-party climate data, we assessed the physical climate risk at each property in DIR.UN's portfolio against the following hazards:

Wildfire

We are committed to improving the resilience of our properties from the effects of physical climate risks. Using this analysis, we will be able to identify specific regions and properties with increased climate risk and identify opportunities to improve resilience through ongoing capital and operations investments.

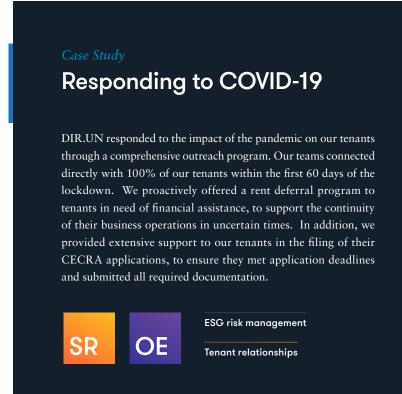
As part of the physical climate risk analysis, we have updated the flood risk and catastrophic loss risk assessment in 2021 to identify properties in our portfolio that are at risk of losses from 50, 100, 200 and 500-year floods. Our next step in this process is to develop a plan to increase resilience to flooding and water damage and ensure there are supporting emergency management and business continuity procedures in place.

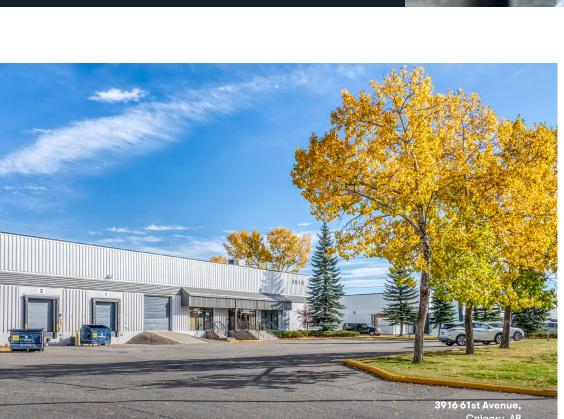
# Number of At-Risk Assets from Flooding<sup>(1)</sup>

DIR.UN

50-year	Floor area	100-year	Floor area		
flood	(sq. ft.) <sup>(2)</sup>	flood	(sq. ft.) <sup>[2]</sup>		
1	86,000	13	1,900,000		
200-year	Floor area	500-year	Floor area		
flood	(sq. ft.) <sup>(2)</sup>	flood	(sq. ft.) <sup>(2)</sup>		
17	2,400,000	14			

- (1) Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories. Changes from 2020 are the result of acquisitions or
- dispositions of assets since the previous reporting year.
  (2) Floor area square footage is based on Gross Leasable Area (GLA). As at September 30, 2021.







#### Case Study

# **Climate Controlled Water Management**

We use climate-controlled irrigation at 42 of our sites in Calgary. The system uses real-time weather data from specialized water management weather stations to automatically adjust watering based on the best horticultural practices. Water schedules are programmed to meet specific landscape needs and detailed site assessments. The system also monitors seasonal performance to analyze opportunities for efficiencies. In 2020, we conserved 13,331,000 litres of water, equivalent to five Olympic sized swimming pools.



Carbon and resource efficiency

#### Case Study

# LEED Certification Existing + Expansion

Construction is currently underway to build a 44,000 sq.ft. expansion to the existing facility located at 100 East Beaver Creek Road in Richmond Hill, with an initial target of LEED Core & Shell certification for the expansion area. The design of the building expansion contemplates each of the eight LEED categories to maximize energy performance, minimize the carbon footprint and contribute to a healthy indoor environment for the occupants. In a parallel process, DIR.UN has also initiated LEED for

Operations and Maintenance certification of the existing 110,000 sq.ft. building. At the completion of both certifications, and once the appropriate commissioning is complete, DIR.UN plans to align and advance LEED status by re-certifying the entire building to achieve LEED Silver accreditation. Our phased approach to LEED certification creates an opportunity to optimize building performance in our existing portfolio while executing our strategy to design and build sustainable developments.



Certifications





# Alveole Beehive

In 2020, DIR.UN partnered with Alveole to install a beehive at Glenmore Park in Calgary. The hive contains approximately 50,000 bees during peak season in July and early August. Alveole visits the hive every 3 weeks to monitor health and productivity and perform maintenance. Annually, each hive produces approximately 100 jars of delicious honey that we share with our tenants.

Our beehive is a unique tenant engagement tool that helps to promote positive attitudes toward protecting biodiversity in our local ecosystem.

SR

Tenant relationships

Case Study

# **EV Charging Stations**

Impact 83, a 158,000 sq.ft. property just outside the town of Duiven, Netherlands currently has 42 EV charging stations installed that are used by our tenant's employees. The building also has an EPC label of 'A' that highlights the energy efficiency of the building. Our portfolio currently includes a total of eleven buildings with over 50 charging stations for electric vehicles. In 2021 DIR.UN used our tenant outreach program to assess if tenants would like to have access to EV charging stations in our buildings, and 65% of respondents expressed interest. Going forward, we will be expanding the number of charging stations with a program that will align with our tenants' requirements.



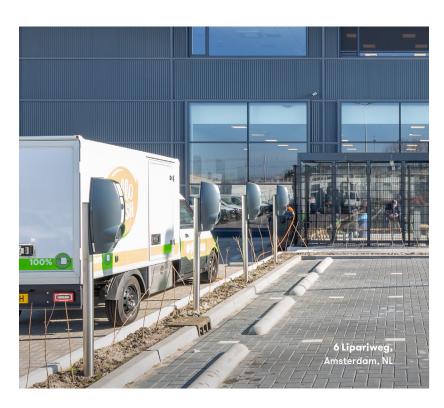


SR

Carbon and resource efficiency

Strong relationships

Certifications







# Sustainable Attributes in New Acquisitions

Sustainability plays a significant role in our capital allocation decisions including our acquisition, development, and capital expenditure programs. In 2021, we acquired assets with a broad range of sustainable attributes including 182,000 sq.ft. of green roofs with self-sustaining plants, 16 properties with bicycle storage, 11 buildings with EV charging stations, 10 properties with solar panels comprising over 3 MW of capacity, 2 properties that utilize land for grazing, and a property with a beehive.

When we evaluate potential acquisitions our due diligence process identifies a building's sustainable attributes including EV charging stations, solar rooftop PV systems, bike storage, type of roof (white and green roofs), green building certifications, physical climate risk assessment and energy performance ratings (such as EPC and ESPM). We are continually updating our due diligence policy to stay current with technological advances in sustainability and regulatory requirements to ensure that we identify all existing sustainable attributes as well as opportunities to improve sustainability in the future.

OE

ESG and impact management

ESG risk management







#### Case Study

# Renewable Energy in Alberta

In 2020, DIR.UN commissioned feasibility assessments on over 10 properties in Alberta to assess the viability of installing roof-top solar PV systems. We are partnering with our tenants to provide them with the opportunity to purchase zero-emission energy to power their operations. We have commenced two of the projects in 2021, and the remaining projects are in the final phase of review, with a total potential system capacity of 2.9 MW.





Tenant relationships

Carbon and resource efficiency



**Dream Industrial REIT** 

# Social

DIR.UN's success as an organization comes from our strong and diverse workforce.

Over the past year, we have developed many initiatives and programs to support our employees during this challenging time. We are committed to promoting the highest standards of social responsibility throughout our organization and aim to improve the lives of everyone who works at Dream.

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.







As of December 31, 2020, the average length of service for DIR.UN employees is 4.7 years.\*

#### Gender Breakdown\*

#### **Employees**

- 38% Women
- 62% Men



#### Managers

- 61% Women
- 39% Men



#### Executive Team\*\*

- 34%\* Women
- 66%\* Men



- \*\* Includes employees at all levels.
- \*\* Executives of Dream Industrial are employees of Dream Asset Management Corporation however the CFO of DIR.UN is a woman, while the CEO and

# **DIR.UN - Employee Summary**

Employee <sup>(1)(2)</sup>	Total	Men	Women	Central Canada	Western Canada	Europe
Permanent <sup>(3)</sup>	78	30	48	53	25	0
Contract	2	0	2	2	0	0
Full-time <sup>(+)</sup>	80	30	50	55	25	0
Part-time	0	0	0	0	0	0

- (1) Includes only employees 100% dedicated to Dream Industrial REIT and excludes employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental
- leave) and interns.

  (2) Numbers represented as total headcount, not full time equivalent.
- (3) Includes permanent part-time employees.
   (4) Includes all employees with a work schedule of 35 hours or greater per week.

#### New Hires and Turnover Rates\*

	Total	Men	Women	Age Under 30	Age 30-50	Age 50+	Central Canada	Western Canada	United States	Europe
New Hires <sup>(1)</sup>	11	7	4	3	7	1	8	3	-	-
Voluntary Turnover Rate <sup>(2)</sup>	9 %	5%	4%	3%	3%	3%	8%	1%	-	-

- (1) Includes only employees dedicated to Dream Industrial REIT and excludes employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave
- (2) Turnover is calculated as a percentage of average employee headcount for 2020.

# **Employee Engagement Survey**

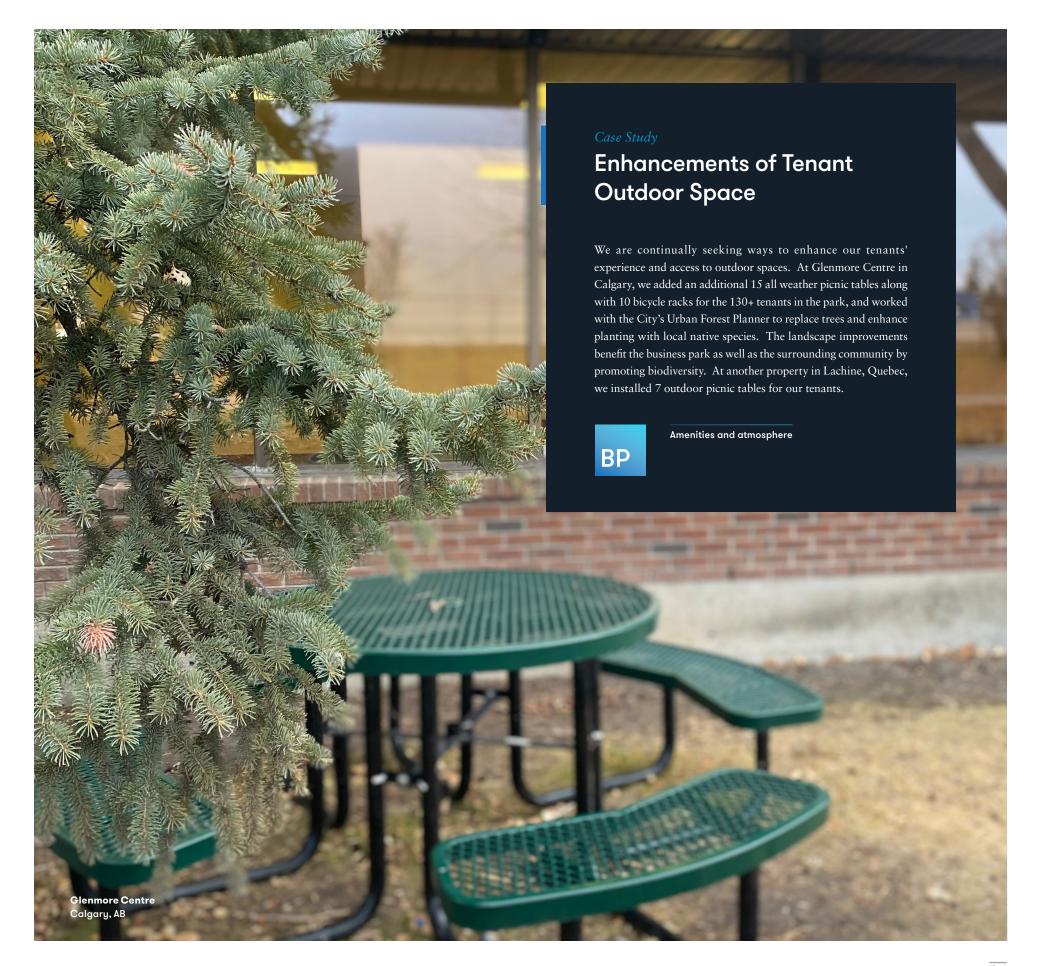
In 2021, as part of an initiative pursued by the entire Dream Group of Companies, we conducted an employee engagement survey to better understand employee satisfaction across a variety of topics.

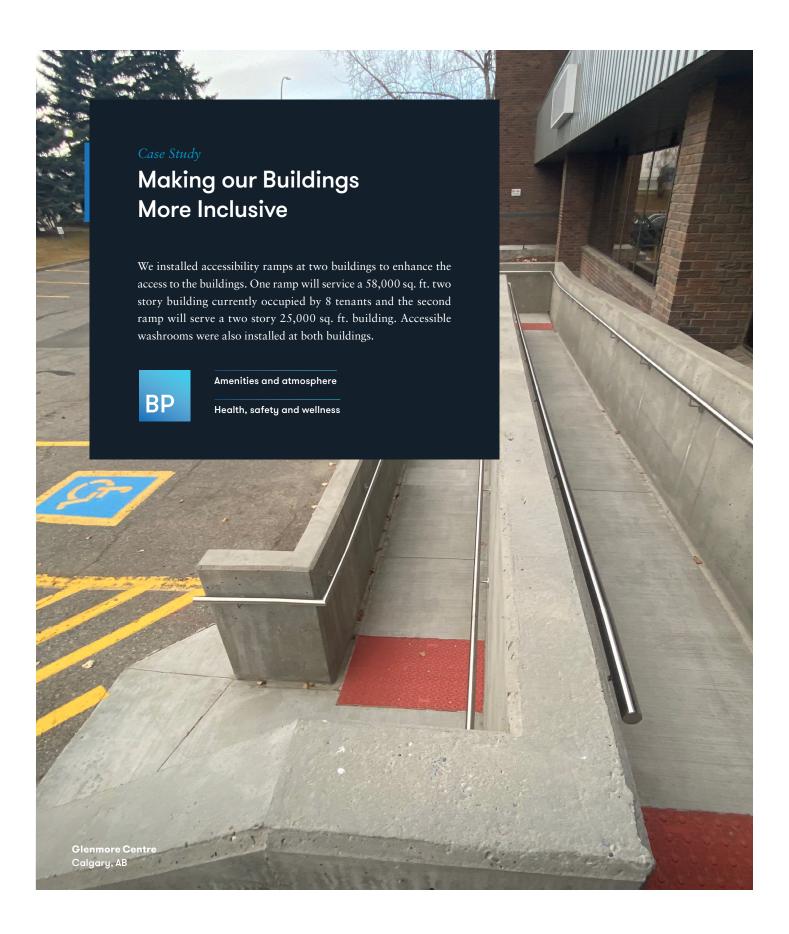
The survey was deployed by Great Place to Work® Canada, as part of our certification process to be recognized as a Great Place to Work®, and we achieved an 86% participation rate. The Great Place to Work® certification is based upon the following factors:

- The level of trust that employees have in leadership
- The level of pride employees have in their jobs
- The extent to which employees get along with colleagues

The survey results provided our People & Culture team with meaningful insights regarding employees' satisfaction with our benefit program and leadership's communication throughout the pandemic. For example:

- 84% of respondents agreed that "the organization's current health benefits program (Medical, Dental, Employee Assistance Plan, Telemedicine, Health Spending Accounts, League etc.) meets or exceeds my needs"
- 97% of respondents agreed that "Leadership has been keeping us informed of the emergency measures' impact on the business during the COVID-19 pandemic"
- 96% of respondents agreed that "Leadership has kept me wellinformed of measures being taken by the organization to protect employees during the COVID-19 pandemic"





# **Tenant Engagement Survey**

DIR.UN conducted a tenant engagement and satisfaction survey in 2021 to benchmark and enhance tenant satisfaction.

Sustainability-related questions have been incorporated into the survey to help us to better understand tenant sustainability preferences, identify priority assets for sustainability investments, such as rooftop solar and EV charging stations, and provide insight into opportunities to broker new sustainability-related partnerships. As part of this process, we are holding feedback sessions with tenant sustainability teams to discuss results and develop action plans.

#### Of the respondents:

- 71% have shown interest in using renewable energy for their energy requirements. Dream Industrial's progress in roof top solar projects and continuous research and analyses on other sources of renewable energy will address the interest of our tenants in getting access to cleaner forms of energy.
- 80% are interested in pursuing LED retrofits in their premises, which will inform our LED retrofit planning.
- **64%** of respondents have expressed interest in green building certifications, which we will align with our green certification program for our portfolio.
- 55% are interested in installing EV charging stations at their buildings.

The insights gathered from the survey will inform DIR.UN's ESG strategy and create opportunities to align tenant requirements with improved operational efficiencies. Going forward, DIR.UN will continue to conduct annual tenant surveys and will incorporate the results into our sustainability and portfolio management practices.



#### **Tenant Service**

Our management team and staff are committed to providing customer service excellence and continually improving the quality of our services through efficient property management, value-added services for our tenants and capital improvements to our assets. Our top priority is providing a physical environment that contributes to the well-being of our tenants and the success of their business. An important part of our success is our vertically integrated property management operations, which includes tenant services and property operations, lease administration accounting and reporting, and in-house construction management and leasing capabilities. We also provide tenants with a webenabled response system, dreamplus, that puts them in control of their needs with the ability to submit and monitor service requests online. Updates that we issued to our tenants during the pandemic were communicated through dreamplus.

**dream**plus



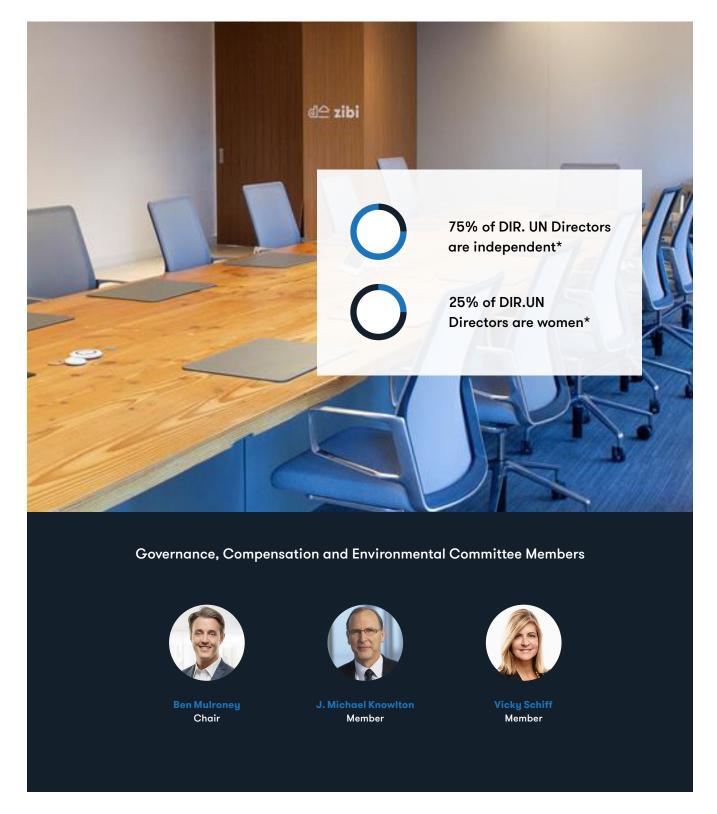
**Dream Industrial REIT** 

# Governance

As part of the ESG Framework, DIR.UN links ESG performance to executive and employee goals and compensation.

## Sustainability at DIR.UN is managed by the following:

Role	Responsibility
Governance, Compensation and Environmental Committee	Provide oversight of sustainability at the Board level
	Adopt ESG Framework for each Dream entity
ESG Executive Committee	Communicate sustainability strategy and commitment across company and key external stakeholders
	Delegate implementation to each entity's sustainability and ESG team
	Report to the Governance, Compensation & Environmental Committee
Green Finance Committee	A cross-departmental committee co-chaired by the COO and CFO and made up of senior executives representing the following departments at DIR: Finance, Sustainability and Portfolio Management
	Established to provide oversight of DIR.UN's Green Bond Framework and to identify sustainable financing options
Sustainability and ESG Team	Oversee and manage portfolio sustainability initiatives including building certifications, energy, water and waste management and monitoring, as well as strategic initiatives
	Meet quarterly with the Sustainability Executive Committee
Sustainability Working Groups	Responsible for advancing sustainability initiatives and activities at company and property level
	Includes four working groups covering the following focus areas: Green Property Operations, Employee Engagement, Tenant Engagement, Reporting and Communications
	Includes representatives from central functions, regions and properties
	Report monthly to the Sustainability and ESG team



\* as of December, 2021.

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#### **Dream Industrial REIT**

# Financial Risk and Resilience

We significantly improved the strength of our balance sheet and our financial resiliency in 2020.

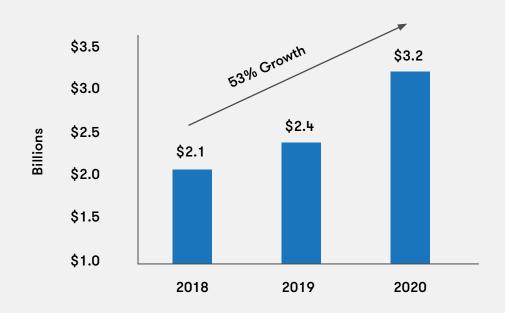
We increased the scale of our portfolio in 2020 to \$3.2 billion, and further diversified our portfolio and tenant mix.

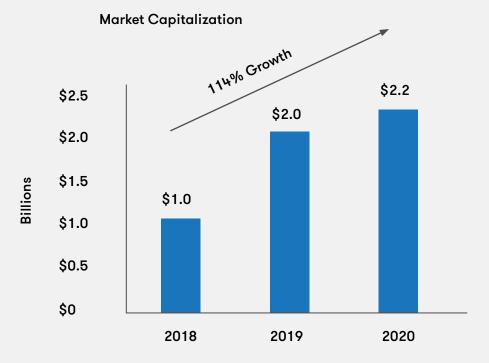
We increased our unencumbered asset pool from \$100 million or 3.3% of total assets at the end of 2019 to \$1.4 billion or 41% of assets at the end of 2020.

In 2020, DIR.UN achieved an investment grade credit rating significantly improving our access to capital.

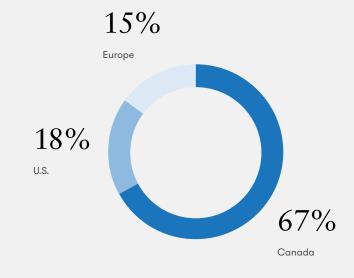
As of December 31, 2020, our available liquidity amounted to \$573 million as a result of our deleveraging efforts as well as our proactive financing strategies. We have a comprehensive insurance program benchmarked regularly against peers and other public entities of our size and scale.

# Investment Property Value

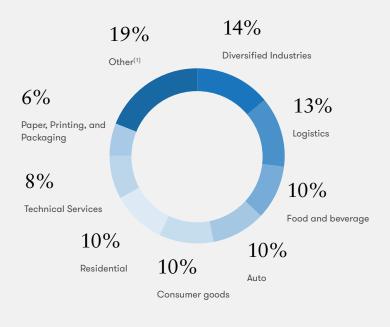




## **Investment Properties by Region**



## Industry Exposure by Annualized Gross Rent



(1) Comprising of 15 sectors each representing 5% or less.

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# Operational Risk and Resilience

We advanced our assessment of the physical climate risk in our portfolio, including an update of the flood risk analysis and catastrophic loss risk assessment which was discussed earlier in this section.

We have implemented policies and Board oversight to ensure we operate in a reputable, fair, ethical and inclusive manner. Policies include our Corporate Code of Conduct, Diversity & Inclusion and Advancement Commitment, along with regular training and lunch & learn sessions for all employees.

We have a robust Disaster Recovery Plan which is reviewed and updated regularly to ensure that our systems can be recovered and our employees can work remotely in the event of a disaster.

#### Cyber Security

Dream is committed to cyber security and privacy through a combination of regular security awareness activities and use of next-generation protection technologies. Our cloud strategy involves an in-depth design around user access rights which supports our data governance initiatives. We perform regular assurance activities, which include internal and third-party vulnerability scanning and assessments, in order to manage exposure and risk.

Our cyber security team monitors threats and attacks and has implemented preventative measures to ensure that all systems and employees are protected. We have a robust set of processes and procedures for incident management and resolution, supported by a cycle of continuous improvement. In addition, we have a mandatory cyber-awareness training program for all employees which ensures that they can detect and report malicious behaviour.



#### **Profile: Sustainability Working Groups**

Across the Dream group of companies, we are committed to establishing and implementing sustainable practices.

It is a valued part of our culture and work for our staff to be involved in our sustainability efforts. To achieve our goals, we support four employee-led working groups that each lead the implementation of our activities and champion aspects of our sustainability efforts.



#### **Employee Engagement**

By hosting social activities, organizing personal development programs and arranging inter-office competitions, the Employee Engagement works group works to raise awareness of sustainability practices throughout the Dream group of companies. The group encourages employees to understand and support commitments to sustainability, and measures progress, objectives, and activity effectiveness.



#### **Green Property Operations**

The DIR.UN Green Property Operations group is responsible for integrating environmental sustainability in property operations. With input from across the regions we operate in, the working group supports the development and rollout of policy, programs, guidelines and tools to manage projects for energy, water, and waste management, procurement, leasing and marketing, and tenant engagement.



#### **Tenant Engagement**

Through the leadership provided by our Tenant Engagement team, DIR works with tenants to share what Dream is doing to improve sustainability within our assets. The team supports tenants' efforts to increase sustainability by working with sustainability committees and/or internal green committees to ensure that their sustainability efforts are supported. The group hosts activities to encourage tenants to be environmentally conscious, identify areas where efforts need further support and works to ensure high levels of satisfaction with the services provided.



#### Sustainability Reporting & Communications

Reporting and communicating our sustainability commitments, both internally and externally, are imperative to ensuring our success in reaching our Dream group of companies' sustainability goals. This entails sharing information through newsletters, promoting DIR.UN's efforts at conferences, increasing data and disclosure on DIR.UN's website and publishing an annual external sustainability report.

# **Fact Box**



#### United Nations Principles for Responsible Investment 7

The United Nations Principles for Responsible Investment (UN PRI) is the world's leading responsible investor collaboration. It supports its signatories to incorporate environmental, social and governance (ESG) factors into their investment and ownership decisions. Signatories commit to follow UN PRI's six principles and report annually on their progress through the UN PRI Reporting Framework. DRM, with support from DIR.UN, became a signatory to the UN PRI in 2021 and will report on our responsible investment activities starting in 2023.



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In 2017, the Financial Stability Board established the Taskforce on Climate-related Financial Disclosures (TCFD) to provide guidance and recommendations on climate-related risk and opportunity disclosures. The TCFD recommendations are structured around four core reporting areas: governance, strategy, risk management and metrics and targets. More than 2,300 organizations support the TCFD. DRM, with support from DIR.UN, became an official supporter in 2021.

NET ZERO ASSET MANAGERS INITIATIVE

# Net Zero Asset Manager

The Net Zero Asset Managers (NZAM) initiative is an alliance of global asset managers committing to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with the global efforts to limit warming to 1.5 degrees Celsius. The initiative has 128 signatories and \$43 trillion in assets under management. DRM, with support from DIR.UN, joined the NZAM initiative in 2021 and there are currently less than 10 Canadian signatories.



# Forward-looking Plans

DIR.UN will continue to focus on executing its ESG action plan and road-map. Our key priorities include:

#### **GRESB 2022**

In 2022, we will evaluate our readiness to participate in the GRESB Real Estate Assessment by conducting a comprehensive GRESB diagnostic and opportunity assessment.

#### **LED Retrofit Projects**

DIR.UN is committed to improving energy efficiency through lighting retrofit projects. In 2021, we established a target to upgrade one million sq. ft. of GLA to LED in the year. We are on track to meet and exceed our target. We will continue to measure and disclose annual LED targets for our portfolio and optimize opportunities to work with our tenants to upgrade lighting.

#### **Developments and Refurbishments**

One of DIR.UN's top forward-looking priorities is to incorporate sustainability more deeply into development processes. As DIR. UN's development pipeline grows, the organization is entering the planning phase on several new developments. Numerous re-development projects are also planned or underway. We will evaluate feasibility of green building certification for every development with the goal to obtain sustainability credentials for the vast majority of the projects. Our new sustainability policy for developments and refurbishments will guide this work.

#### **Data Collection and Analytics**

Improving data collection will continue to be a top priority for DIR.UN. In the coming year, we will continue to expand our data coverage, as well as invest in increasing our analytical capabilities to facilitate the establishment of sustainability KPIs and emissions targets. In addition, we will expand and refine the scope of sustainability metrics that are gathered during due diligence. This will help us to identify sustainable attributes that create opportunities to pursue green certification post-acquisition.

## **Green Property Operations**

DIR.UN will continue to integrate sustainability into our capital program. Our commitment to sustainable capital investments will focus on lighting upgrades, more efficient roofs and sustainable landscaping practices at our building sites. We will also pursue more green building certifications in the current portfolio including BREEAM, DGNB, BOMA and LEED certifications. We are currently evaluating demand for EV charging stations and will put a program in place in 2022. DIR.UN will continue to work with our tenants and key stakeholders to identify and initiate additional sustainable projects through our green property operations program.

#### Capital Investments in Clean Power

Following the installation of solar panel projects in Canada and the Netherlands in 2021, DIR.UN will continue to explore renewable energy opportunities and government incentives to increase our portfolio of renewable energy.

#### **Policy Execution**

In 2021, DIR.UN will implement the policies that have been drafted governing our management of capital investments, biodiversity, green building certifications, waste, sustainable procurement, and new developments. These policies will be incorporated into our Tenant Sustainability Handbook, Guide to Sustainable Building Operations, and Sustainable Procurement Policy to ensure that day-to-day operational practices are aligned with our commitment to sustainability.

#### **Green Financing**

Financing proceeds of the \$400 million inaugural Green Bond and future green bonds will be allocated, in accordance with the Green Financing Framework, to projects which may include green buildings, energy efficiency, renewable energy, sustainable water and waste-water management. Our capital strategy will continue to incorporate green financing opportunities when assessing future debt requirements.



Stevinlann 4
Ede, Netherlands

As One of the Dream Group of Companies, DIR.UN is Committed to:

# Communicating our Plan to Reach Net Zero by 2035

DIR.UN has committed to net zero GHG emissions by 2035\* – fifteen years ahead of the Paris Agreement. Over the next year we will communicate a thoughtful and specific strategy on how we will achieve this overarching goal with a detailed plan and annual milestones to reducing our Scope 1, Scope 2, and select Scope 3 emissions.

#### **Beginning to Fulfill NZAM Commitments**

In 2021, DIR.UN, as part of the Dream group of companies' commitment, committed to the <u>Net Zero Asset Managers</u> Initiative. DIR.UN has set net zero targets and in 2022, DIR.UN will be setting interim targets for 2030.

#### **Evaluating UN PRI Readiness**

DIR.UN, as part of the Dream group of companies' commitment, committed to the UN PRI in 2021. In 2022, we will prepare for participating in the UN PRI Reporting and Assessment Framework, starting in 2023.

# Increasing Alignment with the TCFD Recommendations

In 2021, DIR.UN became an official supporter of the TCFD recommendations. We support the development of consistent climate disclosures and will develop a plan for DIR.UN to systematically assess climate change risk, in line with TCFD recommendations.

<sup>\*</sup> DIR.UN commitments include net zero by 2035 for operations including Scope 1 and Scope 2 emissions and net zero by 2050 for select Scope 3 emissions.

# Supplemental ESG Disclosure

Entity	Category	Topic	Content	
Dream Group of Companies	Governance	Business ethics	Board Diversity Policy	DRM Board Diversity Policy MPCT.UN Board Diversity Policy D.UN Board Diversity Policy DIR Board Diversity Policy
•			Bribery & Corruption Policy and Programs	DRM Disclosure Policy MPCT.UN Disclosure Policy
			Code of Conduct	DRM Code of Conduct MPCT.UN Code of Conduct D.UN Code of Conduct DIR Code of Conduct
			Disclosure Policy	DRM Disclosure Policy MPCT.UN Disclosure Policy D.UN Disclosure Policy DIR Disclosure Policy
			Diversity, Inclusion & Advancement Commitment	DRM Diversity Inclusion & Advancement Commitment / D.UN Diversity Inclusion & Advancement Commitment / DIR Diversity Inclusion & Advancement / DIR Diversity Inclusion & DIV Diversity Inclusion &
			Charters and policies link	DRM Charters & Policies MPCT.UN Charters & Policies D.UN Charters & Policies DIR Charters & Policies D
			Majority Voting Policy	DRM Majority Voting Policy MPCT.UN Majority Voting Policy D.UN Majority Voting Policy DIR Majority Voting Policy
			Whistleblower Policy	DRM Whistleblower Policy MPCT.UN Whistleblower Policy D.UN Whistleblower Policy DIR Whistleblower
	Social	Alternative transportation		Dream's corporate head office is in the heart of downtown Toronto, within a five-minute walking distance from both King and Queen subway stations. The office is also within a 15-minute walk to Union Station, connecting employees to commuter trains, VIA rail and the Union-Pearson Express. Transportation supports provided to employees include onsite bike racks, reimbursement for public transit passes (only for director-level employees and above, as well as onsite EV charging stations).
	Health and s	Employee development	Information on programs supporting degree programs and certifications for all employees	Dream supports the achievement of degree programs and certifications for all employees through providing time off and financial support. We provide up to \$2,500 for tuition reimbursement and \$500 for textbooks per calendar year, as well as reimbursement for professional designation fees. Dream is also a CPA Ontario Training Employer that allow students in the CPA program to satisfy all their CPA Practical Experience Requirements while working here.  DRM Management Information Circular MPCT.UN Management Information Circular DLN
		Health and safety	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Dream encourages all employees to promote health, safety and wellbeing in the workplace. We all must comply with laws, as written and for their intended purpose. Employees are first introduced to the Health, Safety and Wellbeing Policy and Workplace Violence, Discrimination and Harassment policy during their orientation. During orientation, employees are also instructed on how to comply with all government and legal requirements and industry standards in all jurisdictions where we operate. Dream offers many other policies that are available to employees at all times and are reviewed with each employee annually. Consistent monitoring of our Health and Safety program ensures the internal responsibility system is in practice. Incidents and accidents are tracked and analyzed using multiple data inputs. Health and safety metrics are reviewed and compared to industry standards and benchmarks. Our results are then analyzed, and an action plan is developed to mitigate the most common incidents. Joint Health and Safety Committees/Health and Safety Representatives review incident reports as well as establish and promote a safe work culture by holding regular meetings at all offices where they are required.
			Policy commitment to ensure product and service safety	Management's commitment to ongoing hazard assessment is promoted through workplace inspections, incident investigation and corrective actions. All incident reports are reported through the Incident/Injury Report Form available on the company website. During the reporting stage, the supervisor, in coordination with the Health and Safety Coordinator, will assess the scene, determine the root cause and provide any corrective actions that are needed. Management has taken on the responsibility to review all incident reports and review all Health and Safety Committee inspections and minutes.
		Local spend & taxes	As real estate owners, managers and developers, we understand the importance of taxes in creating value and contributing to the Canadian economy. Dream entities are subject to a range of federal, provincial and municipal taxes, fees, charges and levies. Below we summarize the collective amounts paid in the normal course of operations.	
			Туре	2020 Dream Entities Economic Contributions through Taxes
			2020 income taxes	\$91,286,000
			2020 property related taxes (Taxes paid on leased and owned property, school taxes, provincial/municipal land transfer tax or property registration taxes paid on the purchase of real property)	\$7,437,000
			2020 Development and other charges (Development charges/fees paid, building permits, levies and the cost of municipal services installed) 2020 People taxes (Various payroll taxes including government pension, employment insurance, government health	\$65,423,000 \$2,734,000
		Tenant surveys	costs and workers' compensation)  conduct tenant/resident satisfaction surveys	To ensure tenant / resident satisfaction, Dream regularly conducts surveys. Questions include sustainability content, response rate and scores are tracked.
		remaint aur veys	22330t terraing resident sutisfaction surveys	102

Entity	Category	Торіс	Content			
Dream Industrial REIT	Governance Whistleblower program	Whistleblower program	Number of whistleblower reports received in 2020	1		
			Types of misconduct reported in 2020	Non-financial related complaint against employee not adhering to company policy		
			Measures taken in 2020 to address misconduct	1) Discussed and reviewed company policy with employee; 2) enhanced company policy; 3) reiterated and reminded employees at impacted office of company policy		
			Metric	Units	2019	2020
Dream Impact		Energy consumption by source (ekWh) GRI 302-1	Total fuel consumption	ekWh	7,789,120	5,521,262
				GJ	28,041	19,877
			Total electricity consumption	ekWh	14,666,311	13,729,834
				GJ	52,799	49,427
Dream Office REIT	GRI 30	Energy consumption by source (ekWh) GRI 302-1 SASB IF-RE-130a.2	Total fuel consumption	ekWh	61,594,051	51,134,567
				GJ	221,738	184,084
			Total electricity consumption	ekWh	94,702,457	78,445,128
				GJ	340,929	282,402
			Total steam consumption	ekWh	14,121,115	11,719,263
				GJ	50,836	42,189

# Standards References: GRI, SASB, TCFD

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GRI 102-2 Activities, brands, products, and services	Dream Group of Companies Overview/Corporate Information	6
GRI 102-3 Location of headquarters	Dream Group of Companies Overview/Corporate Information	6
GRI 102-4 Location of operations	Dream Group of Companies Overview/Corporate Information	6
GRI 102-5 Ownership and legal form	Dream Group of Companies Overview/Corporate Information	6
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GRI 303-5 Water withdrawal by source	MPCT.UN Environmental	54
GRI 305-1 Direct (Scope 1) GHG emissions	MPCT.UN Environmental	54
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GRI 102-18 Governance structure	MPCT.UN Governance	61
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GRI 302-1 Energy consumption within the organization	D.UN Environmental	69
GRI 302-3 Energy intensity	D.UN Environmental	69
GRI 303-1 Water withdrawal by source	D.UN Environmental	69
GRI 305-1 Direct (Scope 1) GHG emissions	D.UN Environmental	69
GRI 305-2 Energy indirect (Scope 2) GHG emissions	D.UN Environmental	69
GRI 305-4 GHG emissions intensity	D.UN Environmental	69
GRI 306-3 Waste generated	D.UN Environmental	69
GRI 306-4 Waste diverted from disposal	D.UN Environmental	69

# Standards References: GRI, SASB, TCFD

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# Forward Looking Information

#### **Non-IFRS Measures**

Dream's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this Sustainability Report, as a complement to results provided in accordance with IFRS, Dream discloses and discusses certain non-IFRS financial measures, including: assets under management, unencumbered assets, and available liquidity, as well as other measures discussed elsewhere in this Sustainability Report. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Dream has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to comparable metrics determined in accordance with IFRS as indicators of Dream's performance, liquidity, cash flow and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS Measures" section in Dream Unlimited's MD&A for the three and nine months ended September 30, 2021, "Non-GAAP Measures" section in Dream Office's MD&A for the three and nine months ended September 30, 2021, and "Non-GAAP Measures" section in Dream Industrial's MD&A for the three and nine months ended September 30, 2021.

#### Forward-Looking Information

Certain information in this Sustainability Report may constitute "forward-looking information" within the meaning of applicable securities legislation. Such statements include, but are not limited to, statements with respect to certain objectives of Dream Unlimited, Dream Office, Dream Industrial and Dream Impact (collectively, "Dream" or the "Dream Entities") and strategies to achieve such objectives: statements relating to the sustainability goals of each of the Dream Entities, including their target to achieve net zero greenhouse gas emissions by 2035 and continuing to publish their annual sustainability report and other publications in respect of sustainability matters; the various degrees involvement of the Dream Entities with initiatives related to environmental, social and governance ("ESG") matters, including the United Nations' PRI Reporting and Assessment Framework, the Taskforce on Climate-related Financial Disclosures, the Impact Management Project, the Global Impact Investing Network, the Net Zero Asset Managers Initiative, and the Operating Principles for Impact Management; expectations regarding portfolio occupancy, units under development, and the development pipeline of the Dream Entities; and statements relating to ESG initiatives, metrics and targets for each of the Dream Entities. Such statements also include, (i) with respect to Dream Unlimited, benchmarking energy use at all facilities, reducing energy and water consumption, and identifying opportunities for employees in all Dream Entities to contribute to sustainability; its intention to conduct regular tenant surveys and track and report responses; increasing its use of green and impact leases, linking ESG performance to executive goals and compensation, and enhancing the impact framework of Dream Impact; achieving carbon neutrality for Arapahoe Basin by 2025; increasing its focus on impact investing; and implementing its social procurement program; (ii) with respect to Dream Impact, the continuous enhancement of its impact management system; the expansion of its green leases program into impact leases, which are expected to be implemented in 2022; the implementation of its social procurement strategy, with progress reports to begin in 2022; its goal of achieving certain 2025 environmental targets (including 10% total reduction of energy consumption, 10% total reduction of emissions and 10% total reduction in water consumption); expectations regarding the implementation of the ZCU District Energy System at Zibi and its generation of zero carbon heating and cooling, as well as it becoming the first thermal system in North America to use post-industrial energy recovery in a master-planned community; expectations regarding the development, sustainability and affordability of West Don Lands; and Dream Impact's plan to continue implementing tenant education measures regarding energy conservation; (iii) with respect to Dream Office, its focus on tracking and measuring progress for green lease adoption; its goal of achieving certain 2025 environmental targets (including 10% total reduction of energy consumption, 10% total reduction of emissions and 10% total reduction in water consumption; achieving green building certifications for 100% of its portfolio); its intention to improve its GRESB score through certain measures; its goal of reducing energy use, water use and greenhouse gas (GHG) emissions, including by implementing enhanced technology, monitoring, measurement and verification of data solutions; its expectation to continue conducting and disclosing results of tenant satisfaction surveys, and enhance Dream Office's Tenant Sustainability Handbook; and its intention to review outputs from its 2021 physical climate change analysis and develop plans to implement mitigation measures within its portfolio; (iv) with respect to Dream Industrial, its intention to increase the environmental efficiency of its portfolio through operating initiatives, tenant engagement, and by improving data collection and analytical capabilities; its plan of further incorporating sustainability into development processes, including green building certifications, and to implement sustainable upgrades and retrofits in properties, including lighting and roofing retrofits and EV charging stations; its intention to implement sustainability policies and its plans to further pursue sustainable financing options including green bonds, and investments in clean power; its intention to conduct a diagnostic and opportunity assessment to evaluate readiness to participate in the GRESB Real Estate Assessment; and its goal of developing a plan to increase property resilience to flooding and water damage, including ensuring that emergency management and business continuity procedures are in place. Forward-looking information generally can be identified by words such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "seek", "strive", "plan", "target", "project", "forecast", "budget" or "continue" or similar expressions suggesting future outcomes or events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Dream Entities' respective control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. The assumptions, which may prove to be incorrect, include, but are not limited to, assumptions with respect to each of our markets, including that the general economy remains stable; the gradual recovery and growth of the general economy continues over the remainder of 2021 and into 2022; that no unforeseen changes in the legislative and operating framework for our business will occur: that we will meet our future objectives, priorities and growth targets; that we receive the licenses, permits or approvals necessary in connection with our projects; that we will have access to adequate capital to fund our future projects, plans and any potential acquisitions; that we are able to identify high quality investment opportunities and find suitable partners with which to enter into joint ventures or partnerships; that we do not incur any material environmental liabilities; that interest rates remain stable; there will not be a material change in foreign exchange rates; conditions within the real estate market remain consistent; and competition for and availability of acquisitions remains consistent with the current climate.

Although the forward-looking statements contained in this Sustainability Report are based on what the Dream Entities believe are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Factors or risks that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, the risk of adverse global market, economic and political conditions and health crises; risks inherent in the real estate industry; risks relating to investment in development projects; impact investing strategy risk; risks relating to geographic concentration; risks inherent in investments in real estate, mortgages and other loans and development and investment holdings; credit risk and counterparty risk; competition risks; environmental and climate change risks; risks relating to access to capital; interest rate risk; the risk of changes in governmental laws and regulations; tax risks; foreign exchange risk; acquisitions risk; and leasing risks.

All forward-looking information in this Sustainability Report speaks as of December, 2021. The Dream Entities do not undertake to update any obligation to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions and risks and uncertainties is contained in the Dream group of companies' filings with securities regulators, including their latest annual information forms and MD&As. These filings are also available at Dream Unlimited's, Dream Office's, Dream Industrial's and Dream Impact Trust's websites at www.dream.ca, www.dreamofficereit.ca, www.dreamindustrialreit.ca, and www.dreamimpacttrust.ca