



**dream** 

2022 Sustainability Report

# Building Better Communities

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For more information on sustainability at Dream please visit our website.

[sustainability.dream.ca](https://sustainability.dream.ca) ↗

Cover image:  
Zibi - Ottawa, ON

## Reading Our Report

This Sustainability Report (**the Report, or Sustainability Report**) is divided into sections comprising each Dream entity: Dream Unlimited Corp., Dream Impact Trust, Dream Office REIT, Dream Industrial REIT and Dream Residential REIT. The Introduction, Environmental, Social and Governance sections focus on the shared net zero strategy, social policies, processes and programs, and governance and risk management for the Dream group of companies, collectively referred to as (**Dream, the Dream group, the Dream entities, we, or our**).

### The Dream group of companies includes:

[Dream Unlimited Corp. \(TSX: DRM\)](#) ↗  
(Dream Unlimited, or DRM)

[Dream Impact Trust \(TSX: MPCT.UN\)](#) ↗  
(Dream Impact, or MPCT.UN)

[Dream Office Real Estate Investment Trust \(TSX: D.UN\)](#) ↗  
(Dream Office, or D.UN)

[Dream Industrial Real Estate Investment Trust \(TSX: DIR.UN\)](#) ↗  
(Dream Industrial, or DIR.UN)

[Dream Residential Real Estate Investment Trust \(TSX: DRR.U\)](#) ↗  
(Dream Residential, or DRR.U)

The remainder of this report focuses on the environmental, social and governance performance and practices of each public entity. Each entity has specific investment objectives and a unique underlying business which drives its ESG initiatives and the information reported on.

We realize the majority of our readers will focus on the entity chapter(s) which coincides with their interests or investments. We have therefore structured this report so each entity chapter can be read on a standalone basis resulting in some repetition across entity chapters.



## About This Report

Our 2022 Sustainability Report discloses the material environmental, social and governance (ESG) topics and impacts of our activities for the year ended December 31, 2022. This Report also highlights our 2022 ESG initiatives and accomplishments and presents our forward-looking plans for 2023. Reports from previous years are available on our website. The [2021 Sustainability Update Report](#) was published in December 2022.

### Reporting Scope and Boundaries

This Report encompasses the Dream group of companies. All information and performance data contained in this Report reflects the period from January 1 to December 31, 2022, unless otherwise stated. All amounts are reported in Canadian dollars unless otherwise stated. We have identified changes in measurement methods or restatements of information from the 2021 Sustainability Update Report in footnotes throughout.

### Approvals

This Report has been approved by the following boards and executives of each entity:

DRM	MPCT.UN	D.UN	DIR.UN	DRR.U
<ul style="list-style-type: none"> <li>Board</li> <li>CRO</li> <li>CFO</li> </ul>	<ul style="list-style-type: none"> <li>Board</li> <li>Portfolio Manager</li> <li>CFO</li> </ul>	<ul style="list-style-type: none"> <li>Board</li> <li>CEO</li> <li>CFO</li> <li>COO</li> </ul>	<ul style="list-style-type: none"> <li>Board</li> <li>CEO</li> <li>CFO</li> <li>COO</li> </ul>	<ul style="list-style-type: none"> <li>Board</li> <li>CEO</li> <li>CFO</li> <li>COO</li> </ul>

The intended audiences of this report are tenants and residents, investors, research analysts, employees, and our partners, as well as municipalities and governments in locations where the Dream entities operate.

### External Assurance

This Report and the information contained within is unaudited. PricewaterhouseCoopers LLP (PwC) has performed a limited assurance engagement over select performance metrics for Dream Unlimited, Dream Impact, Dream Office, Dream Industrial, and Dream Residential, which have been identified with a symbol “✓” throughout this Report. Other than these select performance metrics, the remainder of the information contained within this Report was not subject to the limited assurance engagement. You can read more about the scope of PwC’s work, including the select performance metrics and data in scope of the assurance here: [Dream Unlimited](#), [Dream Impact](#), [Dream Office](#), [Dream Industrial](#), [Dream Residential](#).

## 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 on [page 59](#) of this Report.

### Other Reporting

For more information on our impact initiatives and progress, please see our other reports:

[2022 Impact Report](#)

[Net Zero by 2035 Action Plan](#)

[Dream Industrial’s Green Use of Proceeds Report 2021](#)

For more information on each of the Dream entities please see their respective 2022 Annual Reports or 2022 Annual Information Forms:

[DRM 2022 Annual Report](#)

[DRM Annual Information Form](#)

[MPCT.UN 2022 Annual Report](#)

[MPCT.UN Annual Information Form](#)

[D.UN 2022 Annual Report](#)

[D.UN Annual Information Form](#)

[DIR.UN 2022 Annual Report](#)

[DIR.UN Annual Information Form](#)

[DRR.U 2022 Annual Report](#)

[DRR.U Annual Information Form](#)

### Contact

For any questions or feedback regarding this report, please contact Sustainability and ESG at: [sustainabilityandesg@dream.ca](mailto:sustainabilityandesg@dream.ca)



Block 206 - Zibi  
Ottawa, ON



Quayside  
Toronto, ON

01

# Dream Group of Companies

Dream Group of Companies

# Introduction

Founded in 1994 with a vision to revolutionize the way people live and work, the Dream group have become some of Canada's leading real estate companies, with over \$24 billion in assets under management.<sup>(1)</sup>

<sup>(1)</sup> As at March 31, 2023. Assets under management is a supplementary financial measure in respect of Dream Unlimited. Please refer to the Specified Financial Measures and Other Disclosures section of this Report.



Bike racks at Zibi  
Ottawa, ON

# Letter from Chief Responsible Officer

At Dream, we are focused on Building Better Communities. We believe our business can create positive and measurable impacts on people and the planet, create new business opportunities and deliver stakeholder value. Over the past few years, we've continued to evolve our thinking to reflect the changing and complex business environment. We have seen turbulent financial markets, geopolitical change, and political polarization. Climate change continues to impact people and our planet, housing is unattainable for many, social inequality is rising, while stakeholder expectations of companies are higher than ever. Against this backdrop, we are looking at how building a sustainable and impactful business will differentiate ourselves and will support how we deliver market returns to investors. In 2022, we took action to deliver on our net zero commitments, created the Dream Community Foundation and continued building a winning team and culture.

Real estate is responsible for about 40% of global GHG emissions and the first step of our plan is to limit the emissions from existing properties and developments. Our Net Zero Action Plan outlines the steps we can take to reduce our Scope 1, Scope 2 and select Scope 3 GHG emissions. For our existing assets, we are focused on how our Net Zero Action Plan can reduce emissions without sacrificing returns.

We are retrofitting buildings across our portfolio which will reduce operating costs over the life of the asset, lead to higher rents, and attract like-minded tenants. Dream Unlimited Corp, Dream Impact Trust and Dream Office REIT entered into a partnership with the Canada Infrastructure Bank and secured a \$136 million credit facility to decarbonize existing buildings in our portfolio. This additional source of financing has a lower interest rate compared to traditional financing enabling us to create asset-level transition plans that are financially viable.

Over the past year, Dream Industrial REIT completed \$12 million of decarbonizing capital investments in Canada and Europe, which are expected to generate approximately \$1.3 million in annual revenue in 2023. We continue to grow our renewable energy pipeline across Canada and Europe as solar panels provide an opportunity to significantly reduce GHG emissions and create a stable revenue stream. It also offers our tenants a clean, reliable and cost-effective energy solution.

We have positioned ourselves as the leading developer of net zero communities in North America. Our development pipeline now includes over \$6 billion in net zero communities which includes two of the largest net zero residential projects in Canada – Quayside and the LeBreton Flats Library Parcel. As the world embraces a low carbon future, governments provide transition financing and tenants demand net zero buildings, our focus on net zero will be a strategic advantage and unlock additional investment opportunities for Dream, providing value to stakeholders.

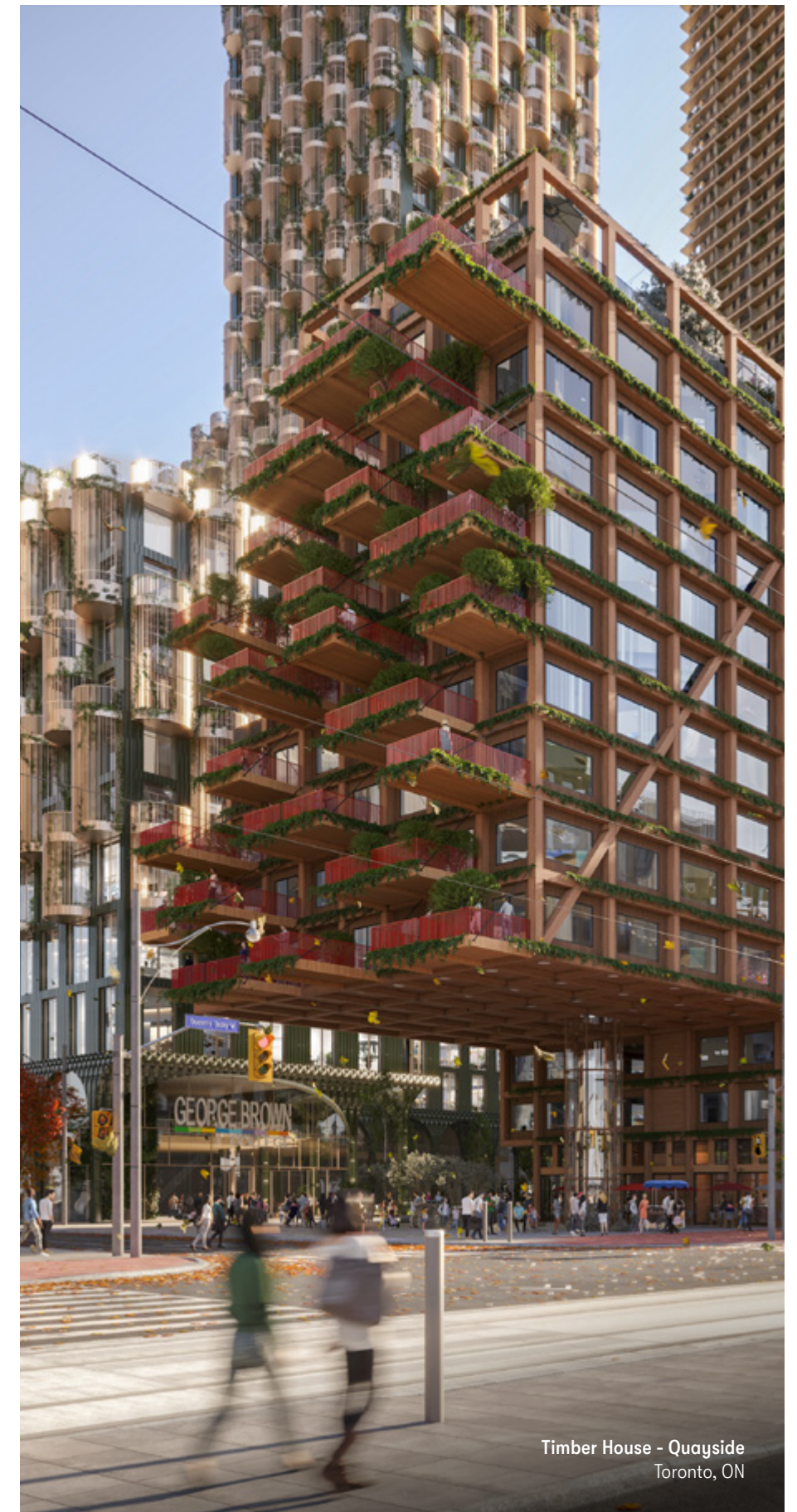
Separate from the Dream entities, the Dream Community Foundation, was created. It is a not-for-profit dedicated to improving the well-being of individuals, families and neighbourhoods. It supports and expands Dream's vision of building better and more sustainable communities but relies on philanthropic support. The Dream Community Foundation is focused on resident and community benefits. In its first year, the Foundation provided over 2,000 breakfasts, as well as provided tutoring and after-school programming for residents and surrounding neighbourhoods. These activities and programs provide real positive social benefits that foster happier, healthier and stronger communities.

Lastly, building a winning team and culture is key to our future success. Our employees are passionate about creating exceptional real estate assets, supporting and connecting with each other, building a collaborative environment, and creating long lasting positive impacts on the world. Our success is the direct result of the people at Dream. Our team is talented, driven to succeed, experienced and diverse; we continue to look to hire new employees with the same traits. The work we have done to date and the accomplishments highlighted in this report would not be possible without the commitment and hard work of our team.

Looking forward, our focus is on pragmatic solutions that provide real measurable results. By focusing on doing well by doing good, we will meet our goals – creating financial returns for the business and benefit to the communities in which we operate.



**Michael Cooper**  
Chief Responsible Officer  
Dream Unlimited Corp.



Timber House - Quayside  
Toronto, ON

# Letter from Head of Sustainability and ESG

Whereas 2021 was a year of commitments, including Net Zero Asset Managers (NZAM) initiative, United Nations Principles for Responsible Investment (PRI) and the Task Force on Climate-related Financial Disclosures (TCFD), 2022 was a year of action and firsts. We completed our first NZAM submission and published our Net Zero by 2035 Action Plan detailing our commitment, investment boundaries, emissions boundaries, delivery strategy and plan to hold ourselves accountable. We also completed, in alignment with the TCFD, our first climate change scenario analysis and hosted board education sessions on ESG matters.

We have demonstrated that we are a leader in sustainable finance, bringing impactful financial products to market. Dream Impact is the first publicly traded vehicle focused on impact investing in Canada. Dream Unlimited, Dream Impact and Dream Office secured \$136.6 million in funding to support retrofitting existing office and multi-family buildings from the Canada Infrastructure Bank, making them the first private sector real estate companies to participate in this program. Over the past three years, Dream Industrial has issued \$850 million in green bonds to acquire, construct, develop and refurbish green buildings as well as promote energy efficiency and renewable power in our industrial portfolio. Dream Office has also executed \$395 million in sustainability-linked revolving credit facilities with major Canadian banks.

The buildings that we are constructing now will be around for a long time, generating operational greenhouse gas (GHG) emissions based on how efficiently they are designed. We are proud of the \$6 billion+ in net zero communities in our development pipeline that will bring down the carbon intensity of our portfolio and meaningfully contribute to realizing our net zero targets. We believe that gaining in-house expertise in the development of net zero buildings is a growing competitive advantage that helps us make sound asset management decisions, especially as building codes become more stringent on GHG emissions and energy efficiency.

We also continue to see beneficial opportunities for partnership and collaboration with governments, including development opportunities and affordable housing programs, that can help grow our business. We are well positioned to participate in the many funding opportunities available as governments transition the economy to a lower carbon footprint, such as through the Inflation Reduction Act in the US, Canada's Clean Energy Action Plan and the European Green Deal.

We believe we can continue to generate value through our in-house capabilities and find new sources of liquidity through our positioning. Over the past year, we've worked hard to prepare for the ESG reporting changes

proposed by the Canadian, US and EU regulators as well as increasingly meeting the highest level of expectations of our investors. In this Sustainability Report, we've undergone a significant shift in publication timing to better prepare ourselves to align non-financial reporting, including ESG disclosures, with financial reporting as regulators increase oversight and scrutiny. We are now efficiently completing our ESG data assurance early in the calendar year and are working to apply the same level of controls as our financial reporting to our ESG disclosures.

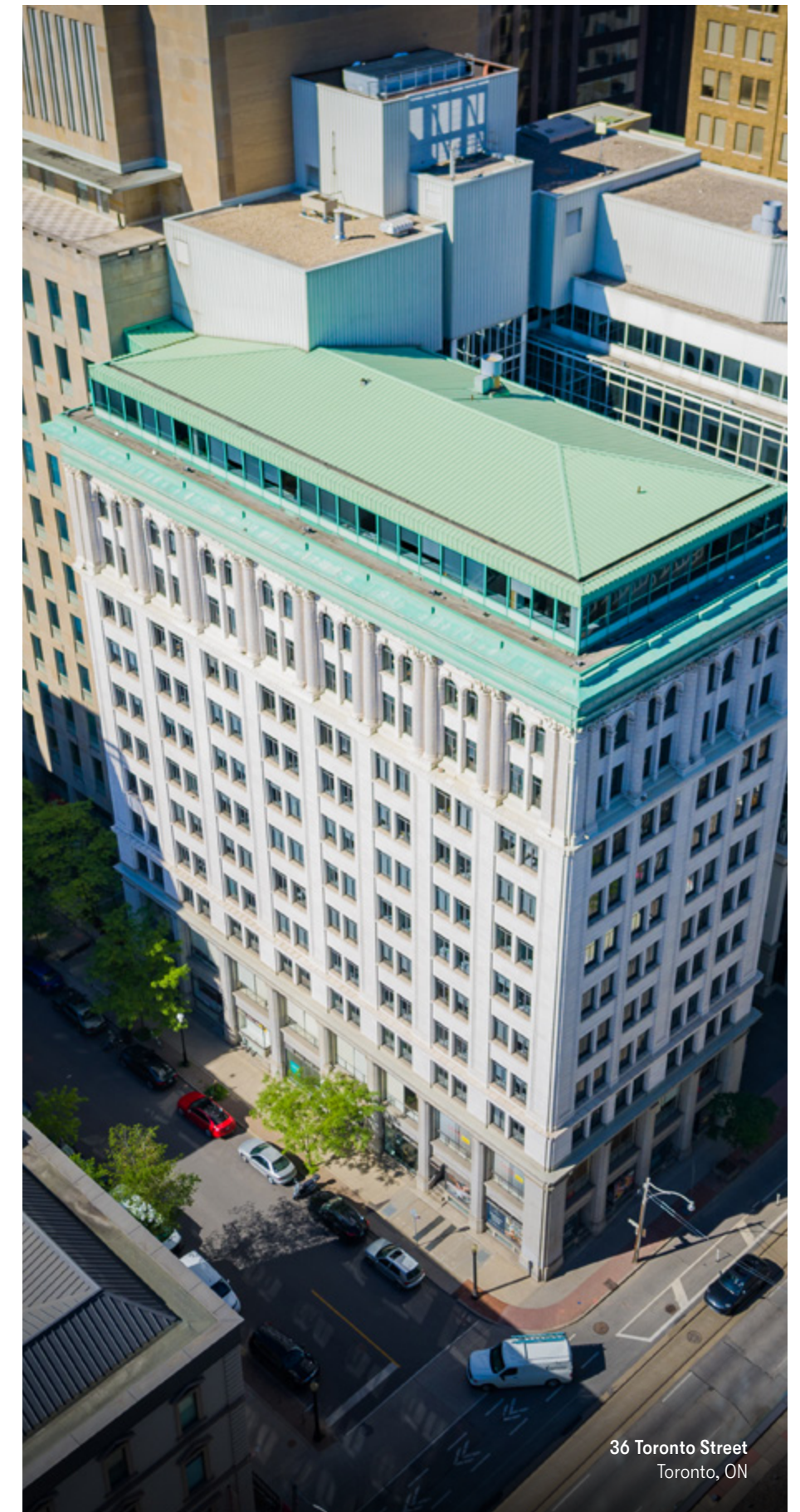
We are increasing our overall data collection and analytics as well as further incorporating the material sustainability risk factors, including climate-related risk, that could impact long-term asset returns into our investment decisions. This aligns well with our commitment to maintain trust with our stakeholders and to give them access to more data with which to make their investment decisions. We believe our performance will stand for itself by generating profits and doing good for people and the planet. We've seen our year-over-year score improvements with engaged ESG rating agencies attract new investors looking to invest in ESG funds and companies and the low carbon transition economy.

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



A handwritten signature in black ink, appearing to read 'Lee Hodgkinson'.

**Lee Hodgkinson**  
Head of Sustainability and Technical Services  
Dream Unlimited Corp.





# About the Dream Group of Companies<sup>(1)</sup>

Dream Unlimited is the flagship of the Dream group of companies, and is an asset manager, owner, and developer of real estate. Founded in 1994 with a vision to revolutionize the way people live and work, the Dream entities have become some of Canada's leading real estate companies, with over \$24 billion<sup>(2)</sup> in assets under management amongst the five publicly listed entities highlighted in this Report.

Our purpose is to **Build Better Communities**. ESG and Impact are ingrained in how we manage our buildings and run our business. Our commitment to sustainability aligns with our values and guides how we think, live and work.

Across the Dream group we have:

**\$24 billion**

in assets under management<sup>(2)</sup>

**47.3 million sf**

of industrial gross leasable area (GLA) in Dream Industrial

**~34,000**

condominium and purpose-built rental units in the Dream group portfolio (including development pipeline)

**83.9 million sf**

of commercial/retail GLA across the Dream group portfolio (including development pipeline)

**600**

total employees<sup>(3)</sup>

**5.1 million sf**

of office GLA in Dream Office



**Dream Unlimited Corp.**

TSX: **DRM**

**\$24 billion**

in assets under management<sup>(2)</sup>



**Dream Impact Trust**

TSX: **MPCT.UN**

**\$1.4 billion**

total assets<sup>(4)</sup>



**Dream Office REIT**

TSX: **D.UN**

**\$3.1 billion**

total assets



**Dream Industrial REIT**

TSX: **DIR.UN**

**\$6.8 billion**

total assets



**Dream Residential REIT**

TSX: **DRR.U**

**\$432.5 million**

total assets<sup>(5)</sup>

### Dream Private Investment Vehicles

**Dream Impact Fund** is one of the world's first real estate impact funds, focused exclusively on investments that generate measurable social, environmental, and financial returns.

**Dream Summit Industrial Joint Venture** is a partnership with a leading global investment firm which acquired Summit Industrial Income REIT with a portfolio of light industrial properties in Canada.

**Development Joint Venture** is a partnership with Dream and a global sovereign wealth fund to establish a land venture for the development of industrial assets in southern Ontario.

**Dream U.S. Industrial Fund** invests in high-quality core, core+, value-add and development industrial assets across the U.S.

(1) As at December 31, 2022, unless otherwise stated. Represents combined totals except as otherwise stated.

(2) As at March 31, 2023. Assets under management is a supplementary financial measure in respect of Dream Unlimited. Please refer to the Specified [Financial Measures and Other Disclosures](#) section of this Report.

(3) Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp., Dream Office Management Corp., Dream U.S. Manager LLC, and Dream Europe Advisors Coöperatieve U.A. Does not include employees at recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) interns, and DRR.U employees of Pauls Corp.

(4) Represents total portfolio assets, inclusive of project-level debt and market value adjustments as at December 31, 2022. Please refer to [Specified Financial Measures](#) in this Report.

(5) DRR.U total assets are in US dollars.

# Associations and Memberships

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

## Industry Associations, Benchmarks and ESG Initiatives

- Building Industry and Land Development Association (BILD)
- Building Owners and Managers Association (BOMA)
- Catalyst member of the Canada Green Building Council (CaGBC)
- City of Toronto Green Will Initiative
- European Public Real Estate Association (EPRA)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Commercial Real Estate Development Association (NAIOP)
- Real Estate Council of Alberta (RECA)
- Real Estate Council of Ontario (RECO)
- Real Property Association of Canada (REALPAC)
- Urban Land Institute (ULI)
- United Nations Sustainable Development Goals (SDGs)

We are signatories or members of the following global initiatives:

- [Net Zero Asset Managers \(NZAM\)](#) ↗
- [Operating Principles for Impact Management](#) ↗
- [Principles for Responsible Investment \(PRI\)](#) ↗
- [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) ↗



Dream Head Office - 30 Adelaide Street E  
Toronto, ON

# ESG Framework

For over two decades, we have been working to make our communities better while maximizing returns for our investors. Building on our history, we announced our ESG Framework in 2021. Since then, our work has focused on generating intentional and measurable environmental and social returns and further embedding ESG throughout our business.

We have implemented our ESG Framework across the Dream group to provide direction on the policies we create and initiatives we undertake. Throughout this Report, you will find references to these Framework Pillars as we demonstrate how we've integrated our ESG Framework across the Dream entities. We are excited to share our progress on how we are executing on our ESG strategy in this Report.



West Don Lands (Canary Landing)  
Toronto, ON



## 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



Quayside  
Toronto, ON



## 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



Easter event in Alpine Park  
Calgary, AB



## Strong Relationships

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

- Tenant Relationships
- Government Collaboration
- Community / NGO Partnerships
- Indigenous Engagement
- Sustainable Procurement



30 Adelaide St. E  
Toronto, ON



## Operational Excellence

Running a great company that focuses on purpose and profit.

- Diversity, Inclusion and Advancement
- Valuing Employees
- ESG Risk Management
- Corporate Governance
- ESG Impact and Management

Introduction

# United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) <sup>7</sup>, 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 the 2030 goals. In our investment strategy we identify relevant SDGs and consider how our project may contribute to the achievement of these goals.

We believe our ESG Framework positions us to contribute to the SDGs that are connected and aligned to our core business activities. **In particular, Dream is dedicated to building safe, resilient, inclusive, and sustainable cities – expressed by Goal 11.**



# Sustainability Journey

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

## 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

## 2007

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

## 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

## 2013

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

## 2014

**DIR.UN** began its rooftop solar program

**The Dream group** formalized diversity policies for each entity

**The Dream group** established a Sustainability Executive Committee to oversee and embed sustainability in key business areas

## 2015

**The Dream group** published its first Sustainability Report

## 2018

**DRM and MPCT.UN** were selected to deliver the West Don Lands (Canary Landing) project, building 600+ affordable housing units in a mixed income community

## 2019

**DRM and MPCT.UN** established a partnership with Anishawbe Health Toronto to develop Canary Block 10, the centre of an Indigenous Hub celebrating culture and serving Toronto's Indigenous community

## 2020

**Dream Hard Asset Alternatives Trust (DRA.UN)** changed its 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

**DIR.UN** launched an extensive in-house renewable energy program

## 2021

**DRM and MPCT.UN** published its inaugural Impact Report and Disclosure Statement

**D.UN and MPCT.UN** participated in the Global Real Estate Sustainable Benchmark (GRESB)<sup>(1)</sup> for the first time and achieved a score of 91 and 90 respectively

**DRM and MPCT.UN** released an 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 and issued inaugural \$650 million in green bonds, and has issued \$850 million to date

## 2022

**The Dream group** published its inaugural Net Zero by 2035 Action Plan

**DRM and MPCT.UN** were selected to develop the LeBreton Flats Library Parcel in Ottawa and Quayside in Toronto

**DRM, MPCT.UN, and D.UN** secured a \$136 million investment from the Canada Infrastructure Bank (CIB) funding a decarbonization initiative in 19 buildings

**D.UN** completed \$395 million<sup>(2)</sup> in sustainability-linked revolving credit facilities with performance requirements bound to GHG intensity and green building certification achievements

**DIR.UN** delivered substantial completion on 14 roof-top solar installation projects in the Netherlands and Western Canada that are estimated to generate 89,000 tCO<sub>2</sub>e savings over the lifetime of the project

**DIR.UN** participated in GRESB<sup>(1)</sup> for the first time and achieved full marks in leadership, policies, reporting, targets, data monitoring and review categories

**DRR.U** launched and used Dream's existing ESG framework to incorporate ESG into its culture and operations

**DRR.U** achieved a pre-IPO Low Risk ESG assessment of 15.2/100 from Sustainalytics<sup>(3)</sup>

(1) All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses, or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.

(2) Converted \$375 million and \$20 million revolving credit facilities sustainability-linked performance targets.

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# Stakeholder Engagement

The Dream group 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	Suppliers Frequency: Continuous
<b>Topics engaged on</b>	<ul style="list-style-type: none"> <li>Health, safety, and wellness initiatives</li> <li>Office services</li> <li>People &amp; Culture programs</li> <li>Social Committee activities</li> <li>Diversity, inclusion, and advancement</li> </ul>	<ul style="list-style-type: none"> <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<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Sustainability reports</li> <li>Impact investing<sup>(2)</sup></li> <li>Financial returns alongside measurable social and environmental benefits</li> <li>Industry initiatives</li> <li>Net zero targets and plan</li> </ul>	<ul style="list-style-type: none"> <li>Housing affordability</li> <li>Indigenous engagement</li> <li>Social procurement<sup>(2)</sup></li> <li>Sustainability practices</li> <li>Energy efficiency retrofits</li> </ul>	<ul style="list-style-type: none"> <li>Providing support and education to local and diverse suppliers</li> <li>Supplier risk management</li> </ul>
<b>Engagement methods</b>	<ul style="list-style-type: none"> <li>Annual performance reviews</li> <li>Semi-annual feedback check-ins</li> <li>Internal communications (intranet, emails)</li> <li>Bi-weekly townhalls 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>Lunch and Learns</li> <li>Employee Surveys</li> </ul>	<ul style="list-style-type: none"> <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: <ul style="list-style-type: none"> <li>Investor Days</li> <li>Investor presentations</li> <li>Meetings</li> <li>Annual General Meeting</li> <li>External conferences</li> <li>Press releases</li> <li>Quarterly and annual reports</li> <li>Website</li> </ul>	<ul style="list-style-type: none"> <li>Community meetings</li> <li>Emails and other communications</li> <li>Relevant 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)</li> <li>Quarterly and annual reports</li> <li>Relationship building</li> </ul>	<ul style="list-style-type: none"> <li>Vendor Survey</li> <li>RFP processes</li> <li>Website</li> <li>Email responses to supplier questions</li> </ul>
<b>What we heard</b>	<ul style="list-style-type: none"> <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 style="list-style-type: none"> <li>Tenants report they are appreciative of efforts to promote sustainability and wellness, as well as offer new programs and communication platforms</li> </ul>	<ul style="list-style-type: none"> <li>Investors are interested in Dream's approach to managing sustainability, climate risk disclosure and net zero plan</li> <li>Investors encourage participation in global initiatives such as the GRESB real estate assessment, the United Nations Principles for Responsible Investment (UN PRI) and Net-Zero Asset Managers (NZAM) initiative</li> </ul>	<ul style="list-style-type: none"> <li>Design-related feedback</li> <li>Importance of public realm, parks, public spaces, amenities</li> </ul>	<ul style="list-style-type: none"> <li>Overall support for Dream's Social Procurement Strategy</li> <li>Vendors seek clarity, simplicity and support for meeting Dream's procurement objectives</li> <li>More opportunities geared to small suppliers</li> </ul>
<b>How we are responding</b>	<ul style="list-style-type: none"> <li>Initiated discussions with employees and managers on topics of engagement</li> <li>Used feedback from services survey to identify opportunities to improve employee experience</li> <li>Used feedback from employee survey to improve inclusivity of benefits</li> <li>Formalized a return to office and hybrid work plan</li> <li>Formalized a recruitment guide to ensure recruiting practices meet diversity requirements</li> </ul>	<ul style="list-style-type: none"> <li>Used feedback from our tenant satisfaction survey to identify improvement opportunities for property teams and develop action plans to implement new tenant engagement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced sustainability governance</li> <li>Set interim GHG reduction targets</li> <li>Assessed flood risk</li> <li>Aligned disclosures with leading ESG reporting standards</li> <li>Responded to questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced communication through ongoing dialogue</li> <li>Open soundings and weekly meetings</li> <li>Integrated design-related changes</li> </ul>	<ul style="list-style-type: none"> <li>Updated procurement clauses and contact language to support diversity objectives</li> <li>Internal working group to improve processes</li> <li>Participation in a variety of diverse vendor industry organizations</li> </ul>

(1) DRR.U was launched in 2022, therefore no Covid-19 focused tenant engagement occurred.

(2) Not applicable to DRR.U and DIR.UN.

Dream Group of Companies

# Environmental

The entity chapters discuss the entity specific environmental initiatives of each Dream entity. In this section we focus on the shared Net Zero strategy.



# Net Zero Action Plan

In 2022, the Dream group of companies<sup>(1)</sup> published our Net Zero by 2035 Action Plan (Net Zero Action Plan) to outline the steps we intend to take to achieve net zero by 2035. Our Net Zero Action Plan includes a detailed implementation plan with interim milestones to reduce our Scope 1, Scope 2, and select Scope 3 GHG emissions.

At an organizational level, our Net Zero Action Plan is focused on three key steps:

1. **Identify** current baseline emissions and estimate future emissions
2. **Develop** roadmaps to achieve net zero at the property level
3. **Establish** oversight and transparency to hold ourselves accountable to our stakeholders through comprehensive governance and reporting

Refer to our [Net Zero by 2035 Action Plan](#) <sup>↗</sup> for more details on these three key steps.

## Embedding Net Zero Thinking

Throughout 2022, our focus has been on how we can successfully work across our organization and create engagement with various departments to execute on our Net Zero Action Plan. We have developed a delivery strategy with processes, systems and tools to guide specific changes and measure progress toward reaching our corporate net zero goals and commitments. This change management process has been successful in part due to continued strong leadership and oversight from the Net Zero Steering Committee, which is composed of selected executives and senior management. In addition, the Net Zero Working Group is made up of over 15 cross-functional champions, working on the day-to-day logistics of embedding net zero thinking and alignment, from the top of the organization down to our individual assets. The Net Zero Working Group hosted over 15 educational, training and strategy collaboration sessions in 2022 with many departments from across the Dream entities.

## Roadmaps to Net Zero

Another highlight from 2022 is our creation of a portfolio roadmap and forecasting tool which aggregates asset-level net zero roadmaps for existing assets as well as decarbonization plans for select assets in our development pipeline. This powerful planning and forecasting tool provides a comprehensive view of each entity's portfolio to monitor progress and support dynamic decision making based on capital plans, variable carbon prices and other material factors. The tool can be used to strategically identify cost-effective and accretive ways to meet our commitments.



Zibi  
Gatineau, QC & Ottawa, ON

DRM, MPCT.UN, D.UN

# 2035

net zero Scope 1, Scope 2 and select Scope 3 emissions (operational and development)

DIR.UN

# 2035

net zero Scope 1, Scope 2 (operational and development) by 2035 and select Scope 3 emissions (operational) by 2050

DRR.U

# 2050

net zero Scope 1 and Scope 2 emissions

(1) At the time of publication, the Dream Group of Companies included Dream Unlimited Corp., Dream Impact Trust, Dream Office REIT, and Dream Industrial REIT. Dream Residential REIT was not formed.  
 (2) During its formation, Dream Residential REIT announced its net zero commitment.



Case Study

## Sustainable Redevelopment at 67 Richmond St. W

Located in the heart of downtown Toronto’s Financial District, 67 Richmond St. W is Dream Office REIT’s latest sustainable redevelopment project. We are repurposing this 80-year-old heritage building into a net zero ready, luxury, boutique office building.

At the start of this redevelopment, we engaged a leading sustainability engineering firm to conduct an in-depth GHG audit, create a calibrated energy model using eQuest, and produce a comprehensive ASHRAE Level 2 energy audit in alignment with our Net Zero Action Plan. The sustainability engineering firm worked closely with our mechanical and electrical consultants to optimize a retrofit plan that created operational improvements while controlling for costs and construction risk.

The recommendation of this technical analysis was to proceed with a modernization of the mechanical and electrical systems, including the selection of variable refrigerant flow (VRF) heat pumps as the primary heating and cooling system.

**Advantages of VRF include:**

- Highly energy and GHG efficient
- Precise temperature control in each thermal zone to improve occupant comfort
- Ability to increase the number of thermal zones in the building

In addition, 67 Richmond St. W will feature an energy recovery ventilator (ERV) for ventilation to precondition fresh air as it is cycled into the building.

The combination of VRF and ERV technologies, in addition to energy efficiency upgrades, are estimated to save 61 tCO<sub>2</sub>e or 55% of GHG emissions at this building. We estimate that this project will achieve a 30% reduction in energy consumption and contribute to utility cost savings for tenants.

This redevelopment project has been certified as one of the first Investor Ready Energy Efficiency™ (IREE) projects in Canada by the Canada Green Building Council (CaGBC) as part of the Canada Infrastructure Bank’s (CIB) Commercial Building Retrofits Initiative.

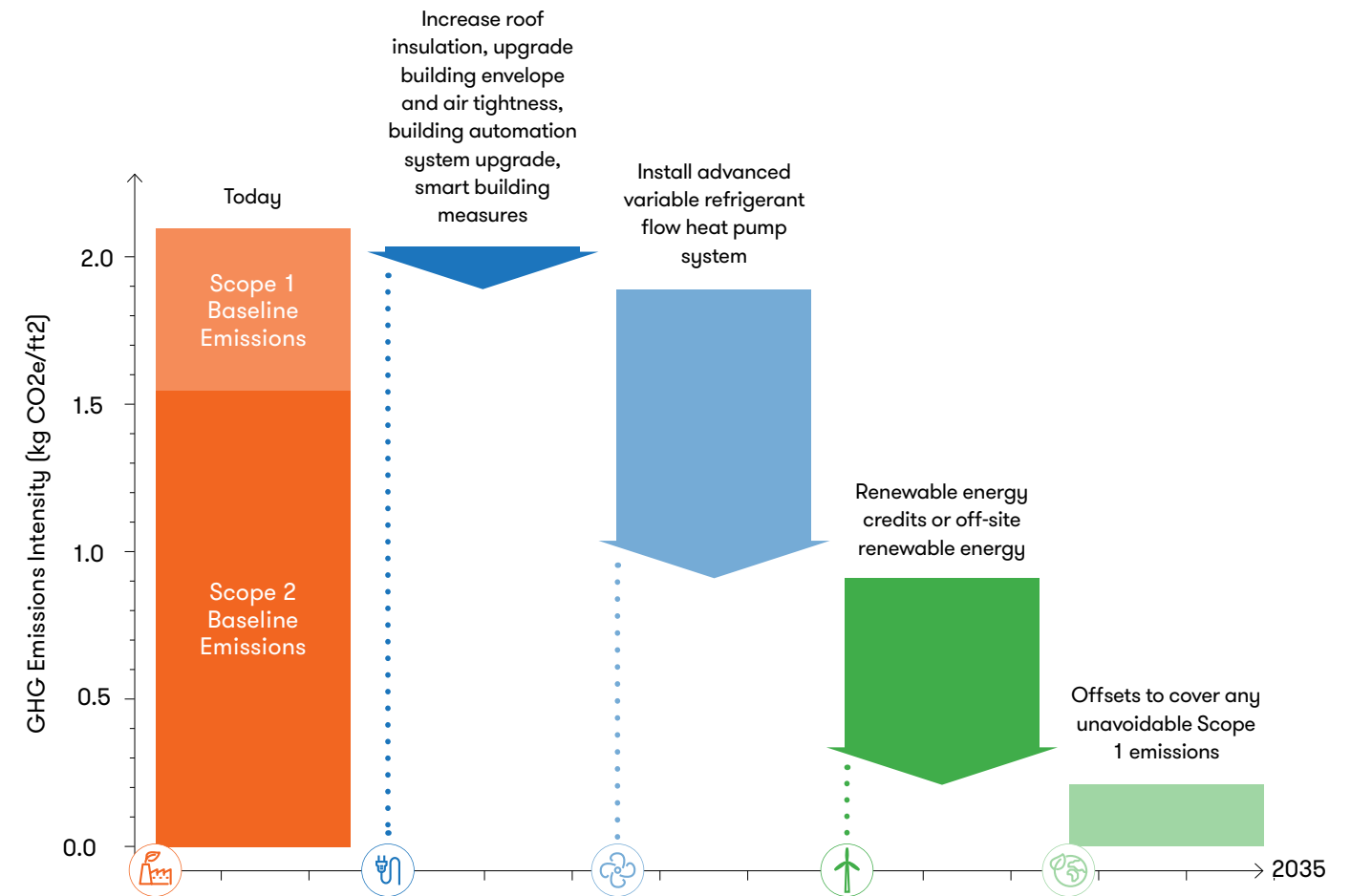
**✗ Pre-Retrofit HVAC systems**

- Perimeter electric radiators
- Whole floor single-zone compartment air handling unit with package DX cooling and fresh air intake damper
- District steam heated hot water loop feeding compartment units

**✓ Post-Retrofit HVAC systems:**

- Variable refrigerant flow heat pump heating and cooling system with up to 9 zones per floor throughout office space
- Energy recovery ventilator
- District steam backup heat

### Net Zero by 2035 Roadmap for 67 Richmond Street West



Based on modelled greenhouse gas emissions end use breakdown. This roadmap only includes Scope 1 and Scope 2 emissions between now and 2035.

**1941**  
year built

**50,158**  
sf of GLA

**BOMA**  
Certified Silver

**WELL**  
Health and Safety  
Rated 2021

## Implementing Our Net Zero Action Plan

To achieve net zero by 2035, our decision-making process is continually evolving to allow us to evaluate the optimum strategy for each asset. Our delivery and implementation approach supports how we assess the potential capital cost, GHG emissions and utility cost impacts of retrofit and design choices for each asset class.

Adjacent is an overview of progress we made in 2022 on each aspect of our implementation strategy:

### Identify

where there is operational control to implement the required projects

- ✓ Confirmed emission sources categories for Scope 1 (direct), Scope 2 (indirect) and Scope 3 (non-controlled indirect) emissions
- ✓ Developed tracking tool to calculate Scope 3 emissions baseline in 2023

### Quantify

the emission source, materiality and reduction viability to define projects and required actions

- ✓ Improved data management and data quality practices

### Forecast

emission reductions and estimate avoided cost using an internal price of carbon

- ✓ Developed portfolio-level roadmap and forecasting tool
- ✓ Implemented a life cycle assessment (LCA) scope of work template

### Integrate

our base-case capital plans with optimized capital investment roadmaps

- ✓ Updated capital request forms
- ✓ Developed building conditions assessment (BCA) scope of work template
- ✓ Started assessing how an internal cost of carbon impacts investments

### Review

existing potential capital investments and identify emission reduction options and associated costs

- ✓ Created Net Zero Action Plan checklists for existing assets, major renovations and developments
- ✓ Quantified Net Zero Action Plan considerations for new investments and acquisitions

### Develop

costed net zero roadmap case studies to inform the budgeting process

- ✓ Established detailed asset-level net zero roadmaps for 6 assets, including three office buildings, two industrial buildings and one multi-family building
- ✓ Created business case analysis and design option comparison templates

### Analyze

appropriate energy efficiency upgrades, heat source decarbonization opportunities and renewable energy generation installations

- ✓ Prepared a renewable power and offset procurement strategy
- ✓ Reviewed updates to procurement and tendering policies

### Measure

report on progress in a consistent and standardized manner

- ✓ Established energy modelling guidelines
- ✓ Maintained data sources for our utility and carbon tracking resources

# Natural Sciences Building, Ottawa

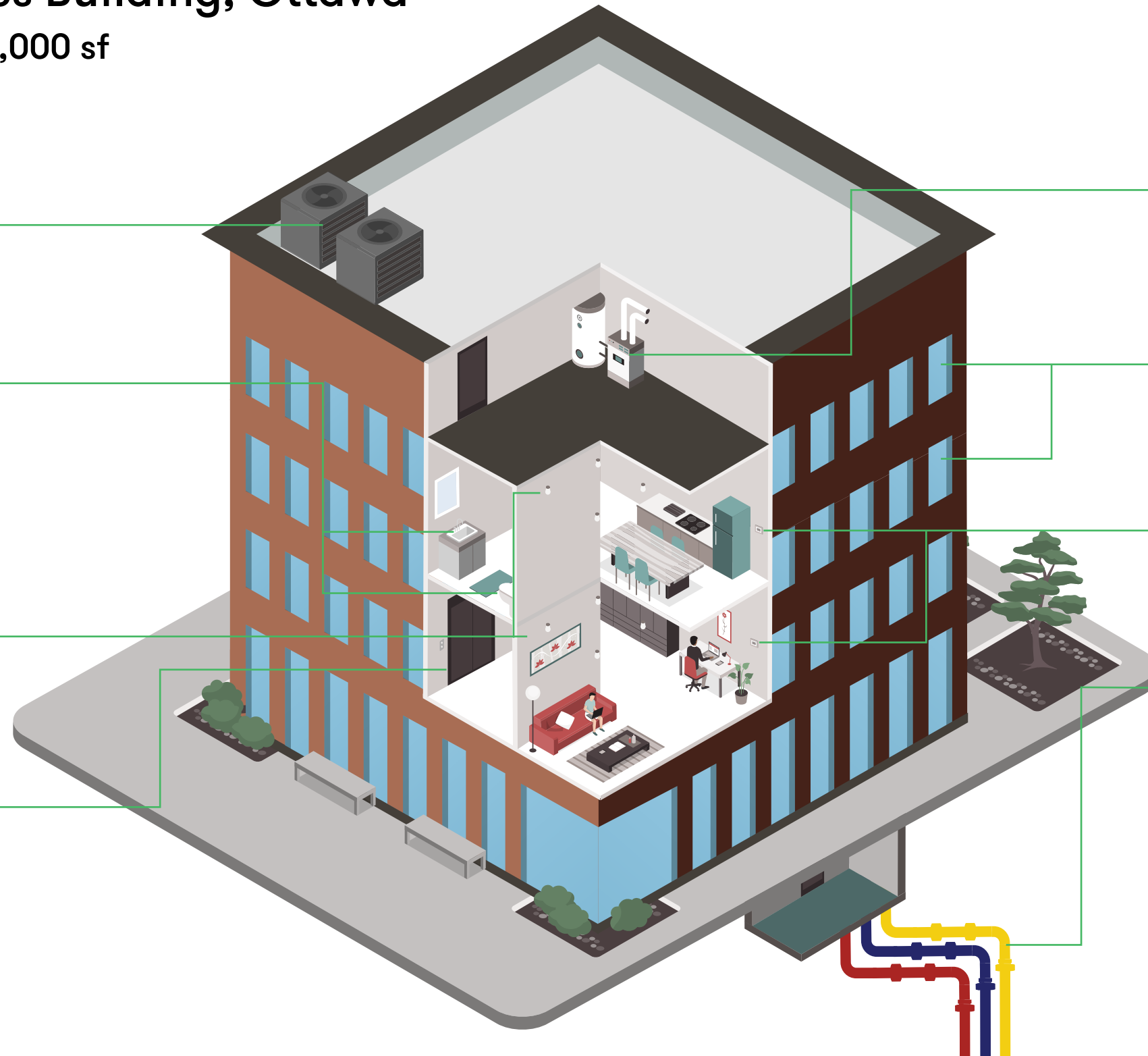
## Zibi Block 211 - 186,000 sf

**Heat Recovery and Filtration for Ventilation Systems**  
Exhaust heat is recovered to preheat fresh air coming into the building.

**Low Flow Plumbing Fixtures**  
Water efficient toilets, faucets and showerheads can use 50%+ less water and reduce local water scarcity.

**Smart Lighting System**  
LED lighting systems are integrated with dimmable lighting, occupancy sensors, and daylight sensors to minimize electricity use.

**Elevators with Regenerative Braking**  
Energy is recovered from the down pitch of an elevator and cycles back to provide energy for the up pitch of the elevator. This reduces the overall electricity consumption of the elevator system.



**Domestic Hot Water (DHW)**  
Through heating exchange equipment, DHW is provided by the Zibi Community Utility (ZCU) district energy system.

**High-Performance Building Envelope**  
Better occupant comfort near windows and walls, and lower, more consistent, thermal energy demand.

**Indoor Air Quality (IAQ) Sensors**  
Wireless sensors can continuously monitor inside the building to ensure high IAQ and promote better wellness and productivity.

**Heating and Cooling for the site is provided by the Zibi Community Utility**  
The ZCU district energy system uses post-industrial waste heat recovery, and cooling from the Ottawa River, to provide heating and cooling.

## Net Zero is Good Business

We believe in investing to make a positive and lasting impact on people and the planet while delivering returns for our investors. Our Net Zero Action Plan contributes to resiliency, fosters innovation and collaboration, and increases asset value. Many of the retrofits included in our net zero roadmaps yield favourable returns and paybacks, such as LED lighting retrofits, controls upgrades and photovoltaic solar installations.

Achieving net zero is complementary to improving our assets and sustaining tenant demand. Market trends and corporate emission reduction commitments continue to strengthen tenant demand for low carbon spaces. Our net zero commitments have helped us become a leader in developing and arranging innovative financing solutions, such as the funding Dream Unlimited, Dream Office and Dream Impact secured with the Canada Infrastructure Bank to decarbonize existing buildings. As we progress, our assets will benefit from increased supply of low-cost capital, the growth of sustainable debt-markets, and opportunities for assets to qualify for green fund inclusion.

# \$6 Billion

in net zero communities within Dream Unlimited and Dream Impact's development pipeline<sup>(1)</sup>

Making progress on our Net Zero Action Plan has had a positive impact on the real estate sector through industry collaboration and leadership. For example, we have invested in the learning and development of our partners by working with them to develop innovative tools and processes. Through this collaboration, we're helping to accelerate the low carbon economy and foster an ecosystem of net zero competencies among our partners. We will continue demonstrating the business case for reaching net zero and contributing to bringing the industry forward as we make progress against our commitments.



**The LeBreton Flats Library Parcel will be a net zero (operational carbon) development that is also targeting a 10% reduction in embodied carbon from structural and building envelope component.<sup>(2)</sup>**

<sup>(1)</sup> Net zero communities in development pipeline consist of Zibi, LeBreton Flats Library Parcel and Quayside.  
<sup>(2)</sup> Owned by MPCT.UN, DRM, and Dream Impact Fund.

## Forward Looking Plans

### Net Zero Action Plan

- **Action the first steps** of our net zero strategy to achieve GHG reductions by increasing energy efficiency in our standing portfolio and piloting additional heat pump retrofit projects
- **Develop more asset-level net zero roadmaps** and increase the accuracy of our capital and investment plans
- **Continue to strategize** how to systematize our approach most efficiently to decarbonize our portfolio
- **Assess embodied carbon** by conducting lifecycle assessments and piloting innovative materials including mass-timber
- **Continue recruiting** to improve our internal skills and competencies related to net zero and decarbonization strategies
- **Calculate the baseline** of GHG emissions for Dream Residential<sup>(1)</sup>
- **Improve our data collection** processes with Scope 3 emission data

<sup>(1)</sup> Dream Residential REIT was formed in May 2022. Initial data collection processes are underway and will inform the REIT's strategy to reach its net zero by 2050 commitment.



Dream Group of Companies

# 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 entities.

Employees across our entities come from a variety of backgrounds and experiences, 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 more sustainable future.



Executives serving breakfast at Dream head office - 30 Adelaide St E  
Toronto, ON

## Employee Engagement and Development

Our vision of building sustainable and inclusive communities starts with our commitment to being 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.



• **Diversity, Inclusion & Advancement**

• **Valuing Employees**



• **Community/NGO Partnerships**

We are focused on developing leaders throughout the Dream group of companies by prioritizing employee training and development and providing professional opportunities to young talent.

Employee development and engagement is managed by the People and Culture team. Our approach is guided by employee opinions to understand what makes working at Dream enjoyable and how best to improve their experience.

Our People and Culture and Health and Safety teams work with our Diversity, Inclusion & Advancement Committee to enhance engagement and employee development to embed wellness, diversity, and inclusion across all areas of the employee experience.

### Approach

In 2021, we developed our ESG framework pillars to guide the development of our ESG program and activities. The **Operational Excellence** and **Strong Relationships** pillars include the following focus areas in which we aim to address and deliver impact through our corporate programs and activities:

## Dream Group of Companies – Employee Summary

	2020 <sup>(1)</sup>	2021	2022
<b>Number of Employees<sup>(2)(3)</sup></b>	493	535	600
<b>Permanent<sup>(4)</sup></b>	477	518	591
<b>Contract</b>	16	17	9
<b>Full-time<sup>(5)</sup></b>	489	531	596
<b>Part-time</b>	4	4	4

(1) 2020 figures have been updated to reflect enhanced data tracking procedures and changes to calculation methodologies.

(2) Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp., Dream Office Management Corp., Dream U.S. Manager LLC, and Dream Europe Advisors Coöperatieve U.A. Does not include employees at recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) interns, and DRRU employees of Pauls Corp.

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

(4) Includes permanent part-time employees.

(5) Includes all employees with a work schedule of 35 hours or greater per week.

## Dream Group of Companies: New Hires and Voluntary Turnover Rates

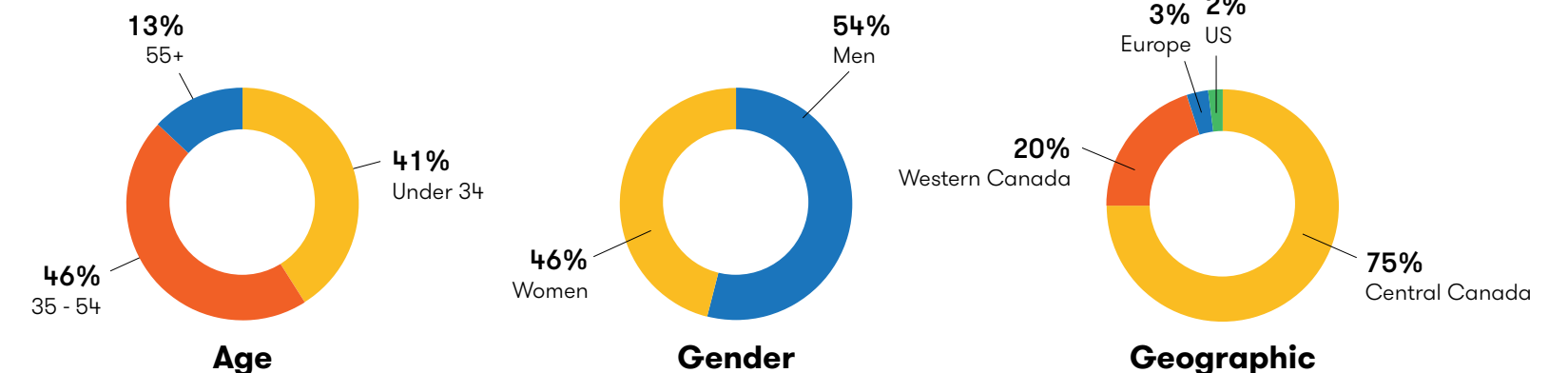
In 2022, the Dream group hired a total of 181 new full-time employees and had an overall voluntary turnover rate of 16%, which is consistent with market trends across the real estate industry as per the [REALPAC Canadian Real Estate Compensation Survey Report](#).

	New Hires <sup>(1)</sup>			Voluntary Turnover Rates <sup>(1)(2)</sup>		
	2020 <sup>(3)</sup>	2021	2022	2020 <sup>(3)</sup>	2021	2022
<b>Total</b>	<b>58</b>	<b>125</b>	<b>181</b>	<b>12%</b>	<b>17%</b>	<b>16%</b>
<b>Men</b>	34	63	96	N/A	14%	12%
<b>Women</b>	24	62	85	N/A	19%	19%
<b>Age 34 &amp; under</b>	N/A	78	111	N/A	24%	19%
<b>Age 35 - 54</b>	N/A	41	59	N/A	14%	12%
<b>Age 55 &amp; over</b>	N/A	6	11	N/A	11%	19%
<b>Central Canada</b>	47	88	134	N/A	19%	15%
<b>Western Canada</b>	8	22	37	N/A	13%	28%
<b>United States</b>	0	9	1	N/A	0%	0%
<b>Europe</b>	3	6	9	N/A	0%	2%

(1) Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp., Dream Office Management Corp., Dream U.S. Manager LLC, and Dream Europe Advisors Coöperatieve U.A. Does not include employees at recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) interns, and DRRU employees of Pauls Corp.

(2) Turnover is calculated as a percentage of total employee headcount in noted category.

(3) 2020 figures have been updated to reflect enhanced data tracking procedures and changes to calculation methodologies.



## Key Accomplishments

### Refreshed

office environments and amenities as employees returned to office

**82%**

response rate achieved in our 2022 employee engagement survey, facilitated through Great Place to Work®

### Town halls

held monthly and hosted by Dream Unlimited's Chief Responsible Officer

### Wellness

offerings continued to be expanded including Wellness Wednesdays and micro-wellness days

### Benefits

package expanded for employees

**~1,500**

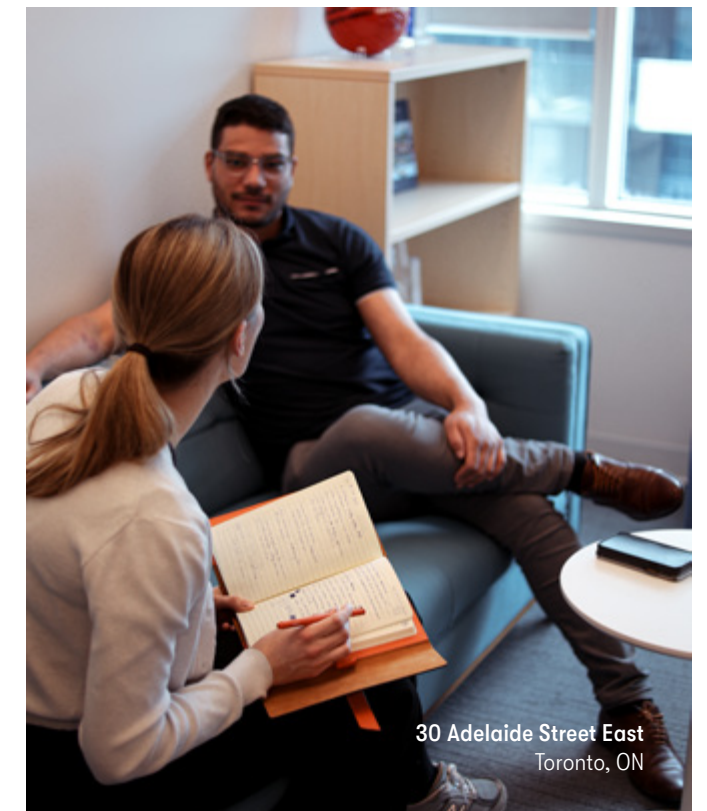
introductions made to connect employees through the "Dream Exchange" program

**64**

interns participated in the Young Talent Program

**\$275,000+**

paid in tuition and professional fees





## Awards and Recognition



Certified as a **Great Place to Work®** in 2022



One of 2022's **Best Workplaces for Giving Back**



One of 2022's **Best Workplaces in Real Estate and Property Development**



Recipient of the Globe and Mail's **"Women Lead Here"** award for the third consecutive year



Named one of **Canada's Best Employers for Recent Graduates** in 2022 by The Career Directory



Recipient of a **Best Places to Work award** by Human Resources Director Canada

## Employee Engagement

Our priority in 2022 was to roll out a hybrid work plan to ensure a safe and successful return to the office. Our approach was guided by an office services survey to understand what our people want to see in their office spaces to ensure a positive return to the office. Following the results of the survey, we renovated and refreshed our office spaces, upgraded meeting rooms, and provided employees with a range of snack and coffee offerings.

In April 2022, we conducted our annual 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 82% completion rate with 88% of respondents stating that **"Dream is a great place to work"**. 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 and Culture team with meaningful insights regarding strengths and opportunities to improve employee engagement initiatives.



Executives serving breakfast at Dream head office - 30 Adelaide St E Toronto, ON



Ice Cream Day at Dream Toronto, ON

**85%**

of employees take pride in our corporate image and their career at Dream

## 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 and Culture team is proactive about evolving our benefits program to prioritize employee health and wellbeing with flexible options to suit a variety of preferences.

In 2022, we conducted an inclusivity audit of our employee benefits package to ensure we are meeting the needs of our diverse team. The audit assessed benefits offered to people that identify as 2SLGBTQIA+ and people with disabilities. It also considered the inclusivity of our family planning benefits. The result was an expanded and enhanced employee benefits package with flexible and inclusive options to support the diverse needs of the people we employ.

### Updates to Employee Benefits:

- Introduced new Employee Assistance Program (EAP) and mental health and counseling services with Inkblot app to provide employees with more support options for a greater diversity of needs
- Flo (women’s reproductive health app)
- Fertility drug coverage
- Funding to support IVF benefits
- Dietitian coverage
- Increased dedicated funding for mental health support for both employees and their dependants.
- Increase in vision coverage
- Increase in claimable amounts for dental work
- Adult orthodontic coverage



Employee Engagement Sustainability Working Group - 30 Adelaide St. E  
Toronto, ON

#### Case Study

### Employee Sustainability Engagement Strategy

**The Employee Engagement Sustainability Working Group is an employee-led group that uses social activities, personal development programs and inter-office competitions to promote Dream’s sustainability practices with employees.**

A key objective for the Employee Engagement Sustainability Working Group is to further connect Dream employees with our purpose of **Building Better Communities**.

In 2022, the group organized a number of exciting and engaging sustainability initiatives including:

- Engaging local NGO, York Region Environmental Alliance (YREA), to host a “Shop like the planet’s watching” webinar to educate employees on making sustainable choices through consumer purchasing
- Coordinating the annual Dream Litter Pick Up in honour of Earth Day and encouraging employees across all Dream offices to get outside and help clean up the surrounding community
- Hosting an information session with guest speaker Dr. Blair Feltmate to discuss the importance of climate change adaptation for commercial real estate
- Organizing the annual Dream Clothing Drive and donating used professional attire to support those in need while also helping reduce waste discarded to landfill

## Employee Development

At Dream, we value our talent as our strength, which is why we have programs in place to provide career progression and networking opportunities to current and future talent. Our Young Talent Recruitment Program supports a broad range of students to experience a corporate environment and provides them an opportunity to gain professional and practical skills relevant to their field of study.

To ensure our employees continue to grow professionally, we host leadership sessions to promote career progression and fireside chats to facilitate internal connections and skill development.

## Dream Group of Companies: Employee Training and Development

	2020	2021	2022
Tuition and Professional Fees Paid	\$425,000	\$221,000	\$277,000

## Learning and Development Perks

- 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
- Dream Exchange platform to support internal networking through one-on-one connections, leadership fireside chats and office hours opportunities

## High School Summer Student Program

In 2022, we launched a new recruitment initiative in conjunction with the Building Operations team called the High School Summer Student program. The program provided two summer job openings to senior students. The aim of the program is to enable students to gain experience and learn about career opportunities in the real estate sector. To enhance the program for 2023, we are hosting professional skills workshops on resume writing and interview skills for high school students.

## Forward Looking Plans

### Employee Engagement & Development

- **Updating Employee Handbook** with inclusive language
- **Investing in top talent training programs** and employee tools needed to support their success
- **Conducting a total compensation review**
- **Enhancing employee self-service platforms**
- **Deploying a localized feedback survey** to develop programs within teams
- **Further design and launch talent development** and career progression programs

### Case Study

## Young Talent Recruitment Program

Our internship program is offered to students and recent graduates to provide training and development opportunities to support their early career development.

In 2022, we hired over 64 interns in a variety of functions ranging from Building Operations, Marketing, and Accounting and Finance, to People and Culture and Office Services. From the 64 interns, we successfully hired four interns on a full-time basis. We are proud of the strong pool of young talent we continue to support in their early career.

### Interns on their experience at Dream:<sup>(1)</sup>

“ I enjoyed the intern lunch and learn sessions with executives and learning about their career paths. ”

“ I appreciated being able to gain the valuable knowledge and skills necessary for an entry level accounting position. Now, I have the foundational experience required to pursue more advanced roles in the accounting field, namely in the real estate sector. ”

“ What I most enjoyed about my internship experience was the amount of responsibility I was given. I really appreciated the ability to take ownership of projects, and to experience the full scope of work. ”

<sup>(1)</sup> Anonymous quotes based on exit interview with interns.

## Diversity, Inclusion & Advancement

At the Dream group, we value Diversity, Inclusion & 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 with 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 all the Dream entities.

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

**Action:** We take actionable measures to accomplish our goals and ensure we are following through on our obligations.

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

### Approach

Diversity, inclusion and advancement is managed by the DIA Committee. The committee includes employees from multiple levels, including C-suite, Directors, and Managers, and is overseen by Dream Unlimited’s President and Chief Responsible Officer. Committee membership is rotated every two years to ensure inclusion across levels of the business and to bring in new ideas and perspectives.

The DIA Committee is led by executive sponsors including the Chief Operating Officer of Dream Office, the Director of Technology Operations, and Vice President and Head of People and Culture from Dream Unlimited. The DIA Committee’s mandate is to listen, learn and develop best practices to enhance diversity and inclusion at Dream, as well as build accountability for advancing DIA across the business.



Women's Day Panel  
Toronto, ON

## Key Accomplishments

### 2 New Workstreams

Inclusion and Learning & Development were introduced

### 83% Participation

employee participation in voluntary demographic census (for Canadian based employees)

### Awarded

The Leading on Diversity award from The Community Benefits Network

### 3 Scholarships

each worth \$3,000 were awarded to students in underserved communities studying in fields related to our business

### Quarterly

diversity training sessions were provided for all employees

### Mandatory

diversity training was implemented for new hires

## Evolving our DIA Program

The DIA Committee was established in 2020 with a mandate of elevating and building expertise across the business and instilling a culture of inclusivity and belonging. After two successful years building a solid foundation, the DIA Committee has a plan to continue to evolve into 2023 and beyond. In late 2022, the DIA Committee developed a new structure that will allow for more employees to be actively involved with the committee, and for more areas of opportunity to be focused on. The new structure will be formalized and launched in 2023 and will include the addition of new employee workstreams and the launch of a Dream Inclusion Network (Dream’s take on Employee Resource Groups) to continue to advance and accelerate various DIA priorities and deliverables.

Employee-led workstreams align with our strategic priorities and have specific accountabilities for building out plans and actions. In 2022, we continued to focus our efforts on our existing employee-led workstreams: Community, Advancement, Recruitment, and the DREAM Difference. As part of our new framework, we are adding two new workstreams, Learning & Development and Inclusion.

In 2023, DIA recruitment efforts will be a focus for the People and Culture team, along with their DIA goals within their practices. The DREAM Difference continues to accelerate and will be focused on as part of our impact focus. The Community stream has a new focus on both community and giving and our Advancement stream will be rebranded to continue providing DIA Learning & Development for all employees.

A large focus of the Inclusion workstream will be to work with our external diversity consultants to introduce an Inclusion Network. This network is voluntary and is an employee-led group whose aim is to foster a diverse, inclusive workplace. This will allow our employees (and allies) who share a characteristic, whether it’s gender, ethnicity, lifestyle, or interest to provide support and to create an inclusive space where employees can bring and be their whole selves. In addition, the team will focus on ensuring our workplaces continue to reduce barriers for all in partnership with our Office Services and Building Operations teams. This would include working on an accessibility plan for all Dream locations to ensure that we are supporting our employees with both visible and non-visible disabilities.

## Performance

We measure our progress on diversity, inclusion and advancement in many ways. Most recently, in our 2022 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.

30%

of employees identify as visible minorities<sup>(1)</sup>

5%

of employees identify as 2SLGBTQIA+<sup>(1)</sup>

2%

of employees identify as Indigenous<sup>(1)</sup>

4%

of employees identify as having a disability<sup>(1)</sup>

<sup>(1)</sup> The diversity survey results were based on 422 anonymous participants. Percentages were based on total headcount.

## Dream Group of Companies Gender Breakdown<sup>(1)(2)</sup>

	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
<b>Employees<sup>(3)</sup></b>	53%	47%	52%	48%	54%	46%
<b>Managers<sup>(4)</sup></b>	57%	43%	55%	45%	57%	43%
<b>Senior Management<sup>(5)</sup></b>	N/A <sup>(6)</sup>	N/A <sup>(6)</sup>	N/A <sup>(6)</sup>	N/A <sup>(6)</sup>	66%	34%
<b>Executive Team</b>	62% <sup>(7)</sup>	38% <sup>(7)</sup>	53% <sup>(7)</sup>	47% <sup>(7)</sup>	64% <sup>(8)</sup>	36% <sup>(8)</sup>

<sup>(1)</sup> Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp., Dream Office Management Corp., Dream U.S. Manager LLC, Dream Europe Advisors Coöperatieve U.A., Dream European Advisors GmbH and Dream France Advisors SAS. Does not include employees at recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave), interns, and DRR.U employees of Pauls Corp.

<sup>(2)</sup> Percentages are based on total headcount.

<sup>(3)</sup> Includes employees at all levels.

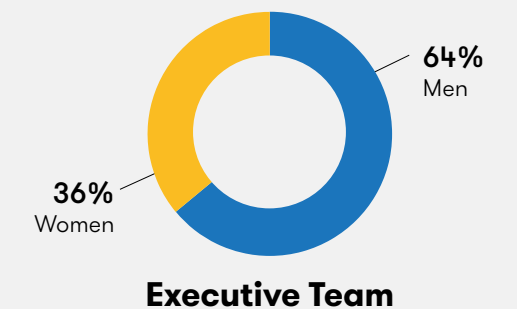
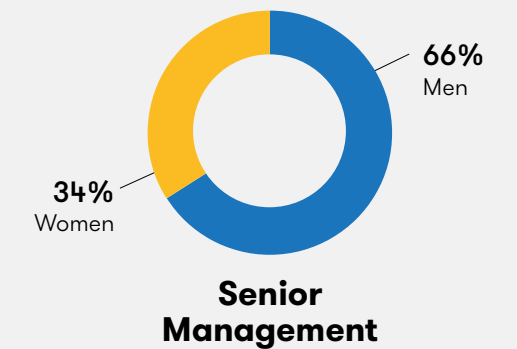
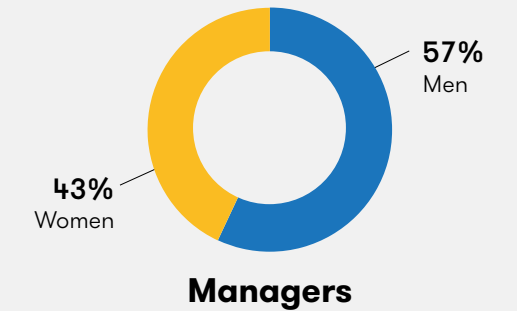
<sup>(4)</sup> Includes Managers and above.

<sup>(5)</sup> Includes Vice Presidents and above.

<sup>(6)</sup> Dream began collecting and disclosing gender data for senior management as of January 1, 2022.

<sup>(7)</sup> In 2020 and 2021, Executives include the Chief Responsible Officer of DRM, the Chief Executive Officers of DIR.UN, D.UN, the Portfolio Manager of MPCT.UN, the Chief Financial Officers of DRM, MPCT.UN, D.UN, and DIR.UN, as well as the Chief Operating Officers of D.UN, and DIR.UN.

<sup>(8)</sup> In 2022, Executives include: the Chief Responsible Officer of DRM, the Chief Executive Officers of DIR.UN, D.UN, and DRR.U, the Portfolio Manager of MPCT.UN, the Chief Financial Officers of DRM, MPCT.UN, D.UN, DIR.UN and DRR.U, as well as the Chief Operating Officers of D.UN, DIR.UN and DRR.U.



## Diversity Training

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. We offer workshops and training for our employees to share and learn from each other. In 2022, we hosted quarterly diversity training sessions that covered a wide variety of social topics including Black History Month, unconscious bias, and accessibility. This past year, we also rolled-out mandatory diversity and inclusion training for all employees and new hires.

## Diverse Recruiting Practices

In 2022, we worked to ensure our recruiting practices meet our commitment to diversity. We have expanded our recruitment efforts to new schools, job fairs, and job boards to support our recruitment of individuals from diverse backgrounds. For example, we have posted opportunities to Indigenous job boards and attended virtual Indigenous career fairs to increase our access to talent from Indigenous backgrounds.

## Forward-looking Plans

### Diversity, Inclusion & Advancement

- **Provide employees with opportunities to get involved** in the DIA Committee through volunteering as well as the newly launched Employee Resource Groups and Inclusion Networks
- **Hire a dedicated person** to support and advance the DIA Committee and program
- **Establish and track specific metrics** to monitor progress against our commitments
- **Continue to bring in external speakers** to further educate and continue the conversation around diversity and inclusion topics



Dream's Holiday Party  
Toronto, ON

Roundtable

# Women In Leadership

We convened women leaders and executives across the Dream group of companies to discuss how having women leaders supports our business.



**Joanne Ferstman (moderator)**  
Chair of Dream Unlimited Corp. Board



**Jane Gavan**  
President Asset Management,  
Dream Unlimited Corp.  
CEO, Dream Residential REIT



**Meaghan Peloso**  
CFO, Dream Impact Trust



**Lenis Quan**  
CFO, Dream Industrial REIT



**Deborah Starkman**  
CFO, Dream Unlimited Corp.



**Tsering Yangki**  
EVP, Real Estate Finance and Development,  
Dream Unlimited Corp.

**Joanne: How would you describe your leadership principles?**

**Deborah (DRM):** It is important to treat people with respect and kindness. I believe in empowering people by being supportive and creating a culture where people feel comfortable bringing problems to you to work through together. It is important to be fair and transparent, and ensure people get credit and recognition for the great work they do.

**Lenis (DIR.UN):** Respect people’s strengths, challenge them, and lead by example. To have a successful team, people need to feel that they can come to you for advice as they work through solutions, so it is important to be approachable, be fair and to give honest, constructive feedback.

**Meaghan (MPCT):** I echo the remarks by Lenis and Deb. Leading by example, being genuine and having effective communication across your team increases effectiveness.

**Joanne: How do you keep your leadership principles on track in stressful times?**

**Jane (DRM):** As a leader, people take their cues from you. Leading with optimism, passion, and confidence is critical because you want people to feel inspired, and take your lead.



**Tsering (DRM):** For me leadership is the union of both purpose and performance. It requires clarity and courage to be able to realize those principles. As a leader, you must have courage in bringing your authentic self, clarity on the levers of both risk and opportunities, wisdom to know you don’t know everything, trust in your team, and courage in providing agency and inspiration. This has helped me during all times.

**Joanne: Real estate is an industry where women have historically been underrepresented. What is your perspective on opportunities for women today versus when you were starting in your career?**

**Jane (DRM):** I came to Dream 25 years ago, as a lawyer. There weren’t that many women on the transaction side of the business and I was given the opportunity to have a seat at the table on both the legal side as well as the business side. Now, it is far more common to have women at the negotiating table, at the executive suite and in particular, the C-suite. Just seeing more women at the top of an organization makes it more comfortable for other women in the organization.

**Tsering (DRM):** I came to Canada in 2004 as a refugee, it was an uphill battle as I initially knew no one in the industry. For me representation really matters as I was able to visualize myself when I first saw an extremely accomplished and brilliant Asian woman who was a Chief Development Officer. Coupled with champions who were/are both men and women, who provided access in a very relationship driven industry, and hard work, it was uphill but worth the effort. I am so glad to see so many more formalized processes and systems, where there is more access for those with merit who can rise. It is better for society and the economy.

**Lenis (DIR.UN):** I learned early in my career that in addition to being competent and working hard, you often need someone within the organization to vouch for you, to put you forward when opportunities open up. When I joined the real estate industry over 20 years ago, there was only a handful of women in senior positions. So back then, you often needed a male champion to support your advancement and open the door for additional opportunities, and I was fortunate enough to work closely with someone like that. I later moved on to another company, where the CEO and I were the only all-female CEO-CFO team in real estate at the time. She supported my professional development and also when I started a family. As more and more women in leadership roles show that they are dedicated professionals who are going to figure out how to balance everything and be successful, it gets easier for more women to be given such opportunities.



Jane Gavan, speaking at Dream’s annual Women’s Day Event. Toronto, ON

**Joanne: Why do you believe having women in leadership roles is important for Dream?**

**Tsering (DRM):** At Dream, diversity and inclusion allows us to innovate, it is our competitive advantage. Greater diversity, be it gender, lived experiences, or perspectives in leadership ultimately allow us to make better decisions.

**Jane (DRM):** I have seen where diversity can create collaboration. In my experience with boards, and with women in leadership roles, women tend to be more collegial and focused on creating bonds. In moments of intense negotiation, these bonds help make cohesive decisions and give a platform for diverse voices to be heard.

**Joanne: How has Dream supported your career advancement?**

**Jane (DRM):** Certainly through my career, our founder Michael has been a big supporter. His sponsorship and support put me in positions to lead deals, and I had his support to execute. That created confidence, when I



knew he was supporting me to make the decisions that were required, and that confidence builds on itself. It also signaled to others that I was the person to deal with. Having both mentors and sponsors is important in a career path.

**Meaghan (MPCT):** Addressing the confidence gap is one of many things Dream does very well. We identify talent, both with men and women, and give people the opportunities to grow. We also have a culture and mindset that fosters growth for women across the organization.

**Jane: What do you believe the industry needs to do to tackle diversity, inclusion, and advancement (DIA) issues in the future?**

**Joanne (Moderator):** I sit on a lot of boards that are actively looking to recruit more women, specifically women with board experience. If you want women to be more experienced on boards, you have to give them an opportunity to start somewhere.

**Lenis (DIR.UN):** Despite the strides we have taken in recent years, it is still important to push for gender parity and increased diversity. Giving women the opportunities and supporting the advancement of young women to advance creates a larger cohort of competent, senior women in future years. Women from different backgrounds will have different experiences to share and bring to the table. Having diverse, informed views will result in better business decisions.

**Joanne: What are some ways that Dream encourages, prepares, and supports women to seek promotions and leadership opportunities?**

**Tsering (DRM):** Dream empowers women through both formal and informal systems. Formally there are programs for managers to empower others such as our Diversity, Inclusion and Advancement Commitment. Informal systems such as fireside chats and the mentorship connection programs also create opportunities to learn and share, and the relationships formed through informal systems are equally important.

**Deborah (DRM):** The tone is set at the top. As a female leader, it is important to empower your team, acknowledge their accomplishments and raise the profile of future potential leaders.



**Joanne: What benefits have you seen in having greater representation of women in governance positions?**

**Jane (DRM):** When women sit on boards, I believe they are able to raise issues that are uncomfortable, and do so in a way that leads to more fullsome discussion. I also think women think more about culture and bring that perspective to the table. Different points of view in respect to strategy and risk lead to stronger governance.

**Deborah (DRM):** I echo Jane's sentiments, particularly with respect to risk tolerance. Having female directors on boards creates a greater diversity of viewpoints, which improves the quality of board deliberations. It also improves collaboration and leads to the best decisions for the company.

**Meaghan: What advice would you give to a woman early in her career?**

**Joanne (Moderator):** You are in the room because you are meant to be there. Women are more likely than men to doubt themselves and their abilities. Usually when you have something to say you are right. Speak up! Let people hear you. It may be daunting the first time, but the more you do it, the easier it will become.

## Health and Safety

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

Day-to-day management of health and safety concerns is the responsibility of our Health and Safety Manager 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, Health and Safety Committees, contractors and visitors to ensure that the requirements of Dream’s Health and Safety Program and Policies, the Occupational Health and Safety Act, and other applicable legislation are met.

All managers and supervisors are responsible and accountable for the health as well as the 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 policies and procedures.

Health and Safety Committees and Representatives are required to do regular inspections. 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:

- Launched the National Corporate Health and Safety Program to ensure consistency throughout all divisions
- Improved completion rates for mandatory health and safety training by operations employees and new employees
- Completed annual review of health and safety policies and procedures
- Launched, eCompliance, an internal platform to track health and safety inspections, incidents, meetings and training, and share safety policies and forms

### Forward Looking Plans

#### Health & Safety

- **Create a comprehensive Emergency Response Plan** for all GTA properties
- **Complete rollout of eCompliance** in GTA and Western Canada
- **Work with teams to create additional safe work practices** and safe job procedures
- **Work with Health and Safety Committees to ensure consistent improvement** of safety throughout our offices
- **Launch GTA Multi-site Joint Health and Safety Committee**

### Performance

	2020		2021		2022	
	Lost-time injuries	Near misses	Lost-time injuries	Near misses	Lost-time injuries	Near misses
Men	1	-	2	-	1	-
Women	-	-	-	-	-	1
Central Canada	-	-	1	-	1	-
Western Canada	1	-	1	-	-	1
Injury Type	Slip/trip	-	Motor vehicle accident; psychological incident	-	Falls	Near miss
Lost Days	10	-	0	-	3	-

## Volunteering and Giving

Through our business, volunteering and giving initiatives, we focus 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. Dream encourages all employees to live our values by becoming involved with causes they care about.

Nationally and locally, we prioritize charitable organizations that support youth in sport, women’s health, youth services, people experiencing homelessness, and marginalized communities. Each Dream entity also supports additional initiatives of their choosing.

### 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 our 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 each of five recipients** to contribute to a cause they believe in through our annual ETHOS awards peer nomination program
- **Opportunity to donate** to preferred charity through automatic payroll deduction

#### In 2022, our local and National charitable partners included:

- The Shoebox Project
- Orange Shirt Society
- Legacy of Hope

~\$900,000

donated to charities in 2022



Dream Volunteer Day at the Daily Bread Food Bank  
Toronto, ON

Case Study

## Dream Community Foundation

In 2022, the Dream Community Foundation (DCF) was launched. DCF is a registered charity dedicated to improving the well-being of individuals, families, and neighbourhoods across Canada.

Building on our impact mandate, DCF will support the creation of affordable housing and invest in programs and services that create a sense of belonging for vulnerable and low-income tenant populations to thrive. Working in partnership with the Dream group, as well as registered charities, local community organizations and non-profits, DCF supports existing initiatives and programs, in addition to creating its own.

In 2022, these programs focused on three pillars:

- Wellness and Active Living
- Skills Training and Personal Development
- Community Events



Holiday event at Weston Commons  
Toronto, ON



Holiday event at Weston Commons  
Toronto, ON

## Forward-looking Plans

### Volunteering and Giving

- In 2023, DCF is expanding programming across Canada, including introducing the Dream Scholar's program for scholarships
- Continue to promote and enhance payroll giving to ensure we are achieving goals for cause donations
- Work with Dream social committees to promote volunteering and giving back within our communities

**\$300,000**

donated by DCF to support community initiatives



Holiday event at Weston Commons  
Toronto, ON

Dream Group of Companies

# Governance

The Dream group of companies are committed to sound and effective corporate governance. Our goal is to not only meet requirements established by regulators, but also to uphold excellent corporate governance principles and practices. We believe that strong governance reduces investment risk, leads to more consistent outcomes, and attracts global investors.



30 Adelaide Street E  
Toronto, ON

# Corporate Governance

## Approach

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

In 2021, we developed our ESG [Framework pillars](#) to guide the development of our ESG program and activities. The **Operational Excellence** pillar includes the following focus areas, which we aim to address, and deliver impact to, through our corporate programs and activities:



- **Corporate Governance**
- **ESG Risk Management**
- **ESG Impact and Management**

The following sections in this chapter illustrate how we are integrating ESG and climate considerations throughout our governance structure and risk management processes. For information on entity-level governance and ESG risk management practices, refer to each entity chapter.

## Board Composition

The boards of each Dream entity are composed of highly experienced, dedicated and knowledgeable professionals who each have expertise in key areas of our businesses.

We periodically assess the skills, knowledge and backgrounds of Directors and Trustees in light of the needs of the boards, including the extent to which the current composition of the boards reflect a diverse mix of skills, experience, knowledge and backgrounds, and an appropriate number of women Directors and Trustees. Our boards target a composition in which women comprise a minimum of 30% of Directors or Trustees.

## Board Oversight

To further integrate sustainability across our business and ensure that non-financial considerations such as ESG matters and, for certain of the Dream group of companies' entities, impact objectives, are considered alongside financial considerations, we revised our governance policies to increase oversight and accountability of ESG matters at the board level. We updated the existing governance policies of Dream Unlimited, Dream Industrial, Dream Office, and Dream Impact to ensure ESG considerations are embedded in the relevant board committees responsible for overseeing and managing ESG risks and opportunities, and designed Dream Residential's governance policies to ensure the embedding of the same ESG considerations. Such policy language was approved by the Board of Directors or Trustees of each entity in the Dream group of companies, and is reflected in the relevant mandates, charters and corporate policies.<sup>(1)</sup>

- Board of Directors Mandate
- Charter for the applicable governance committee
- Code of Conduct
- Disclosure Policy
- Whistleblower Policy

The ESG and, where applicable, impact language in these documents has strengthened our scores with ESG rating agencies on the following common ESG indicators: business ethics, bribery and corruption risk, energy, water and emissions management, and physical climate risk management.

Each of the Dream group of companies has committed to be an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) and is working to align disclosures and practices with the TCFD recommendations. These governance policy changes strengthen alignment with the TCFD recommendations, and support appropriate board oversight of the climate risks and opportunities associated with transitioning to a low carbon economy and business resiliency.

As increased ESG regulation is expected and best practices continue to evolve, we will continue to monitor the regulatory environment, trends and investor requirements on an ongoing basis.

“ Board diversity promotes the inclusion of different perspectives and ideas and ensures that we have the opportunity to benefit from all available talent. We believe that having a diverse board makes prudent business sense, helps maintain a competitive advantage and makes for better corporate governance. ”

**Jane Gavan**

President, Asset Management, Dream Unlimited  
Corp.CEO, Dream Residential REIT



(1) The names of boards and committees vary across Dream entities. Please refer to the charter or mandate of the applicable board or committee of each Dream entity for a complete reference to the name of such board or committee. Such mandates, charters and policies are available on the website of each entity. See the [Forward-Looking Information](#) section of this Report for links to such websites.

## Executive Oversight

The highest-level executive at each Dream entity is responsible for oversight over ESG and impact, including sustainability and climate change matters. In addition, the Chief Financial Officer of each Dream entity together with the Chief Operating Officer for Dream Office, and President and Chief Operating Officer for Dream Industrial provide leadership over the sustainability strategy and oversee 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 Impact Strategy. The ESG Executive Committee receives regular updates from the Sustainability and ESG team on behalf of the Strategic Finance team and the Sustainability Working Groups.

### Case Study

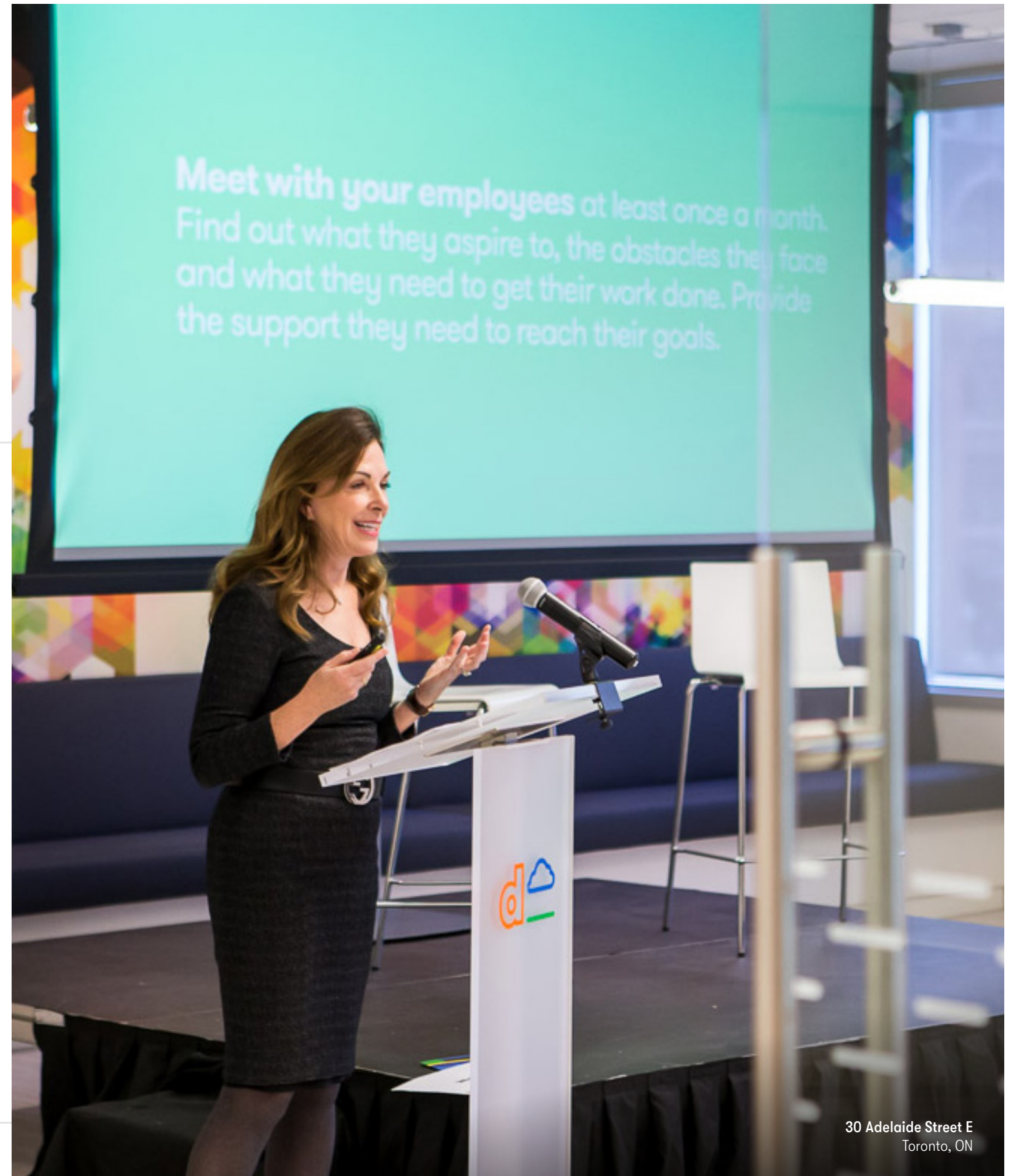
## Excellence in Governance Award

**In 2022, Dream Unlimited was awarded an Excellence in Governance Award by the Governance Professionals of Canada (GPC) for leadership in ESG/Sustainability/Purpose.**

GPC is an association that aims to be the voice of governance professionals in Canada, and to celebrate excellence in governance. The judge's report recognized Dream Unlimited for its ESG leadership, demonstrated both through ESG initiatives and how ESG is integrated into its governance processes. Specific governance practices highlighted included the development of structures to permit its Board to discharge its duties and responsibilities, strong board oversight of ESG matters, codified business ethics, and an internal controls framework to report ESG metrics consistently.

The judge's report also referenced Dream's ESG framework, Net Zero by 2035 Action Plan, and voluntary disclosures and commitments such as the Operating Principles for Impact Management, and the TCFD recommendations.

Across the Dream group of companies, we believe the management of ESG risks and opportunities begins with good corporate governance practices and we are proud that Dream Unlimited was recognized for its efforts to advance enhanced oversight and accountability over ESG and impact topics.



30 Adelaide Street E  
Toronto, ON

## Risk Management

Risk management is embedded into our critical business units and workflows, and is managed by our Risk Management group.

Risk management is overseen by the applicable governance committee of each Dream entity. The Senior Director of Risk and Insurance reports annually to the following board committees at each Dream entity:



The Governance, Environmental and Nominating Committee at Dream Unlimited



The Governance, Compensation and Environmental Committee at Dream Impact



The Governance, Environmental and Nominating Committee at Dream Office



The Governance, Compensation and Environmental Committee at Dream Industrial



The Governance, Compensation and Environmental Committee at Dream Residential

Risk management across the Dream group of companies is conducted 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.



## ESG Risk Management

### Approach

Our ESG risk management constitutes a rigorous process that helps us to continuously identify and mitigate risks that could impact our companies. It requires collaboration with numerous teams across the Dream entities, including Risk Management, Sustainability and ESG team, and Technical Services.

Our process for identifying and managing ESG risks involves understanding the potential risks that arise during acquisition, investments, developments and operations, as applicable in accordance with the risk management practices of each Dream entity.

### Operations

We are focused on managing and operating our buildings as efficiently as possible to mitigate risk associated with escalating utility costs, shifting regulations and tenant preferences. We manage energy and water risks by conducting energy and water audits and implement applicable efficiency measures to reduce our consumption where relevant and commercially reasonable.

### Acquisition, Investments and Developments

ESG risk management activities in the acquisition and development stages include evaluating risks and opportunities using due diligence checklists to review a comprehensive set of risks, tailored for each investment opportunity. Using due diligence checklists enables our teams to incorporate ESG-related considerations into investment decisions, where applicable and commercially reasonable. Due diligence checklists generally 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 group and its environmental consultants in respect of certain assets to identify, quantify, and manage potential environmental and physical climate change-related risk.



Case Study

## Enhancing Building Condition Assessments

When Dream conducts building condition assessments to inspect and review the state of a building's structure and systems, it includes a detailed assessment of the building's structural components, systems, interior and exterior components.

BCA reports identify issues or deficiencies and associated costs, within a ten-year time horizon. This information is transferred to our property-specific capital expenditure plans to enable prioritization of work. Dream has been diligently working with third-party consultants to enhance this scope of work to incorporate ESG and net zero features, which goes above and beyond a typical BCA.

The main goal of an enhanced BCA is to compare two scenarios:

1. **Business as usual**, which includes recommending like-for-like replacements for major equipment such as boilers, HVAC, etc.
2. **Net zero-aligned**, which extends the standard 10-year time horizon to consider our net zero goals and timelines and helps differentiate which retrofits are tenant-managed versus landlord-managed.

This comprehensive review aims to avoid like-for-like replacements and instead incorporates recommendations from our internal Net Zero Action Plan checklists.

Along with such analyses, we are working to incorporate additional ESG metrics into our BCAs to learn more about our standing investments and potential acquisitions during the due diligence process. Information pertaining to climate change adaptation strategies, waste management, renewable energy and biodiversity helps us make impactful decisions as a responsible real estate owner, manager, and developer.



Bay Street Collection  
Toronto, ON

## Climate Change Risk

**Climate change poses a significant risk to our properties, employees, tenants and communities.**

We proactively address and manage risk through acquisition due diligence, building performance analyses, capital improvements, physical climate risk assessments, environmental, health and safety inspections and environmental audits in standing investments, as well as environmental health and safety inspections for new acquisitions, in each case as may be applicable and commercially reasonable in respect of each asset. Our proactive energy management practices enable us to mitigate the adverse impacts of new regulations, including compliance costs. We also manage our risk by purchasing insurance policies to cover our assets in the event of property damage arising from climate-related events. We insure our assets on a replacement cost basis, including coverage for loss of gross income. This mitigates Dream’s exposure and ensures we are reasonably protected from potential losses.

## Climate Change Resilience

As part of our ESG risk management process, we monitor the impact of climate change for our existing properties. This includes using data and tools to help assess and mitigate climate-related risks before they occur.

We conduct analyses on an ongoing basis to identify physical climate risks in our portfolios and assess our level of resiliency. Climate resiliency refers to our actions to prepare, adapt and endure shocks and stressors related to climate change. Our goal with respect to climate resilience is to reduce the likelihood and impact of a catastrophic or disruptive event on our properties and our tenants.

Using third-party climate data, we assess the physical climate risk at each property across each of the Dream entities against the following hazards:

- Flooding
- Wildfire
- Windstorm
- Tornado
- Hailstorm
- Lightning
- Earthquake

Using this analysis, we identify specific regions and properties with increased climate risk and identify opportunities to improve resilience through ongoing capital and operational investments.

The adjacent table provides a high-level summary of our key physical and transition risks, associated potential impacts and the actions we are taking to mitigate these impacts.

Type of Risk	Identified Risks	Potential Impact	Mitigating Action
Physical, acute	<ul style="list-style-type: none"> <li>Natural disasters and increasingly frequent and severe weather conditions including wildfire, windstorms, tornadoes, hailstorms, lightning and earthquakes</li> </ul>	<ul style="list-style-type: none"> <li>Could interrupt operations and activities, threaten tenant health and safety, damage properties and may decrease property values or require additional expenses to be incurred, including increased insurance costs</li> </ul>	Across all entities we use third-party climate data to assess property-level physical climate risks from the following hazards: <ul style="list-style-type: none"> <li>Flooding</li> <li>Wildfire</li> <li>Earthquake</li> <li>Hailstorm</li> <li>Lightning</li> <li>Windstorm</li> <li>Tornado</li> </ul>
	<ul style="list-style-type: none"> <li>50, 100, 200 and 500-year flood events</li> </ul>		A flood and catastrophic loss risk assessment is performed annually to determine which properties in our portfolio are at risk of losses from 50, 100, 200 and 500-year floods. Based on the results, we are developing site-specific resilience strategies.
Physical, chronic	<ul style="list-style-type: none"> <li>Temperature change</li> <li>Precipitation change</li> <li>Sea-level rise</li> <li>Air quality</li> <li>Water security/water stress</li> </ul>	<ul style="list-style-type: none"> <li>Temperature change could increase cooling loads and costs</li> <li>Sea-level rise could alter geographies targeted for future investment</li> <li>Water security/water stress risk may impact approach to water management and capital expenditures on efficiency upgrades</li> </ul>	Property-level risk is assessed using third-party climate data against the listed chronic physical climate risks: <ul style="list-style-type: none"> <li>Temperature change</li> <li>Precipitation change</li> <li>Sea-level rise</li> <li>Air quality</li> <li>Water security/water stress</li> </ul>
Transition, policy and legal	<ul style="list-style-type: none"> <li>Greenhouse gas emissions reduction regulations</li> </ul>	<ul style="list-style-type: none"> <li>Could impose constraints on operational flexibility or result in financial costs or fines to comply with various reforms</li> </ul>	Our GHG reduction targets and Net Zero Action Plan help mitigate transition risk by proactively reducing emissions ahead of potential future regulations and anticipating future changes in tenant preferences and market supply and demand.
Transition, market and reputation	<ul style="list-style-type: none"> <li>Shift in supply and demand for products and services</li> <li>Changing tenant preferences</li> <li>Increased stakeholder expectations on climate-related risk</li> </ul>	<ul style="list-style-type: none"> <li>Failure to adapt to climate change reforms could adversely affect our reputation</li> <li>Costs to build net zero assets, or upgrade assets to net zero could increase</li> <li>May require increased internal resources to manage climate risk and produce climate disclosures</li> </ul>	Our Risk Management and Sustainability and ESG teams continuously monitor our exposure to transition risk associated with policy and legislative changes, market, and reputational shifts.  Additionally, we continue to strengthen alignment with TCFD recommendations.

## Scenario Analysis

The Dream group has identified climate change as a source of significant risk, as well as a catalyst for opportunities to create long-term value through proactive strategic decisions. In-line with the TCFD recommendations, we conducted climate scenario analyses to identify how the risk and opportunities associated with different climate scenarios could impact our businesses. The objective of the exercise was to build our teams' understanding of the specific ways climate change may impact the way we conduct business and identify how we can prepare to mitigate risks and capitalize on opportunities.

### Our process involved the following steps:

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#### TCFD Working Group

Our TCFD Working Group is made up of decision makers from across the Dream group of companies with expertise in business functions including sustainability and ESG, corporate finance, compliance, portfolio management, risk management, asset management, and development. The TCFD Working Group reported on the results of the scenario analysis exercise to management and the boards of each Dream entity.

---

#### Scenario Development

For our scenario analysis workshop, we used divergent climate scenarios. Our first scenario, titled "Failure to act" assumes the global community fails to take meaningful action on climate change, causing GHG emissions to continue to rise through 2100. This scenario is characterized by the worst physical impacts of climate change and is informed by Representative Concentration Pathway (RCP) 6.0 and RCP 8.5, published by the Intergovernmental Panel on Climate Change (IPCC)<sup>(1)</sup>.

Our second scenario, titled "Paris-aligned" assumes that advanced economies enact climate policies and invest capital to transition to a low-carbon economy and meet the Paris Agreement goal of net zero GHG emissions by 2050. This scenario is characterized by significant transition-related risk and is informed by the International Energy Agency's (IEA) Sustainable Development Scenario (SDS) and RCP 2.6 published by the IPCC<sup>(2)</sup>.

---

#### Identification of climate-related risk and opportunities

In the scenario analysis workshop, our TCFD Working Group used this information to identify risks and opportunities to the business based on the short-term (2022-2030) and long-term (2030 onwards) impacts associated with each scenario. The following page summarizes the risks and opportunities for each scenario that our TCFD Working Group identified.

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#### Evaluation of resilience

In the "Failure to act" scenario, participants believe we could protect our financial position by investing and building competence in resilience and adaptation. This scenario will require us to explore creative leadership innovations and collaborations to minimize negative impacts. For the "Paris-aligned" scenario, participants see opportunities to be a low-carbon leader, benefit from increased tenant demand for net zero assets, and gain access to capital for clean technology innovations. Our teams believe early investment in resilience and GHG reductions will reduce costs from transition-related risks.

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#### Action planning

Workshop participants also evaluated the level of significance, and Dream's level of preparedness for each identified risk and opportunity. This information will assist us to prioritize mitigation efforts and engage in proactive positioning to pursue relevant opportunities.

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(1) Representative Concentration Pathways are greenhouse gas concentration trajectories used to model climate change outcomes. More information on RCPs published by the IPCC can be found at [https://www.ipcc-data.org/guidelines/pages/glossary/glossary\\_r.html](https://www.ipcc-data.org/guidelines/pages/glossary/glossary_r.html).

(2) The SDS outlines one potential path to 2040 to meet the objectives of the Paris Agreement through assumptions about policies aimed at increasing efficiencies and renewable energy sources to limit energy demand growth. More information can be found at <https://www.iea.org/data-and-statistics/charts/energy-sector-carbon-intensity-historical-and-sds>.

## Scenario 1: Failure to Act

Risk	
Market variability	<ul style="list-style-type: none"> <li>Increased time and cost to comply with varying regulations</li> <li>Varying tenant and investor expectations lead to confusion and inefficiencies</li> </ul>
Asset value protection	<ul style="list-style-type: none"> <li>Higher capital expenditure costs to protect assets from increased physical risk</li> <li>Potential for stranded assets in high risk, uninsurable areas</li> </ul>
Repair costs and disruptions	<ul style="list-style-type: none"> <li>Unpredictable operating expenditures</li> <li>Increased repair costs</li> <li>Decrease in availability of assets to acquire</li> <li>Business disruption due to climate events</li> <li>Health and safety risks</li> </ul>
Tenant needs shift	<ul style="list-style-type: none"> <li>Misaligned climate objectives deter progress</li> <li>Increased tenant demand for resilience</li> <li>Decreased demand in high-risk areas</li> <li>Tenant operations suffer due to physical risk, depressed economic activity</li> </ul>
Supply chain issues	<ul style="list-style-type: none"> <li>Risk to development timelines and budgets</li> <li>Product availability and transportation becomes a challenge</li> </ul>
Opportunities	
Differentiate and attract via resilience	<ul style="list-style-type: none"> <li>Strengthen existing relationships by increasing awareness of the importance of resilience</li> <li>Invest in resilience to differentiate from peers and attract tenants and investors</li> <li>Improve resilience to create investment opportunities in higher risk areas</li> </ul>
Opportunities for new and creative leadership innovations	<ul style="list-style-type: none"> <li>Contribute to resilience-related standards or certifications</li> <li>Sell renewable energy</li> </ul>
Collaborate to lessen impact	<ul style="list-style-type: none"> <li>Pursue industry leadership and collaboration through resilience</li> <li>Build relationships with local suppliers who can mitigate potential disruptions better than global supply chain partners</li> <li>Capitalize on increased availability of skilled workers and potential tenants as local population grows</li> </ul>

## Scenario 2: Paris-aligned

Risk	
Net zero investment	<ul style="list-style-type: none"> <li>High capital expenditure costs to achieve net zero at existing buildings and protect value</li> <li>Upskilling for new technology and operational practices</li> <li>Technology risk as first-movers</li> <li>Risk of stranded assets</li> </ul>
Development costs	<ul style="list-style-type: none"> <li>Increased costs to develop net zero capabilities</li> <li>Reduced rent premiums and affordability challenges due to increase in minimum sustainability requirements</li> <li>Longer permitting and development timelines</li> </ul>
Infrastructure challenges	<ul style="list-style-type: none"> <li>Limits to capacity and reliability of electrical grids</li> <li>Increased demand leads to brownouts, business disruption</li> <li>Lack of renewable energy infrastructure and materials</li> </ul>
Tenant collaboration challenges	<ul style="list-style-type: none"> <li>Resistant tenants could impact net zero target achievement and relationships</li> <li>Lack of control of tenant operations could impact net zero target achievement</li> </ul>
Reputational expectations and risk	<ul style="list-style-type: none"> <li>Reputational risk to not achieving net zero target</li> <li>Increased reporting requirements and costs to communicate climate action</li> </ul>
Opportunities	
Attract tenants and capital	<ul style="list-style-type: none"> <li>Differentiate from peers through ambitious GHG reduction programs and partnerships</li> <li>Attract tenants and investors with similar decarbonization goals</li> <li>Lower risk profiles from investors by committing to transparent reporting</li> </ul>
Opportunity for low-carbon products and services	<ul style="list-style-type: none"> <li>Increased demand for renewable energy credits and solar energy</li> <li>Invest in low-carbon technology ventures</li> </ul>
Early action reduces future costs	<ul style="list-style-type: none"> <li>Reduce future costs by building low-carbon assets ahead of peers</li> <li>Decrease future costs by conducting early pilots of new technology</li> <li>Lower insurance costs by increasing asset resilience and longevity</li> </ul>

## Forward-looking Plans

### Scenario Analysis

The results of our scenario analysis workshop were communicated to management. Our plan is to integrate the results of this analysis to inform strategy, due diligence, risk management, and planning across the business. This will involve applying mitigation measures and recommendations to address short and long-term risks and opportunities across the relevant Dream entities.

## Cybersecurity and Information Governance

We are committed to cybersecurity and privacy through a combination of regular security awareness activities and the use of next-generation protection technologies. Our Cybersecurity and Information Governance program is overseen by our Chief Information Officer.

### Cybersecurity

In 2022, we continued to migrate our systems to the cloud in order to strengthen and advance our data privacy controls. We have developed a strong cybersecurity program that aims to minimize the likelihood and impact of cyber incidents on our systems.

- Our cybersecurity team monitors threats and has implemented preventative measures to ensure that all systems and employees are protected
- We perform regular assurance activities which include internal and third-party vulnerability scanning and assessments in order to manage exposure and risk
- We have a robust set of processes, policies and procedures for incident management and resolution, supported by a cycle of continuous improvement
- We benchmark our security controls against leading cybersecurity frameworks
- We have a mandatory cyber-awareness training program for all employees

### Information Governance

Our data governance program aims to strengthen our data posture and data privacy oversight across the business. The program monitors security threats, malicious events, incidents, employee data, and file sharing by implementing new monitoring processes and tools. We generate monthly reports tracking malicious attempts that are shared with our senior leadership team.

### Forward-looking Plans

#### Cybersecurity and Information Governance

We will continue to evaluate and implement new technologies, processes, and tools in order to adapt to emerging cybersecurity threats.



## Business Ethics

As one of Canada's leading real estate organizations, we are committed to maintaining the highest standards as it relates to 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.

Our various policies governing business ethics and norms of behaviour are developed by the respective entity boards. Compliance with these policies is the responsibility of all employees.

Each Dream entity is governed by a Code of Conduct (the Code) which is reviewed annually. The Codes are our statement of the values and principles that guide us in our daily 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 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 daily business activities, and direct employees to report conflicts of interest to the applicable supervising individual. Conflicts of interests related to Directors, Trustees and Officers are disclosed in our Annual Information Forms.



02

# Dream Residential REIT

# About Dream Residential Real Estate Investment Trust<sup>(1)</sup>

**Dream Residential Real Estate Investment Trust (TSX: DRR.U) (Dream Residential, or DRR.U) is an unincorporated, open-ended real estate investment trust.**

Dream Residential owns and operates a portfolio of garden-style multi-residential properties primarily located in three attractive, high-growth markets across the Sunbelt and Midwest regions of the United States.

Dream Residential REIT completed its initial public offering (IPO) on May 6, 2022 to acquire a portfolio of 16 garden-style multi-residential properties located in the United States consisting of 3,432 units. The properties target mid-market renters across the Sunbelt and Midwest markets in the U.S., including the Greater Dallas-Fort Worth region, Greater Oklahoma City region, and Greater Cincinnati region.

**\$432.5 million<sup>(2)</sup>**

total assets

**16**

properties

**95.5%**

in-place and committed occupancy

**3,432**

total units



Carriage Court  
Cincinnati, Ohio

**“ We are committed to enhancing returns for our investors by creating a positive impact on the lives of our residents and employees, as well as in the communities in which we operate. ”**

**Jane Gavan**  
Chief Executive Officer  
Dream Residential REIT



(1) All figures as at December 31, 2022, unless otherwise stated.  
(2) Denominated in US Dollars.

# 2022 Highlights



Mansions at Riverside  
Tulsa, Oklahoma

## Environmental

- **Committed to net zero** GHG emissions by 2050<sup>(1)</sup>
- **Completed energy audits** at all 16 Dream Residential properties
- **97% data coverage** for water<sup>(2)</sup>
- **99% data coverage** for natural gas<sup>(2)</sup>
- **97% data coverage** for electricity<sup>(2)</sup>
- **Completed scenario analysis** to identify climate risks, opportunities, and potential business impacts



Ascent at Lake Worth  
Fort Worth, Texas

## Social

- **33%** of executives are women<sup>(3)</sup>
- **43%** of employees are women<sup>(4)</sup>
- **Hosted regular resident events** to promote inclusivity focused on holidays, cultural themes, seasons or local events



Ashton Glen  
Centerville, Ohio

## Governance

- **Became official supporter** of the Task Force on Climate-related Financial Disclosures (TCFD)
- **Increased alignment to the TCFD recommendations** by integrating responsibility of ESG and impact matters into corporate governance
- **Implemented internal controls framework** to standardize the collection, measurement, and review of ESG data across the portfolio
- **15.2/100 pre-IPO ESG Assessment of low risk from Sustainalytics**<sup>(5)</sup>
- **Hosted board education sessions** on ESG and climate-related risks and opportunities
- **40%** of Trustees are women<sup>(6)</sup>
- **60%** of Trustees are independent<sup>(6)</sup>

(1) Includes Scope 1 and Scope 2 emissions.

(2) Represents utility accounts under DRR.U's operational control.

(3) For the purposes of this Report, executives includes the CEO, CFO and COO of DRR.U.

(4) Based on DRR.U employees of Pauls Corp.

(5) Based on pre-IPO Corporate ESG Assessment Copyright ©2023 Sustainalytics. All rights reserved. This report contains information developed by Sustainalytics ([www.sustainalytics.com](https://www.sustainalytics.com)). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

(6) As at December 31, 2022.



# ESG Scorecard

✓ Externally assured, see note on page 4

## Environmental<sup>(1)(2)</sup>

Indicator	2022
<b>Energy</b>	
Energy Consumption (ekWh) <sup>(3)</sup>	3,477,297 ✓
<b>Water</b>	
Water Consumption (m <sup>3</sup> )	371,888
<b>GHG Emissions<sup>(4)(5)</sup></b>	
Scope 1 Emissions (tCO <sub>2</sub> e)	399 ✓
Scope 2 Emissions (tCO <sub>2</sub> e)	515 ✓
<b>Total GHG Emissions (Scope 1 and 2 tCO<sub>2</sub>e)</b>	<b>914 ✓</b>
Scope 3 Emissions (tCO <sub>2</sub> e)	196 ✓

(1) Covers data since DRR.U's incorporation in May 2022.

(2) DRR.U is currently collecting data for energy, GHG emissions, and water.

(3) Energy consumption reflects energy consumed within organizational control. Please refer to [Supplementary Disclosures](#) section for additional details, including data coverage.

(4) GHG emissions are calculated in accordance with the World Resource Institute Greenhouse Gas Protocol. Calculations in this table capture activities DRR.U has direct and indirect operational control over: Scope 1 emissions generated directly from its operations, including heating properties; Scope 2 emissions indirectly associated with generation of purchased electricity, heating, cooling, and steam consumed by properties. Scope 3 emissions reported are associated with category 13 (downstream leased assets).

(5) Please refer to [Supplementary Disclosures](#) section for more information.

## Flood Risk

Dream Residential has performed a flood and catastrophic loss risk assessment to determine which properties in its portfolio are at risk of losses from 50, 100, 200 and 500-year floods.

### Number of At-Risk Assets from Flooding<sup>(1)(2)(3)</sup>

50-year Flood	Floor Area (sf)	100-year Flood	Floor Area (sf)
0	0	1	90,200
200-year Flood	Floor Area (sf)	500-year Flood	Floor Area (sf)
1	341,914	0	0

(1) Assets that may be classified under more than one category by default are not duplicated in the figures in the other time categories.

(2) Under development, redevelopment and major renovation are excluded from analysis.

(3) Floor area square footage is based on GLA as at March 31, 2023.

## Governance<sup>(1)</sup>

Indicator	2022
Women Trustees	40%
Independent Trustees	60%

(1) As at December 31, 2022.

# ESG Ratings Summary

Dream Residential is evaluated periodically by the following rating agency:

Rating Agency	Scoring Scale	Previous Rating	Pre-IPO Assessment <sup>(1)</sup>
Sustainalytics	0-40+ (0 = Best)	N/A	15.2 (Low Risk)

<sup>(1)</sup> Current ratings are as at February 2022.

## Case Study

### Pre-IPO Corporate ESG Assessment<sup>(1)</sup>

In 2022, Dream Residential engaged Sustainalytics, a leading ESG research provider, to perform a broad-based Corporate ESG Assessment, covering five ESG categories, including: Corporate Governance, ESG Integration — Financials, Product Governance, Human Capital, and Business Ethics. Sustainalytics is a leading ESG research provider who uses its own methodology and publicly available information from issuers. Sustainalytics assessed the REIT as having an overall indicative Corporate ESG Assessment score of 15.2, which placed Dream Residential in Sustainalytics’ “Low Risk” category as of February 15, 2022. The pre-IPO score ranked the REIT in the top 38% of real estate investment trusts, the top 25% of real estate companies and in the top 11% of all companies assessed by Sustainalytics. Dream Residential leveraged the Dream group of companies existing ESG framework, and approach to ESG-related governance, to embed ESG in its culture and day to day operations since its formation.



Colt's Crossing  
Georgetown, Kentucky

**Dream Residential achieved a pre-IPO score of 15.2, which is in the top 11% of all companies assessed by Sustainalytics.<sup>(1)</sup>**

<sup>(1)</sup> As at March 2023. Copyright ©2023 Sustainalytics. All rights reserved. This report contains information developed by Sustainalytics ([www.sustainalytics.com](http://www.sustainalytics.com)). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

# Environmental

## Approach

Dream Residential's core values are to prioritize efficient and comfortable buildings, which aligns with the Dream group's mission to **Build Better Communities**.

As an owner and property manager, Dream Residential integrates sustainability into the design and operations of all its buildings and communities. Dream Residential is executing impactful capital planning initiatives that improve both the environmental footprint and the tenant experience in its buildings.

Dream Residential has established its environmental approach consistent with the Dream group of companies' ESG Framework. Dream Residential is focused on developing and operating its properties to optimize energy use, limit GHG emissions, and reduce water use and waste, while also creating resiliency against natural disasters and major climatic events.



Council Crossing  
Cincinnati, Ohio

## Net Zero Action Plan

In 2022, the Dream group of companies published its [Net Zero by 2035 Action Plan](#) (Net Zero Action Plan) to outline intended steps to be taken to achieve net zero. At the time of publication, the Dream group of companies included Dream Unlimited Corp., Dream Impact Trust, Dream Office REIT, and Dream Industrial REIT. Dream Residential REIT was not formed. At its formation, Dream Residential committed to net zero Scope 1 and Scope 2 emissions by 2050, which is in line with science-based targets.

### The Net Zero Action Plan

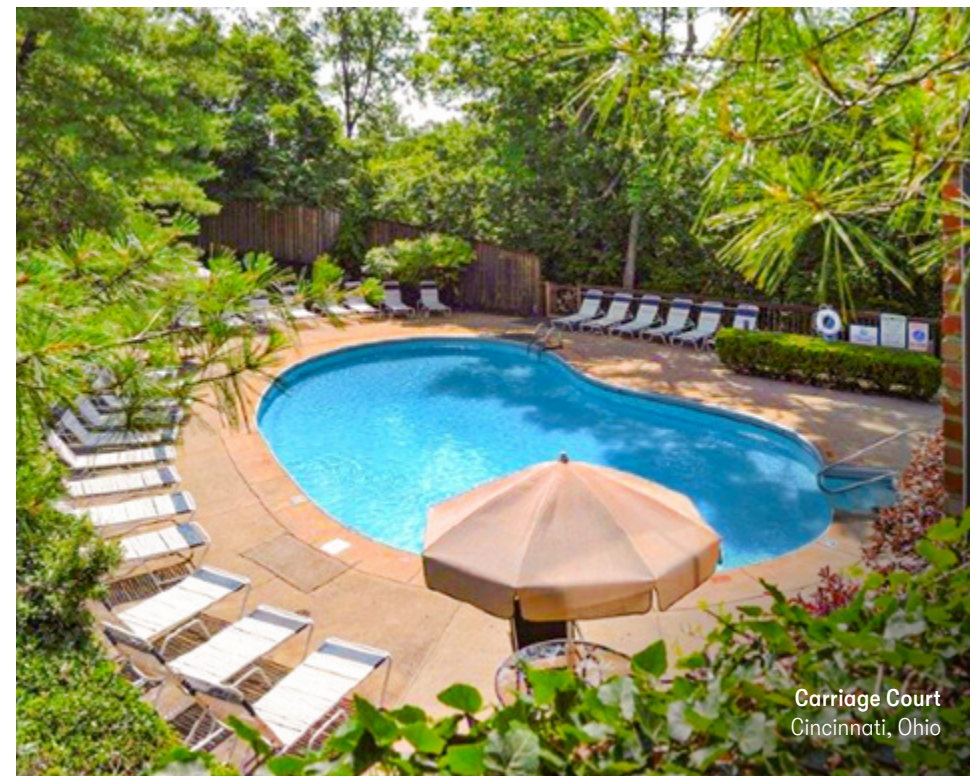
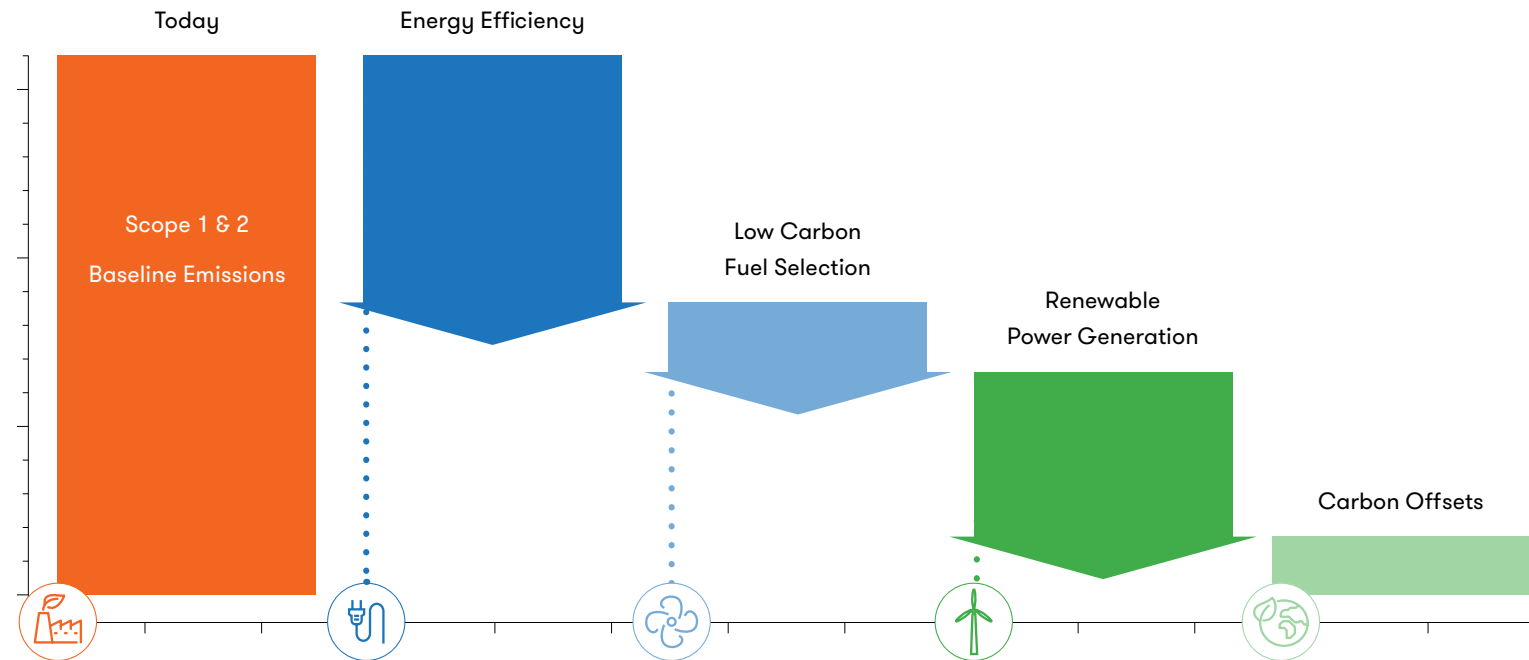
1. **Identify** baseline emissions and estimated future emissions
2. **Develop** roadmaps to achieve net zero at the property level
3. **Establish** oversight and transparency to create accountability to stakeholders through comprehensive governance and reporting

The learnings from the development of the Net Zero Action Plan and the progress towards implementing the systems and processes to achieve net zero, across the Dream group of companies, will be leveraged to develop a net zero strategy for Dream Residential.

### Steps Taken to Achieve Net Zero

To develop a strategy to reach net zero emissions, Dream Residential implemented a standardized approach to data management and collection, created a baseline of Scope 1 and Scope 2 GHG emissions, and undertook energy audits of its assets to better understand and establish a baseline of the energy performance. Energy audits identified cost effective energy efficiency upgrades and will be used to inform the development of asset-level roadmaps to achieve net zero for each of the 16 Dream Residential communities.

### Net Zero Roadmap Example





## Resource Management

**Dream Residential is working to achieve energy efficiency and reduce GHG emissions through capital investments.**

In 2022, Dream Residential conducted energy audits across all communities. The energy audits estimated and benchmarked baseline energy and water consumption and analyzed dozens of potential projects, including identifying water and LED lighting retrofit projects lead to significant energy and water savings. Based on the results of these audits, Dream Residential is investing in energy efficient capital upgrades in 2023 to improve the performance of its assets. The energy audits will also inform Dream Residential's path toward meeting its net zero commitments. In 2022, Dream Residential conducted ASHRAE Level 1 energy audits across all communities.

Dream Residential has established a robust strategy to collect, monitor and track energy, Scope 1 and Scope 2 GHG emissions. Utility invoices are collected and processed through a data analytics software. The comprehensive data set is collected in accordance with the World Resource Institute's GHG Protocol standard. Dream Residential collects and discloses information in an alignment with an internal controls framework that standardizes the collection, measurement, and review of ESG data across the portfolio.

## Water Management

Dream Residential aims to minimize its use of potable water and decrease water consumption where possible through fixture retrofits and efficiency upgrades. To reduce the amount of potable water used for landscape irrigation and the need for a permanent irrigation system, preference is given to native and drought-tolerant species across its properties.

In addition, Dream Residential conducts water audits to identify opportunities for conservation.

## Reporting

Since its IPO in the spring of 2022, Dream Residential has implemented a data management and collection process that is aligned with industry best practices and the Dream group of companies' internal controls framework to ensure consistent and high-quality environmental data. Through robust data collection and measurement processes, Dream Residential is committed to reporting its environmental progress annually.

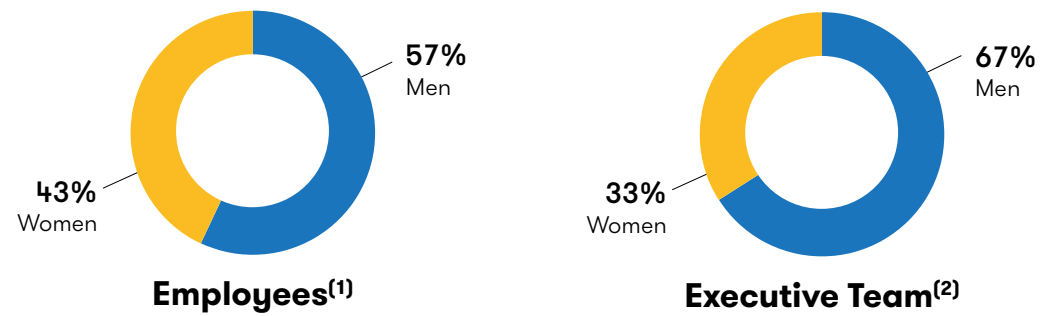


Aspen Village  
Broken Arrow, Oklahoma

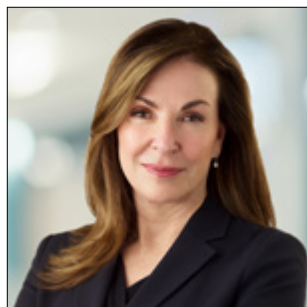
# Social

Dream Residential has a US-based human resources team to help support and grow its team during its first year of operation. This team is responsible for employee engagement, professional development, and ensuring that employees feel supported and engaged in their roles.

## Dream Residential Gender Breakdown



## Executive Team



**Jane Gavan**  
CEO



**Derrick Lau**  
CFO



**Scott Schoeman**  
COO



Executives serving breakfast at Dream head office - 30 Adelaide St. E  
Toronto, ON



Residential REIT employees ringing the bell at the TSX  
Toronto, ON

**95**  
employees<sup>(1)</sup>

(1) Based on DRR.U employees of Pauls Corp.  
(2) For the purposes of this report, Executives include: the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer of DRR.U.

# Governance

## Governance Structures and Policies

Sustainability and ESG-related matters at Dream Residential is managed by the following:

Board, Committee or Team	Responsibilities <sup>(1)</sup>
<b>Board of Trustees</b>	<ul style="list-style-type: none"> <li>The DRR.U board is responsible for the oversight of ESG matters and has delegated such oversight to the Governance, Compensation and Environmental Committee</li> </ul>
<b>Governance, Compensation and Environmental Committee</b>	<ul style="list-style-type: none"> <li>Oversee approach to environmental, social, governance and impact investing matters</li> </ul>
<b>Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>Provide oversight of sustainability and ESG</li> </ul>
<b>ESG Executive Committee</b>	<ul style="list-style-type: none"> <li>Adopt ESG Framework for DRR.U</li> </ul>
<b>(Members of the Executive Leadership team from each Dream entity)</b>	<ul style="list-style-type: none"> <li>Communicate sustainability strategy and commitment across company and key external stakeholders</li> <li>Delegate implementation to Sustainability and ESG team</li> <li>Reports to the Governance, Compensation and Environmental Committee</li> </ul>
<b>Sustainability and ESG Team</b>	<ul style="list-style-type: none"> <li>Embed sustainability strategy and commitment across company and key external stakeholders</li> <li>Oversee the implementation of the ESG Framework for each Dream entity</li> <li>Manage portfolio sustainability initiatives including building certifications, energy, water and waste management and monitoring, as well as strategic initiatives</li> <li>Meet quarterly with the ESG Executive Committee</li> </ul>
<b>Sustainability Working Group</b>	<ul style="list-style-type: none"> <li>Responsible for advancing sustainability initiatives and activities at company and property level</li> <li>Works across departments to embed sustainability within operations</li> <li>Discussion topics include green property operations, employee engagement, and tenant engagement</li> </ul>
<b>Investment Committee</b>	<ul style="list-style-type: none"> <li>Review the investment’s Acquisition Checklist and approve investments that meet both financial and impact goals</li> <li>Hold the project team accountable to achieve goals and create impact</li> </ul>

## Board Composition

Board Composition	2022	
	Independent	Women
Dream Residential	60%	40%

For detailed information on the Dream entities’ approach to Corporate Governance, ESG Risk Management, Cybersecurity and Business Ethics, please see the shared [Governance section](#) in the front section of this report.

## Executive Oversight

The Chief Executive Officer (CEO) of Dream Residential is the highest-level executive with oversight over ESG and impact, including sustainability and climate change matters.

Sustainability is managed by the ESG Executive Committee, which is made up of members of the Executive Leadership team from each Dream entity. The ESG Executive Committee receives regular updates from the Sustainability and ESG team on behalf of the Strategic Finance team, and the Sustainability Working Group.

As part of the ESG Framework, Dream Residential links ESG considerations to executive goals and compensation.

## Policies

[Dream Residential REIT - Read More](#)

[Charters and Policies](#)

[Board Diversity Policy](#)

[Disclosure Policy](#)

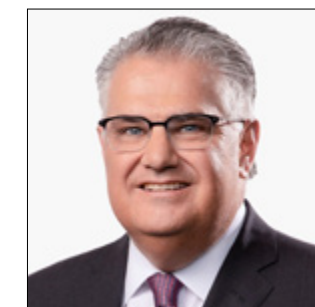
[Code of Conduct](#)

[Whistleblower Policy](#)

[Majority Voting Policy](#)

[Diversity Inclusion and Advancement Commitment](#)

## Governance, Compensation and Environmental Committee Members:



**Leonard Abramsky**  
Chair



**Fahad Khan**  
Member



**Vicky Schiff**  
Member

(1) The responsibilities set out in this column are for illustrative purposes only, reflect certain relevant ESG matters, and do not purport to reflect the full extent of responsibilities or the full mandate of any of the board, committees or teams referred to in this chart.



## Climate Change Risk

Climate change continues to attract the focus of governments and the general public as an important threat. Investors increasingly view climate change as a critical concern, while residents prefer low-carbon, resilient properties. Dream is exposed to both the physical and transitional risks of climate change. The adjacent table provides a high-level summary of key physical and transition risks, their associated potential impacts, and the actions Dream Residential is taking to mitigate these impacts.

Type of Risk	Identified Risks	Potential Impact	Mitigating Action
<b>Physical, acute</b>	<ul style="list-style-type: none"> <li>Natural disasters and increasingly frequent and severe weather conditions including wildfire, windstorms, tornadoes, hailstorms, lightning, and earthquakes</li> </ul>	<ul style="list-style-type: none"> <li>Could interrupt operations and activities, threaten resident health and safety, damage properties and may decrease property values or require additional expenses to be incurred, including increased insurance costs.</li> </ul>	DRR.U uses third-party climate data to assess property-level physical climate risks from the following hazards: <ul style="list-style-type: none"> <li>Flooding</li> <li>Wildfire</li> <li>Earthquake</li> <li>Windstorm</li> <li>Tornado</li> <li>Windstorm</li> <li>Lightning</li> </ul> Using this analysis, DRR.U identifies specific regions and properties with increased climate risk and identifies opportunities to improve resilience through ongoing capital and operations investments. DRR.U purchases insurance policies to cover its assets in the event of property damage arising from climate-related events, insuring the assets to a 100% true replacement cost value, including coverage for 24 months of gross income.
	<ul style="list-style-type: none"> <li>50, 100, 200 and 500-year flood events</li> </ul>		A flood and catastrophic loss risk assessment is performed annually to determine which properties in its portfolio are at risk of losses from 50, 100, 200 and 500-year floods. Based on the results, DRR.U is developing site-specific resilience strategies.
<b>Physical, chronic</b>	<ul style="list-style-type: none"> <li>Temperature change</li> <li>Precipitation change</li> <li>Sea-level rise</li> <li>Air quality</li> <li>Water security/water stress</li> </ul>	<ul style="list-style-type: none"> <li>Temperature change could increase cooling loads and costs</li> <li>Sea-level rise could alter geographies targeted for future investment</li> <li>Water security/water stress risk may impact approach to water management and capital expenditures on efficiency upgrades</li> </ul>	Property-level risk is assessed using third-party climate data against the listed chronic physical climate risks: <ul style="list-style-type: none"> <li>Temperature change</li> <li>Precipitation change</li> <li>Sea-level rise</li> <li>Air quality</li> <li>Water security/water stress</li> </ul>
<b>Transition, policy and legal</b>	<ul style="list-style-type: none"> <li>Greenhouse gas emissions reduction regulations</li> </ul>	<ul style="list-style-type: none"> <li>Could impose constraints on operational flexibility or result in financial costs or fines to comply with various reforms.</li> </ul>	The Risk Management and Sustainability and ESG teams continuously monitor our exposure to transition risk associated with policy and legislative changes, market, and reputational shifts. The GHG reduction targets and Net Zero Action Plan help mitigate transition risk by proactively reducing emissions ahead of potential future regulations, anticipating future changes in tenant preferences and market supply and demand.
<b>Transition, market and reputation</b>	<ul style="list-style-type: none"> <li>Shift in supply and demand for products and services</li> <li>Changing tenant preferences</li> <li>Increased stakeholder expectations on climate-related risks</li> </ul>	<ul style="list-style-type: none"> <li>Failure to adapt to climate change reforms could adversely affect reputation</li> <li>Costs to build net zero assets, or upgrade assets to net zero could increase</li> <li>May require increased internal resources to manage climate risks and produce climate disclosures</li> </ul>	Additionally, DRR.U continues to strengthen alignment with TCFD recommendations.



## Disclosure Frameworks

### [United Nations Principles for Responsible Investment](#)

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

### [Taskforce on Climate-related Financial Disclosures](#)

During the formation of Dream Residential, based on the TCFD recommendations, ESG and impact matters were integrated into the corporate governance of the REIT.

Dream Residential became an official sponsor of the TCFD recommendations in 2022. To align with TCFD recommendations and enable appropriate oversight, Dream Residential hosted board education sessions to increase understanding of ESG and climate-related risks and opportunities. To strengthen oversight, responsibility for ESG and impact matters was formally integrated into corporate board governance. Scenario analysis was also completed, which is a corporate strategy and risk/opportunity identification exercise to evaluate how Dream Residential prepares for the implications of climate change and climate-related financial disclosures.

### [Net Zero Asset Managers](#)

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. As one of the first Canadian companies to join the NZAM initiative, Dream Unlimited, on behalf of the Dream group of companies, made its initial target disclosure in 2022. At the time of submission, across the Dream group of companies, 64%<sup>(1)</sup> of total assets under management were committed to be managed in line with net zero for Scope 1 and Scope 2 emissions by 2050.



Ashton Glen  
Centerville, Ohio

(1) Assets under management as at June 30, 2022.

# Forward-looking Plans



## Environmental

- **Invest in energy efficient capital upgrades** to improve asset performance and chart a path toward meeting net zero targets
- **Develop a plan to systematically assess climate change risk** based on the short- and long-term risks and opportunities identified through scenario analysis



## Governance

- **Report to the Principles for Responsible Investment in 2023**, as part of the Dream Unlimited submission
- **Pursue Responsible Investing Policy** to formalize how ESG is incorporated into decision making processes



**03**

# Supplemental Disclosures

# Supplemental ESG Disclosure

Entity	Category	Topic	Content	2019	2020	2021	2022			
Dream Group of Companies <sup>(1)</sup>	Social <sup>(2)</sup>	Employee breakdown <sup>(3)</sup>	Total		490	493	535	600		
			Permanent <sup>(4)</sup>		467	477	518	591		
			Contract		23	16	17	9		
			Full-time <sup>(5)</sup>		484	489	531	596		
			Part-time		6	4	4	4		
		Diversity breakdown <sup>(6)</sup>	Employees <sup>(7)</sup>	Women		47%	47%	48%	46%	
				Men		53%	53%	52%	54%	
			Managers <sup>(8)</sup>	Women		44%	43%	45%	43%	
				Men		56%	57%	55%	57%	
			Senior Management <sup>(9)</sup>	Women	N/A <sup>(10)</sup>	N/A <sup>(10)</sup>	N/A <sup>(10)</sup>	33%		
				Men	N/A <sup>(10)</sup>	N/A <sup>(10)</sup>	N/A <sup>(10)</sup>	67%		
			Executive Team <sup>(11)</sup>	Women		40%	38%	47%	36%	
				Men		60%	62%	53%	64%	
			DRM Board of Directors	Women		50%	50%	50%	50%	
				Men		50%	50%	50%	50%	
			MPCT.UN GP and Trust Board	Women		43%	50%	60%	60%	
				Men		57%	50%	40%	40%	
			D.UN Board of Trustees	Women		43%	50%	50%	50%	
				Men		57%	50%	50%	50%	
			DIR.UN Board of Trustees	Women		25%	25%	25%	25%	
				Men		75%	75%	75%	75%	
			DRR.U Board of Trustees	Women	N/A <sup>(12)</sup>	N/A <sup>(12)</sup>	N/A <sup>(12)</sup>	40%		
				Men	N/A <sup>(12)</sup>	N/A <sup>(12)</sup>	N/A <sup>(12)</sup>	60%		
		New hires & turnover rates <sup>(13)</sup>	New Hires	Total		99	58	125	181	
				Women		47	24	62	85	
				Men		52	34	63	96	
				Age <35	See note <sup>(15)</sup>			78	111	
				Age 35 - 54	See note <sup>(15)</sup>			41	59	
				Age >54	See note <sup>(15)</sup>			6	11	
				Central Canada		82	47	88	134	
				Western Canada		17	8	22	37	
				United States		0	0	9	1	
				Europe		0	3	6	9	
				Voluntary turnover rate <sup>(14)</sup>	Total		29%	12%	17%	16%
					Women	See note <sup>(15)</sup>			19%	19%
					Men	See note <sup>(15)</sup>			14%	12%
			Age <35		See note <sup>(15)</sup>			24%	19%	
			Age 35 - 54		See note <sup>(15)</sup>			14%	12%	
			Age >54		See note <sup>(15)</sup>			11%	19%	
			Central Canada		See note <sup>(15)</sup>			19%	15%	
Western Canada	See note <sup>(15)</sup>				13%	28%				
United States	See note <sup>(15)</sup>				0%	0%				
Europe	See note <sup>(15)</sup>				0%	2%				

Entity	Category	Topic	Content	2019	2020	2021	2022			
Dream Group of Companies <sup>(1)</sup>	Social <sup>(2)</sup>	Employee training & development	Tuition		\$500,000	\$73,273	\$66,723	\$81,534		
			Professional fees		See note <sup>(15)</sup>	\$351,928	\$154,277	\$195,495		
			Information on programs supporting degree programs and certifications for all employees	<p>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. For more information see the following:</p> <p><a href="#">DRM.UN Management Information Circular</a> <a href="#">MPCT.UN Management Information Circular</a> <a href="#">D.UN Management Information Circular</a> <a href="#">DIR.UN Management Information Circular</a> <a href="#">DRR.U Management Information Circular</a></p>						
		Health & Safety	Lost-time injuries	Women		0	0	0	0	
				Men		1	1	2	1	
				Central Canada		1	0	1	1	
				Western Canada		0	1	1	0	
				Injury type(s)	Saw dust in eye	Slip/trip			Motor vehicle accident; psychological incident	Falls
				Lost days			2	10	0	3
			Near-misses	Women		0	0	0	0	1
	Men				0	0	0	0	-	
	Central Canada				0	0	0	0	0	
	Western Canada				0	0	0	0	1	
	Injury type(s)	N/A	N/A	N/A	N/A	N/A	Near miss			
	Lost days	N/A	N/A	N/A	N/A	N/A	0			
	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>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 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 analyzed, and an action plan is developed to mitigate 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 our offices.</p>								
	Policy commitment to ensure product and service safety	<p>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.</p>								
	Alternative transportation	<p>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).</p>								
	Tenant Surveys	Conduct tenant/resident satisfaction surveys	<p>To ensure tenant / resident satisfaction, Dream regularly conducts surveys. Questions include sustainability content; response rate and scores are tracked.</p>							
	Governance	Business ethics	Board Diversity Policy	<p><a href="#">DRM Board Diversity Policy</a> <a href="#">MPCT.UN Board Diversity Policy</a> <a href="#">D.UN Board Diversity Policy</a> <a href="#">DIR.UN Board Diversity Policy</a> <a href="#">DRR.U Board Diversity Policy</a></p>						
Bribery & Corruption			<p><a href="#">DRM Code of Conduct</a> <a href="#">MPCT.UN Code of Conduct</a> <a href="#">D.UN Code of Conduct</a> <a href="#">DIR.UN Code of Conduct</a> <a href="#">DRR.U Code of Conduct</a></p>							
Code of Conduct			<p><a href="#">DRM Code of Conduct</a> <a href="#">MPCT.UN Code of Conduct</a> <a href="#">D.UN Code of Conduct</a> <a href="#">DIR.UN Code of Conduct</a> <a href="#">DRR.U Code of Conduct</a></p>							
Disclosure Policy			<p><a href="#">DRM Disclosure Policy</a> <a href="#">MPCT.UN Disclosure Policy</a> <a href="#">D.UN Disclosure Policy</a> <a href="#">DIR.UN Disclosure Policy</a> <a href="#">DRR.U Disclosure Policy</a></p>							
Diversity, Inclusion & Advancement Commitment			<p><a href="#">DRM Diversity Inclusion &amp; Advancement Commitment</a> <a href="#">MPCT.UN Diversity Inclusion &amp; Advancement Commitment</a> <a href="#">D.UN Diversity Inclusion &amp; Advancement Commitment</a> <a href="#">DIR.UN Diversity Inclusion &amp; Advancement Commitment</a> <a href="#">DRR.U Diversity Inclusion &amp; Advancement Commitment</a></p>							
Charters and Policies			<p><a href="#">DRM Charters &amp; Policies</a> <a href="#">MPCT.UN Charters &amp; Policies</a> <a href="#">D.UN Charters &amp; Policies</a> <a href="#">DIR.UN Charters &amp; Policies</a> <a href="#">DRR.U Charters &amp; Policies</a></p>							
Majority Voting Policy			<p><a href="#">DRM Majority Voting Policy</a> <a href="#">MPCT.UN Majority Voting Policy</a> <a href="#">D.UN Majority Voting Policy</a> <a href="#">DIR.UN Majority Voting Policy</a> <a href="#">DRR.U Majority Voting Policy</a></p>							
Whistleblower Policy	<p><a href="#">DRM Whistleblower Policy</a> <a href="#">MPCT.UN Whistleblower Policy</a> <a href="#">D.UN Whistleblower Policy</a> <a href="#">DIR.UN Whistleblower Policy</a> <a href="#">DRR.U Whistleblower Policy</a></p>									

(1) DRR.U is included in the Dream group of companies Governance- Business Ethics section and excluded from the remainder of the Dream group of companies section unless otherwise stated.  
(2) Includes only employees employed by Dream Asset Management Corporation, Dream Industrial Management Corp., Dream Office Management Corp., Dream U.S. Manager LLC, and Dream Europe Advisors Coöperatieve U.A. Does not include employees at recreational properties, employees on unpaid leaves of absence (e.g., permanent disability, long-term disability, parental leave) interns, and DRR.U employees of Pauls Corp.  
(3) Numbers represented as total headcount, not full-time equivalent.  
(4) Includes permanent part-time employees.  
(5) Includes all employees with a work schedule of 35 hours or greater per week.  
(6) Percentages are based on total head count.  
(7) Based on employees at all levels.  
(8) Managers includes Manager level employees and above.  
(9) Includes Vice Presidents and above.  
(10) Dream began collecting and disclosing gender data for senior management as of January 1, 2022.  
(11) Executives include: the Chief Responsible Officer of DRM, the Chief Executive Officers of DIR.UN, D.UN, and DRR.U, the Portfolio Manager of MPCT.UN, the Chief Financial Officers of DRM, MPCT.UN, D.UN, DIR.UN and DRR.U as well as the Chief Operating Officers of D.UN, DIR.UN and DRR.U.  
(12) DRR.U was launched on May 6, 2022.  
(13) 2020 figures have been updated to reflect enhanced data tracking procedures and changes to calculation methodologies.  
(14) Turnover is calculated as an average of percentage of employee headcount across Dream group of companies in noted category.  
(15) Indicator was not tracked during this period.

Dream Residential REIT

Entity	Category	Topic	Content	2022	
Dream Residential REIT	Environmental <sup>(1)(2)</sup>	Energy	Total fuel consumption	ekWh	2,226,879
				Gigajoules	8,017
				Data coverage (%)	99% <sup>(1)</sup>
			Total electricity consumption	ekWh	1,749,034
				Gigajoules	6,297
				Data coverage (%)	99% <sup>(1)</sup>
			Total energy consumption within the organization	ekWh	3,477,297 ✓
				Gigajoules	12,518
				Data coverage (%)	99%
			Total energy consumption outside the organization <sup>(3)</sup>	ekWh	498,616
				Gigajoules	1,795
			Renewable Energy Credits (MWh)		122
		Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Whether it is the investment into a new or existing property, or throughout the ongoing operations and maintenance of our owned or managed assets, our property management and/or project management teams review capital and operational spend to identify opportunities any net new, refurbishment, or value-add projects are adding to the overall energy efficiency of the building, whether its equipment selection, building automation, or tenant use and experience. Our teams consider whether capital or operational projects within an asset are minimizing tenant impact while reducing overall GHG and energy utilization, wherever relevant.		
		Water	Total volume of water withdrawn (m <sup>3</sup> )		371,888
			Percentage of total floor area with water consumption data coverage		97%
			Total water withdrawn by portfolio area with data coverage and percentage in regions with High or Extremely High Baseline Water Stress		11%
		Emissions	Scope 1 GHG emissions	tCO <sub>2</sub> e	399 ✓
				Data coverage (%)	99%
	Scope 2 GHG emissions		tCO <sub>2</sub> e	515 ✓	
			Data coverage (%)	99%	
	Scope 1 and Scope 2 GHG emissions		tCO <sub>2</sub> e	914 ✓	
			Data coverage (%)	99%	
	Scope 3 GHG emissions <sup>(4)</sup>	tCO <sub>2</sub> e	196 ✓		
	Governance	Whistleblower program	Number of whistleblower reports received	0	
		Conflict of interest	Reflow this entire section: See Code of Conduct, s. "Conflict of Interest", which sets out guidelines for trustees and employees in respect of conflicts of interest and requires trustees and employees to report conflicts of interest to a manager or in the case of trustees and officers, to the Board of Trustees, among other requirements. Section 4 of the draft Charter of Expectations for Trustees (which is expected to be implemented for Dream Residential REIT in February 2023) further requires trustees to bring to the attention of the chair of a board or committee meeting any conflict of interest that they identify, amongst other matters. The Whistleblower Policy also includes conflicts of interest as one of the matters that is covered as a legitimate concern for whistleblowing, see page 1. In respect of disclosure of conflicts of interest, the Disclosure Policy describes disclosure controls and procedures to ensure compliance with all legal and regulatory requirements in respect of disclosure of information to the general public, which disclosure practices are overseen by the Disclosure Committee. In addition, in respect of: (i), DRR.U discloses cross-board memberships in the Management Information Circular at pages 10-14; (ii) DRR.U does not disclose cross-shareholding with suppliers, however should any shareholdings generate a conflict of interest, the applicable trustee or employee would need to disclose same to the applicable internal Dream entity (but not to external stakeholders) in accordance with the Code of Conduct (see above); (iii) the principal unitholders of Dream Residential REIT are set out at page 7 of the Management Information Circular; (iv) DRR.U discloses transactions with related parties (and related amounts, description of transaction) quarterly in the Management Discussion and Analysis ("MD&A"), see "Related party transactions" section. Description of applicable relationships is also included in public disclosures, either at "Related party transactions" section or elsewhere in the MD&A.		
		Mechanisms for seeking advice and raising concerns	Whistleblower Policy and Code of Conduct. An annual email is sent to employees requiring an attestation that policies have been reviewed by each employee, and providing that any questions should be directed to the human resources department (People and Culture). Dream also has an in-house legal counsel department that is also available to assist with questions that employees may have.		

(1) Each year energy, GHG emissions and water is based on the relevant properties with operational control that year unless otherwise stated. Floor area square footage is based on gross leasable area (GLA) as at the end of reporting year.

(2) Represents data since May 2022.

(3) Represents data from vacant and tenant units.

(4) Represents data from Scope 3 Category 13 (downstream-leased assets).



Downtown East  
Toronto, ON

**04**

# Forward-looking Information

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## 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 Corp. (“Dream Unlimited”), Dream Office Real Estate Investment Trust (“Dream Office REIT”), Dream Industrial Real Estate Investment Trust (“Dream Industrial REIT”), Dream Impact Trust (“Dream Impact”) and Dream Residential Real Estate Investment Trust (“Dream Residential REIT” and, collectively with Dream Unlimited, Dream Office REIT, Dream Industrial REIT and Dream Impact, “Dream” or the “Dream Entities” and, in respect of forward-looking statements indicated below to apply to a specific Dream Entity, “our” refers to such Dream Entity) and strategies to achieve such objectives; the sustainability goals of each of the Dream Entities, including their respective net zero greenhouse gas emissions (“GHG”) targets and commitments and their goal of continuing to publish sustainability reports and other publications in respect of sustainability matters, and benefits to be derived therefrom; the belief that Dream’s business can create positive and measurable impacts on people and the planet, create new business opportunities and deliver stakeholder value; the intention to communicate certain of the Dream Entities’ strategies and progress to achieve their net zero and sustainability goals, to maintain stakeholder engagement and to build on stakeholder feedback and use it to improve our business through certain initiatives; Dream’s capacity to address environmental, social and governance (“ESG”) challenges while delivering returns; the expectation that there will be an increase in ESG regulations and evolution of ESG best practices; our intention to monitor the regulatory environment, trends and investor requirements in respect of ESG matters; goals regarding limiting emissions from existing properties and developments, including regarding our net zero GHG developments, and related GHG reduction targets and project characteristics; the value of Dream Unlimited’s and Dream Impact’s net zero development pipeline; the expectation that net zero developments will bring down the carbon intensity of our portfolio and contribute to realizing our net zero targets; the expectation that our focus on net zero will result in a strategic advantage, unlock additional investment opportunities and provide value to stakeholders; expectations, goals, implementation, and commitments in respect of Dream’s Net Zero Action Plan, including reducing emissions without sacrificing returns in respect of existing assets, and resulting benefits, including contributing to our resiliency, fostering innovation and collaboration, and increasing asset value; expectations and goals in respect of our portfolio roadmaps to net zero, including their expected benefits and uses, as well as the respective individual goals under the Net Zero Action Plan for each Dream Entity; the expected benefits to result from investing in net zero initiatives, including the impact on people and the planet and delivery of returns to our investors; the retrofit of buildings across our portfolios and the expected benefits therefrom, including the efficiency, reduction of operating costs over the life of such assets, increase in rents, GHG reductions, returns, and attraction of certain tenants; the expectation that asset-level transition plans for certain of Dream Unlimited’s, Dream Office REIT’s and Dream Impact’s buildings to be decarbonized using funds provided by the Canada Infrastructure Bank’s \$136 million credit facility will be financially viable; our ability to generate financial returns for our business and benefit the communities in which we operate; the expectation that our assets will benefit from an increased supply of low-cost capital, sustainable debt markets, and opportunities for inclusion of our assets in green funds; expectations regarding the Dream Community Foundation, including its initiatives and plans; our hiring goals; our belief that gaining in-house expertise in developing net zero buildings is a growing competitive advantage that helps us make sound asset management decisions; our ability to generate value through in-house capabilities and find new sources of liquidity; timing for completion of our ESG data assurance; the implementation of controls in respect of our ESG disclosures; our increase of data collection and analytics and incorporation of material sustainability risk factors that could impact asset returns into investment decisions; our ability to increase the amount of data that we provide to stakeholders; our belief that our performance will generate profits and have positive effects on people and the planet; expectations regarding market trends and corporate emission reduction commitments, including the resulting increase in tenant demand for low carbon spaces; the expectation that our engagement with net zero initiatives will accelerate the low carbon economy and foster net zero competencies among our partners; the involvement, participation, submissions, and commitments, of the Dream Entities in and to third party ESG and sustainability initiatives and disclosure frameworks and related reporting, assessments and recommendations, including the United Nations’ Principles for Responsible Investment Reporting and Assessment Framework, the United Nations’ Sustainable Development Goals, the Taskforce on Climate-related Financial Disclosures, the Net Zero Asset Managers Initiative, the Operating Principles for Impact Management, and other initiatives, including in respect of certain assets; the opportunities for partnership and collaboration with governments, including in respect of funding opportunities in connection with reducing carbon emissions and certain governmental initiatives, and expected benefits to be derived therefrom; the implementation of Dream’s ESG Framework, its pillars, and benefits to be derived therefrom; our governance goals and plans, and the belief that strong governance reduces investment risk, leads to more consistent outcomes and attracts global investors; our commitment to being an inclusive and diverse employer and expectations, initiatives and objectives of our employee sustainability engagement strategy, and expected benefits therefrom; our DIA program and its goals and initiatives, including the finalization and launch of our new structure in 2023, the launch of the Dream Inclusion Network; our health and safety plans and expected benefits therefrom; our capacity to identify and transfer, mitigate or manage certain risks, including climate change risk, and to assess, and increase our resiliency in respect of, climate change, the risk management plans of each Dream Entity, and expected benefits therefrom; our capacity to manage and operate our buildings efficiently, including in respect of reducing energy and water consumption, and expected benefits therefrom; our intention to enhance building condition assessments, including by incorporating additional ESG metrics to such assessments; our cybersecurity and information governance plans, including strengthening and advance our data privacy controls and minimize the likelihood and impact of cyber incidents; expectations regarding our commitment to business ethics; the periodic evaluation of the Dream Entities by applicable rating agencies; expectations regarding the activities and goals of the Dream Entity teams addressing ESG and impact matters; the pursuit by the Dream Entities of responsible investment policies; obtaining certain certifications, including in respect of certain assets and square footage; Dream’s charitable commitments and activities; expectations regarding portfolio occupancy and units under development, including the number of condominium and purpose-built rental units, commercial and retail GLA, and the development pipeline of the Dream Entities, including in respect of net zero communities. Such statements also include, with respect to Dream Residential REIT, the goal of calculating our baseline GHG emissions; the expected growth of markets across the Sunbelt and Midwest regions of the United States; our commitment to enhance returns for investors by creating positive impact on our residents, employees and communities where we operate; our approach regarding prioritizing the efficiency and level of comfort of our buildings; our execution of capital planning initiatives and their expected improvement of our environmental footprint and tenant experience; our ability to optimize our properties’ energy use, limit GHG emissions and reduce water use and waste while creating resiliency against natural disasters and major climatic events; our ability to achieve energy efficiency and reduce GHG emissions through expected capital investments; our intention to monitor, collect and track energy, scope 1 and 2 GHG emissions; our water management initiatives and our ability to minimize water use at our properties; the expectation that residents prefer low-carbon, resilient properties, and that investors increasingly view climate change as a critical concern; and achieving net zero GHG emissions in scope 1 and 2 by 2050.

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 the general economy; that no unforeseen changes in the legislative and operating framework for our businesses 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; inflation and interest rates will not materially increase beyond current market expectations; our valuation assumptions; availability of equity and debt financing; foreign exchange rates; conditions within the real estate market; and competition for and availability of acquisitions. 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; inflation; risks associated with unexpected or ongoing geopolitical events, including disputes between nations, terrorism or other acts of violence, international sanctions and the disruption of movement of goods and services across jurisdictions; risks related to a potential economic slowdown in certain of the jurisdictions in which we operate and the effect inflation and any such economic slowdown may have on market conditions and lease rates; 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 the date of this Sustainability Report. None of the Dream Entities undertakes 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 each of Dream Unlimited Corp.’s, Dream Office REIT’s, Dream Industrial REIT’s, Dream Impact’s, and Dream Residential REIT’s filings with securities regulators, including each Dream Entity’s latest annual information form and management discussion and analysis, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) under each of the Dream Entities’ profiles. These filings are also available at Dream Unlimited Corp.’s, Dream Office REIT’s, Dream Industrial REIT’s, Dream Impact Trust’s and Dream Residential REIT’s respective websites at [www.dream.ca](http://www.dream.ca), [www.dreamofficereit.ca](http://www.dreamofficereit.ca), [www.dreamindustrialreit.ca](http://www.dreamindustrialreit.ca), [www.dreamimpacttrust.ca](http://www.dreamimpacttrust.ca), and [www.dreamresidentialreit.ca](http://www.dreamresidentialreit.ca).

## Specified Financial Measures and Other Disclosures

In addition to using financial measures determined in accordance with IFRS, we believe that important measures of operating performance include certain financial measures that are not defined under IFRS. These performance and other measures are not financial measures under IFRS and may not be comparable to similar measures disclosed by other issuers. However, we believe that they are informative and provide further insight as supplementary measures of financial performance, financial position or cash flow, or our objectives and policies, as applicable. Throughout this Sustainability Report, there are references to certain supplementary financial measures including, in the case of Dream Unlimited Corp., assets under management. The composition of supplementary financial measures included in this Sustainability Report has been incorporated by reference from the management’s discussion and analysis of Dream for the three months ended March 31, 2023, dated May 9, 2023 (the “DRM MD&A for Q1 2023”) and can be found under the section “Supplementary and Other Financial Measures”, heading “Assets under management (“AUM”)”.

The DRM MD&A for Q1 2023 is available on SEDAR at [www.sedar.com](http://www.sedar.com) under Dream Unlimited Corp.’s profile and on Dream Unlimited’s website at [www.dream.ca](http://www.dream.ca) under the Investors section.