

APPRECIATING THE ENVIRONMENT



THE ART OF SUSTAINABILITY

Buildings are an integral part of our society – and they are much more than just shelter. They are places people call home, places where people run their businesses and places where people interact and socialize, creating their own communities. While buildings are so important to the way we live, they need to be sustainable in order to minimize the harm they may have on the environment. We at Morguard believe that by working together with our employees, management, clients, residents and tenants, we have the power to bring about positive change. That's why we are committed to identifying and implementing innovative programs and measures that will ensure that the way we do business – and the standard of the properties we produce – will contribute to the development of a sustainable world.

– Morguard



RESPONSIBLE

MANAGING

in the age of COVID-19. |

ADVOCATING

for sustainable real estate. |

CREATING

sustainable returns. |

PARTNERING

to achieve sustainable properties. |

SUPPORTING

our communities. |

EMPOWERING

our people. |

LEADING

by example. |

ABOUT

Morguard. |

+

Special Report: Adapting to Challenges Posed by COVID-19

The worldwide health crisis profoundly affected all of us at Morguard, advancing our commitment to successfully managing our properties and focusing on the lives, health and safety of our employees, tenants, residents and guests.

Pandemic Response

To adapt to the challenges of COVID-19, we activated our Crisis Management Team and made certain that all critical support plans were updated. To comply with all health and safety measures, we enhanced our operations strategies and created a series of communications to engage our employees, residents, tenants, guests and visitors. To further protect our employees, we redefined our workplace to allow for remote work and to provide additional safeguards for those who remained at the sites delivering vital services to our tenants and residents. To make sure our employees and their families were supported, we extended benefits and provided more flexible working hours. To ensure the continuity of our business, we strengthened our data security, enhanced the tracking of performance data and paused select capital investment projects.

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

New Days. New Ways.

This year, we implemented a high-impact North America-wide initiative that supported the health and safety of our employees, residents, tenants and customers. The *New Days. New Ways.* program provided the tools, resources and information needed to navigate the changes necessitated during the COVID-19 health crisis.

**INFORM, PROTECT
AND MANAGE**

ADVOCATING

Objective: Using Our Voice to Communicate Our Passion for Sustainable Real Estate

We are an organization that is passionate about building a sustainable society. We proudly believe in environmental stewardship and contributing to the community – and this deeply influences all of our activities throughout North America.

Internally, we use our voice to ensure our management, employees, shareholders, residents and tenants are helping us achieve the major objectives of Sustainable Morguard and, in turn, increase the performance achievements we can share in our sustainable reporting. Externally, we continue to engage in dialogue with organizations that specialize in megatrends and key issues, and are driving sustainable change. We elicit best practices through discussions and encourage responsible business methods of operation by our real estate industry colleagues worldwide.

Organizations we participate in include:

REALpac



**WE LEVERAGE OUR NETWORKS
AND INTERACT WITH ASSOCIATIONS
TO EXPLORE INNOVATIVE
SUSTAINABILITY SOLUTIONS**

Objective: To Make Responsible Property Investments

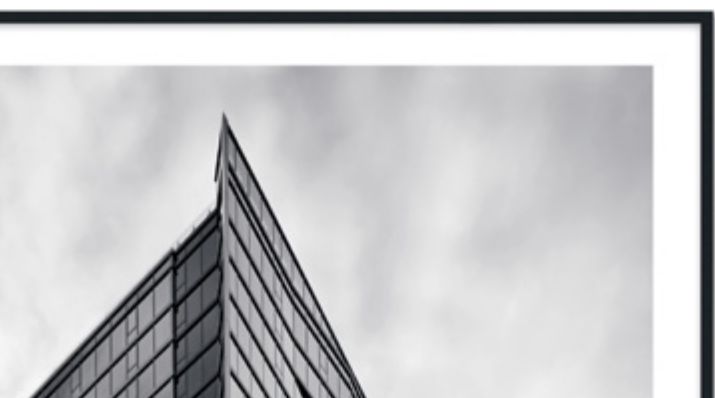
As good corporate citizens, we go beyond traditional financial and physical analysis when we are considering property investments. We also look at how our investment will impact the environment and our stance on social and governance issues. During the property acquisition process, we assemble a team to perform environmental analyses to find potential risk and minimize our exposure and identify opportunities to improve performance.

We work with our investment partners to deliver on their responsible investment and sustainability programs. To keep these programs top of mind we make certain that sustainable information is embedded in our business property plans covering areas such as property performance benchmarks and green building certification objectives. Environmental, social and governance considerations are continually factored into our decision-making processes. It is our way of ensuring investment strategies and opportunities align with our sustainability principles, adding value to our real estate assets.

Achievements in 2020: Enhanced Reporting, Improved Data Integrity and Better Accountability

- Advanced our commitment to sustainability management and performance
- Obtained further insight into climate risk
- Reviewed climate change mitigation and resiliency best practices
- Reviewed management and application of programs focused on occupant engagement
- Analyzed opportunities to increase engagement with valued stakeholders
- Enhanced targeted data tracking of property performance metrics to help with decision-making during the pandemic

INCREASED COLLABORATION WITH INTERNAL AND EXTERNAL STAKEHOLDERS ON PROJECT POLICIES



Objective: To Reach Net Zero

By working towards Net Zero we reduce our impact on the environment, while adding value to our real estate portfolio. We leverage our various partnerships to help identify, recommend and implement cost-saving sustainability initiatives that deliver positive returns and protect or enhance asset value. Sustainability is particularly important in our sector, considering that the Global Alliance for Building and Construction has reported that globally, buildings and building construction account for 35% of energy use and 38% of carbon dioxide emissions.

Partnering with our various stakeholders allows us to operate our buildings in alignment with innovative building solutions that lower costs and reduce our environmental footprint. To this end, most of our Canadian properties are supported by our proprietary GREEN LINK program, which engages our tenants to help target resource efficiency, waste reduction, and interior environmental quality. This engagement creates value and is vital to achieving additional external green building certification.

Our numerous achievements and certifications clearly demonstrate that we are among the sustainability leaders in our industry, working hard to manage our facilities with efficiency in mind. These external certifications validate that we are using sustainability initiatives to enhance property value and reduce emissions and operating costs, thereby increasing our potential to attract and retain tenants who see Morguard as a partner in their own sustainability journey.

Building Awards, Recognition and Achievements

14	LEED Certified
60	BOMA BEST Certified
12	BOMA Green Building Awards
19	FRPO Certified Rental Buildings
30	Green Key Hotels
12	ENERGY STAR Properties



Etobicoke Wellness Centre achieves LEED Silver Certification

2020 Performance Highlights for Canadian Commercial Portfolio

Compared to 2019 New Baseline

-8.3%

LESS ENERGY
USAGE

-11.1%

LESS GREENHOUSE
GAS EMISSIONS

-28.2%

LESS WATER
USAGE

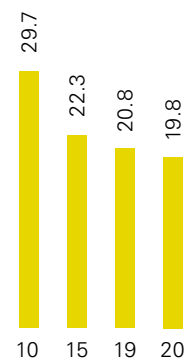
-6.1%

WASTE
DIVERSION

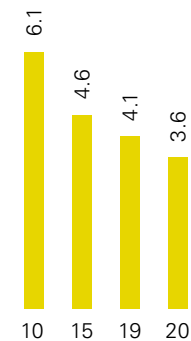
OUR COMMITMENT TO SUSTAINABILITY HAS PROVEN TO BE SUCCESSFUL

Office and Retail Building Performance Progress from 2010 to 2020

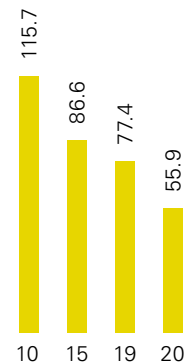
Energy Intensity
(ekWh/SF/yr)



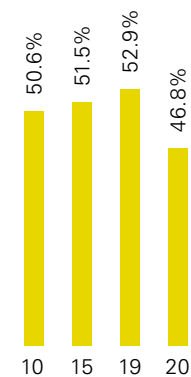
Emission Intensity
(tCO₂e/1000 SF/yr)



Water Intensity
(L/SF/yr)



Waste Diversion Rate



Our Building Performance 2020

In 2020, patterns of usage across our various asset classes changed due to the COVID-19 pandemic, as many people increased their time spent at home rather than in offices, and visited properties only for essentials or subject to government-mandated restrictions. This impacted the amount of water and energy used as well as the amount of waste and emissions generated.

2020 Performance by Asset Class

Change between 2019 and 2020

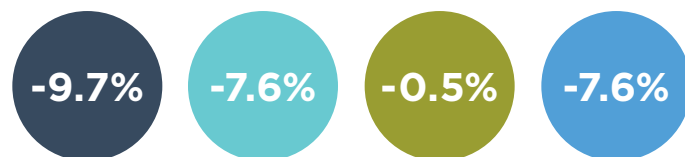
● Retail ● Office ● Multi-suite Residential ● Industrial

**WE HAVE DEMONSTRATED
SOLID ENVIRONMENTAL
PERFORMANCE RIGHT
ACROSS THE BOARD**

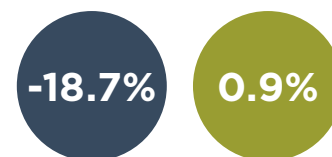
Energy Consumption

(ekWh)

Canada



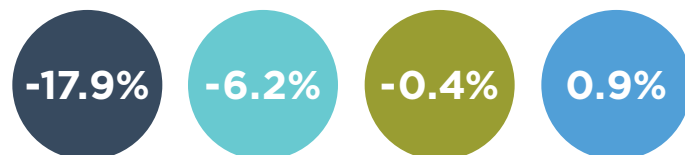
U.S.



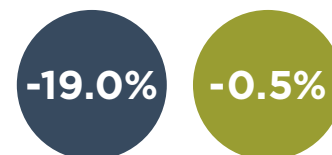
Greenhouse Gas Emissions

(tCO₂e)

Canada



U.S.



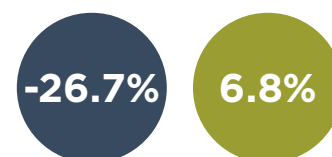
Water Consumption

(m³)

Canada

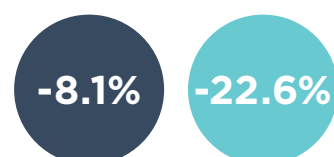


U.S.



Waste Diversion Rate

Canada



SUPPORTING

Objective: To Impact Communities Through Sustainable Development

Social responsibility is woven into all we do at Morguard. As a real estate owner, manager, developer and tenant, we recognize that we have a significant impact on the communities in which we operate and a unique responsibility, as a member of the community, to contribute to their sustainability.

Through a commitment to sustainable development, we can have a direct and positive impact on our communities. From applying leading building standards and attaining green-building certifications to minimizing environmental impacts and holding transparent community consultation processes, we seek to make the communities we operate in better for all – now and in the future. We have practised this philosophy right from the start. It is not only good business, but it also enhances our public relations efforts, mitigates related risks, reduces costs and, ultimately, ensures that our properties add value to our communities.



**ONE PLANET IS ABOUT
LOOKING AHEAD – FOR
OUR COMPANY, OUR
RETAIL CENTRES AND
OUR COMMUNITIES**

A Socially Responsible Movement Designed to Power Existing Initiatives

A social movement, driven by our Retail Property Group at enclosed malls across Canada, designed to power existing initiatives and minimize our environmental impact, OnePlanet will help us achieve our sustainability goals by consolidating a number of initiatives into one vision. OnePlanet involves us taking earth-friendly steps that will allow us to make a significant contribution to the sustainability of the communities in which we operate, work and live, by engaging our customers in adopting our vision.

OnePlanet consumer-directed initiatives include a “say no to plastic” campaign, a bee protection program, a fashion recovery/textile exchange, mindful market for earth-friendly products, green-up recycling effort and water diversion program.

Morguard is Active in the Community. From Coast to Coast.

Along with a host of national sustainability-related initiatives, Morguard supports regional and local efforts that are helping make our world a better place to live in.



IMPROVING PROPERTIES

ENVIRONMENTAL IMPACT

Lawson Heights Mall. This Saskatoon mall's team received a BOMA Earth Award for a sustainability program that included: the donation of building materials to Habitat for Humanity, the use of environmentally preferable fertilizers and weed control, water conservation efforts and clean transportation initiatives such as the addition of bicycle racks.



ACHIEVING LEED GOLD CERTIFICATION

The Heathview, North Tower. The first Morguard residential property to win this certification, The Heathview received perfect scores for water use reduction and construction waste management. It recycled 75% of construction waste from demolished buildings, captured rainwater to use for landscape irrigation and has a green roof to reduce heat load.



SUPPORTING POLLINATION

EFFORTS ACROSS CANADA

We believe that by incorporating beehives, naturalized gardens and bee hotels at our properties, we have made a significant impact to the bee community. In 2020, we added bee hotels to the roof of Coquitlam Centre near Vancouver and we donated honey from three of our Toronto properties to The Redwood, a women's and children's shelter.

MORGUARD IS ACTIVE IN THE COMMUNITY.
FROM COAST TO COAST.



SUPPORT FOR COMMUNITIES

Morguard donated \$200K raised from its annual golf tournament to food banks across Southwestern Ontario.



GIVING OLD APPLIANCES

A CHANCE TO SERVE OTHERS

1643 Josephine. In 2020, Morguard completed an extensive redevelopment of 1643 Josephine. The team at this 116-suite New Orleans residential property boosted efficiency by replacing old appliances and contributed to the local community by donating them to Habitat for Humanity and The Green Project. These organizations work to improve the lives of the disadvantaged living in surrounding communities.

EARNING BOMA EARTH AWARD

2920 Matheson. Morguard performed extensive renovations to a Mississauga property that allowed it to achieve a 55% power reduction and lower water consumption. In recognition, we received a BOMA Toronto Earth Award for excellence in resource preservation and environmentally sound commercial building management.



CELEBRATING INTERNATIONAL

WOMEN'S DAY

International Women's Day continues to be an important day at Morguard. Our pre-Covid live 2020 event brought employees together to help create a gender equal world through education and open discussions about the celebration's meaning. A guest speaker shared her thoughts on Collective Individualism.

Objective: To Create a Culture of Respect, Inclusion, Health, Safety and Equal Opportunity

Sustainable Morguard extends well beyond the way we manage our properties. It also focuses on how people within our organization are treated. We recognize that an engaged and motivated workforce is our greatest asset and we take various measures to ensure that we achieve that end.

We strive to create a workplace culture of respect, inclusion, health, safety and equitable opportunity. This means making it mandatory that all of our employees observe our Code of Business Conduct. This ensures that our workplace is free of harassing or discriminating behaviour, particularly with respect to race, colour, age, faith, national or ethnic origin, sexual orientation, gender identity, or mental or physical disability. By empowering our people, we are able to retain, attract and engage the high-quality talent we need to drive business success. This, while maintaining our position as a socially responsible, ethical and sustainable company.

Our 2020 Programs Empowered Our Employees

- **Job Evaluation.** In 2020, Morguard added steps to mitigate salary inequities continuing a process that has been deployed for over 10 years. We restructured our job evaluation process to enhance governance, expanded our evaluation committee to include a broader cross-section of the Company and made certain all committee members had formal evaluation training to ensure consistent outcomes.
- **Mental Health.** The mental health of our employees and managers remained a key priority in 2020, with emphasis due to the COVID-19 crisis. We provided additional mental health awareness training and partnered with key service providers to introduce programs, such as Inkblot, to address the rise in demand for mental health services.
- **Equal Opportunity.** We implemented a digitized recruiting process that allowed for highly standardized candidate selection that focused on qualifications and talent.
- **Health and Safety.** In addition to our annual Harassment and Violence Training, we encouraged our employees to complete Respect in the Workplace training to ensure we are maintaining a positive work environment where all are welcomed and included.
- **Employee Value Proposition.** We launched our Employee Value Proposition project that leverages a holistic framework to complete an in-depth review of employee compensation, benefits, career development and well-being. The purpose of the project is to ensure our employees obtain value from our programs and to ensure our programs continue to align with our culture and strategies, ultimately creating a stronger sense of connection for employees with Morguard.



EMPOWERING

2020 New Hires by Gender

Canada and U.S.

46%
MALE

54%
FEMALE

2020 Age Diversity

Canada and U.S.

14%
UNDER 30

46%
30-50

40%
50+

2020 Total Training Hours

Canada and U.S.

11,147
TOTAL HOURS



2020 Annual Employee Performance Reviews

Canada and U.S.

93%
COMPLETED

**WE HAVE BEEN RECOGNIZED
AS ONE OF CANADA'S SAFEST
EMPLOYERS FOR EIGHT
CONSECUTIVE YEARS**

Objective: To Inspire Our Stakeholders to Follow Our Example in Building a Sustainable House

Part of Sustainable Morguard is inspiring our stakeholders to join us in the pursuit of a more sustainable world. We not only manage our direct emissions, but through well-defined operating requirements, we also manage the emissions of our suppliers in areas such as cleaning, carpeting, construction, maintenance and property supplies. Our GREEN LINK program includes green procurement strategies in both our sustainability and purchasing policies.

When needed, we provide remediation services to minimize the negative impact on environmental receptors and safeguard the health and well-being of our occupants. We regularly monitor the compliance of our properties with relevant environmental legislation. In addition, we are committed to excellence in corporate governance and recognize that it is essential to the welfare of our business.

We are committed to greening our offices through recycling initiatives and other best practices that will help reduce our environmental footprint. We believe that taking responsibility for identifying and managing the environmental impacts of our business is a vital step toward achieving sustainability. It adds value to our properties, ensures that employees, residents and tenants are safe, reduces legal and public relations risks and demonstrates a commitment to leadership in property management.

2020 Morguard Corporate Initiatives

1,075

**NUMBER OF ELECTRONIC
MATERIALS DIVERTED
FROM LANDFILL**

28

**PROPERTIES
WITH CHARGING
STATIONS**

Sustainable Morguard Organizational Structure



Initiatives On-Tap for 2021

Here are some of the sustainability areas we will be focusing on next year:

- Reviewing and updating existing ESG data management systems to extend our data capture and reporting capabilities
- Aligning our CSR strategies and programs across all organizational boundaries
- Increasing engagement with valued stakeholders
- Addressing our energy management goals and targets
- Collaborating with industry partners and creating opportunities for more active oversight by members of our Board.

ABOUT

Morguard is a fully integrated real estate company with a diversified, high-quality portfolio of assets across North America. We have built our business with strong leadership, proven management and significant long-term growth for over 45 years.

Publicly Traded Real Estate Company
Publicly Traded Real Estate Investment Trusts

Real Estate Advisory Company
Real Estate Brokerage
Investment Management Company

Morguard Corporation
Morguard REIT
Morguard North American Residential REIT
Morguard
Morguard Investments Limited
Lincluden Investment Management Limited



\$14.7B

**OWNED AND MANAGED
REAL ESTATE**

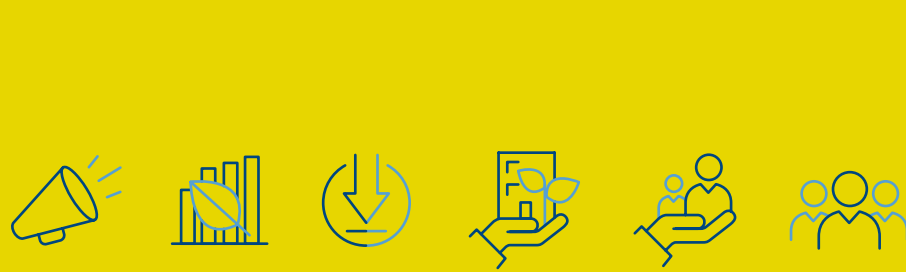
1,299

**EMPLOYEES IN CANADA
AND U.S.**



This report summarizes achievements and profiles specific initiatives and properties. Morguard also publishes a separate 2020 Sustainability Report, prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option, and references GRI's Construction and Real Estate Sector Supplement ("CRESS"). This report, once issued, can be found at www.morguard.com.

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



To learn more about sustainability, please visit www.morguard.com/sustainability.

Feedback and Inquiries

We welcome your feedback and inquiries about Sustainable Morguard's sustainability performance. Please email us at sustainability@morguard.com

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