




hazelview

SUSTAINABILITY AT HAZELVIEW

2022 Sustainability Report

TABLE OF CONTENTS

04	Welcome & 2022 Highlights
07	Introduction
10	Sustainability Governance
13	Our People
21	Social Impact
27	Private Real Estate Sustainability
48	Public Real Estate Sustainability
53	Appendix - Standards Indices



We are committed to building a more sustainable and resilient real estate business in partnership with our stakeholders.

ABOUT THIS REPORT

This report communicates our significant environmental, social and governance (ESG) topics and impacts from our activities, and highlights our sustainability approach, accomplishments, performance and future commitments for the year ending December 31, 2022, unless otherwise stated. This report covers both our private and public real estate investments. The terms 'sustainability' and 'environmental, social and governance (ESG)' are used interchangeably.

The content of this report references recognized disclosure standards: Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). Please see standards indices in the Appendix.

This report, published in August 2023, covers both our private and public real estate investments.

For more information on sustainability at Hazelview, please contact us at sustainability@hazelview.com



LETTER FROM OUR CEO



I am pleased to present Hazelview's 2022 Sustainability Report and provide an update on our sustainability commitments and progress.

In 2022, climate change continued to increase in importance, emphasizing the need to mitigate, adapt, and assess risk. Climate change presents both unprecedented opportunity and risk to the real estate sector. The past year also brought economic uncertainty, with more emphasis placed on societal issues and global conflict causing the displacement of people.

As an investor, owner, and manager of real estate, we have a unique ability to develop and manage properties that contribute to a more sustainable future and positively impact the people and communities in which we operate. We are committed to building a more sustainable and resilient real estate business in partnership with our stakeholders.

Demonstrating our commitment to diversity, equity, and inclusion

We understand that diverse teams lead to better ideas, performance, and ultimately a better business. In 2022, we made significant progress towards ensuring all our employees feel a sense of belonging at Hazelview. We launched our Diversity, Equity & Inclusion (DEI) policy, established a DEI Lead and held training and events for our team. We also further integrated DEI considerations into our recruitment and hiring processes. I am proud of the commitment and progress our team has made to this area of focus over the past year.

Hazelview Cares

We know that the impacts of our business are not limited to our properties' walls. We have the ability to positively impact people in the communities we operate in and in 2022, we continued to implement initiatives that did just that. Hazelview's social impact program, *Hazelview Cares*, is rooted in our commitment to people. It focuses on three areas in which we can have real impact: housing support, education, and health and wellbeing. Together, these initiatives bring us closer to our goal of being a valued employer, investor, partner, and community citizen.

In March 2022, we mobilized a large-scale program to support displaced Ukrainians seeking safety in Canada. Over the year, our team worked tirelessly to provide access to housing and household items they needed to make Canada their home. By the end of the year, we successfully housed approximately 350 Ukrainians in Hazelview properties across the country.

Another example of social impact leadership is supporting our residents with access to medical care. At some of our properties, we provide a virtual platform where residents can access a healthcare practitioner. This free program was a success, and we plan to roll it out to more of our portfolio going forward.

We also made a \$1 million commitment to BGC (formally Boys and Girls Club) Ottawa to support programming that develops the next generation of community leaders. Adjacent to our Heron Gate property, BGC Ottawa is an integral community organization that we are proud to support.

Private real estate: Building toward high performance

In our private real estate business, which includes our vertically integrated property management platform, we are committed to reducing our environmental footprint, strengthening relationships with our residents and tenants, and continuously improving our ESG performance. Through our sustainability program, we continued to build this foundation in 2022. We implemented two new data management systems, Onyx and Envizi, which collectively enabled us to measure our utility consumption and greenhouse gas (GHG) emissions more accurately. We continued to conduct audits across our portfolio to determine whether our buildings are performing optimally and identify additional opportunities to reduce energy, water, and waste. In 2022, we conducted both employee and tenant surveys to help us identify new trends and opportunities to improve.

A key tenet of our continuous improvement is benchmarking our performance. In 2022, we participated in the GRESB for the first time. Through the GRESB assessment, we received valuable information about how we compare to peers as well as areas we can focus on to improve.

Public real estate: Bringing global best practices to our business

In tackling the complex sustainability challenges and opportunities that our sector faces, it's crucial we incorporate different perspectives and best practices into what we do. In the

global real estate portfolios we manage we also need to ensure we compare risks and returns equally, yet factor in local specifics.

The public real estate market prices trend faster than the local direct real estate markets due to the broader global perspective of investors in this space, which results in the highest standards becoming the benchmark. Specifically, Europe has been the global leader in incorporating ESG into business decisions and reporting requirements. Our European real estate business therefore gives us this unparalleled global perspective for ESG underwriting and thus a competitive advantage. Our European investment team shares best practices and lessons learned with our North American and Asian real estate team members ensuring that leading practices and standards seen in Europe are adopted across our global portfolio.

These successes would not have been possible without the dedicated efforts of our people. As we look forward, we are excited by the opportunities to continue to grow our business and create value for people and places.



Ugo Bizzarri,
Chief Executive Officer

"Climate change presents both unprecedented opportunity and risk to the real estate sector."

2022 SUSTAINABILITY HIGHLIGHTS

We made progress on sustainability management and performance in 2022.

HAZELVIEW INVESTMENTS



Formalized DEI Policy with mandatory acknowledgement for all employees



Launched DEI training across the organization for all employees



Positively impacted more than 3,000 people through *Hazelview Cares*



Committed \$1M to BGC (formally Boys and Girls Club) Ottawa



Team members received nearly 5,000 hours of training in 2022



Launched the Hazelview Sustainable Real Estate Awards Program (Scholarship & Bursary Awards)



Hazelview Ventures invested in two ESG focused investments, Augmenta & Xaba

PRIVATE REAL ESTATE



Participated in GRESB for the first time and ranked 4th in our peer group - Canada | Residential | Non-listed

+ Conducted 13 energy and water audits & 21 waste audits

+ Developed new environmental policies

+ Received almost 20,000 completed resident satisfaction surveys



Onboarded a new utility management & ESG reporting software that provides insight into portfolio wide consumption trends and improved coverage of utility data

+ Achieved first WELL Certification at Le Sommet, located in Montreal, Quebec

+ Installed 39 dual port EV Car chargers (78 connectors) across 9 cities

+ Used new Canada Mortgage and Housing Corporation product to support climate, accessibility, and affordability criteria in select development projects

PUBLIC REAL ESTATE



Developed Hazelview's Responsible Investment Policy

+ Enhanced ESG risk analysis and started tracking history of KPIs

+ Successfully influenced investee company to develop an ESG strategy

ABOUT HAZELVIEW

Creating value for people & places

Hazelview is an active investor, owner, and manager of global real estate and related assets focused on delivering sustainable and growing returns to our investors. We invest both privately and publicly to access the best real estate around the world and actively manage our investments with our fully integrated investment management platform.

Core Values

Our vision is to create value for people and places. In this, we are guided by our core values:



Trust



Collaboration



Ambition



Ownership Mindset



Having fun

HAZELVIEW INVESTMENTS \$11.1B AUM

PRIVATE REAL ESTATE

INVESTMENT MANAGEMENT

\$8.9B
AUM

250+
investments

20+
years of
experience



PROPERTY MANAGEMENT

650+
property
specialists

13
regional
offices

24,000+
multi-residential
properties in
25 cities

DEVELOPMENT MANAGEMENT

\$13.4B
of
development
pipeline

21,000
new
homes

18.7M SF
homes in
various stages
of development
across Canada

PUBLIC REAL ESTATE

\$2.9B
AUM

14
person team
across 4
global offices
strategically
located close
to our
investments

20+
average
years of
experience
among our
portfolio
management
team

We have a fully
integrated global investment
management platform.

HAZELVIEW'S GLOBAL PORTFOLIO

We are proud of our diverse
and talented workforce

4

global
offices

13

regional
offices in
Canada

750+

total
employees

90+

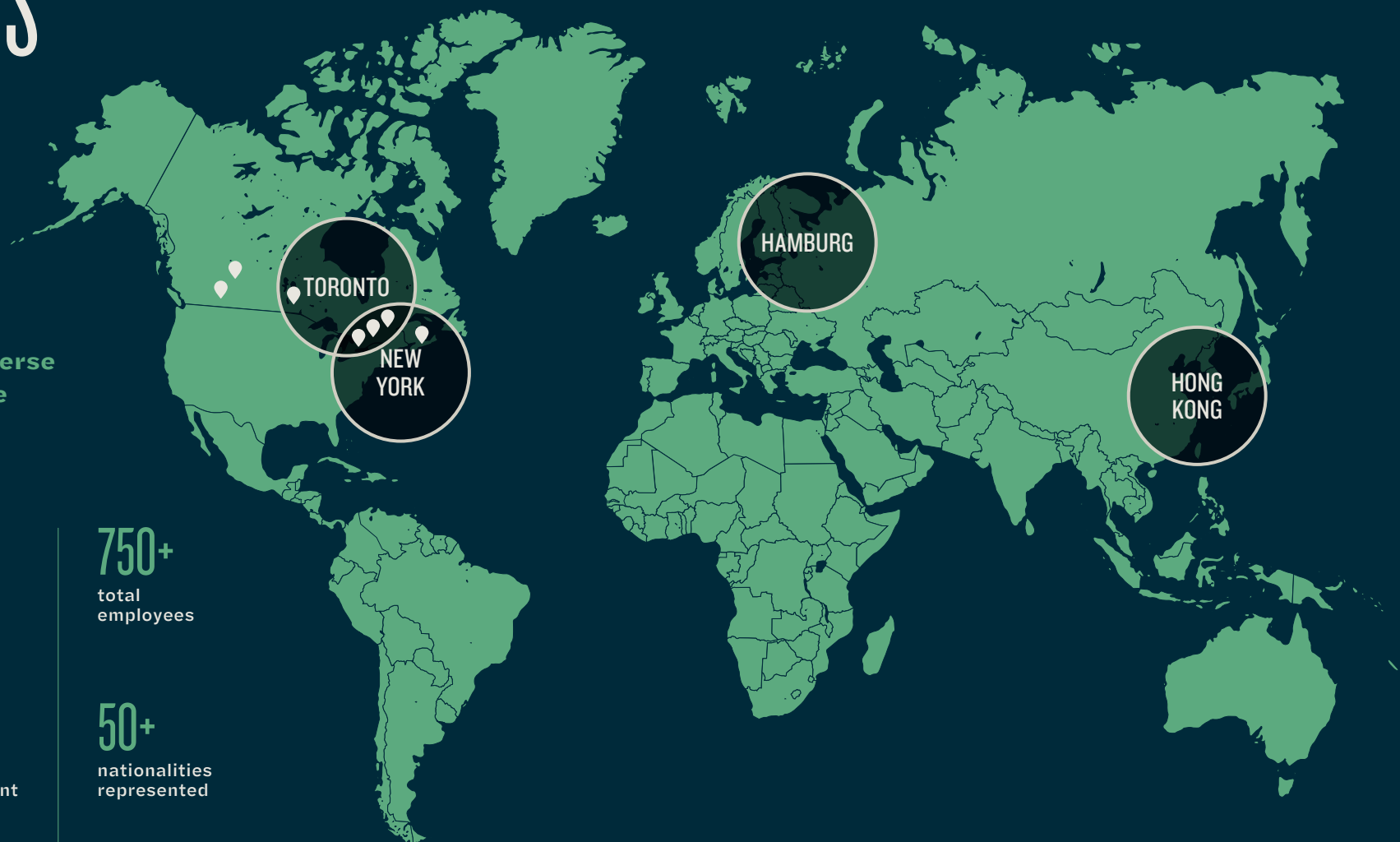
Investment
Management
employees

650+

Property
Management
employees

50+

nationalities
represented



○ Global Offices

● Regional Offices

INDUSTRY ASSOCIATIONS & INITIATIVES

We are signatories or participants of the following global ESG initiatives:

- + Principles for Responsible Investment (PRI)
- + Global Real Estate Sustainability Benchmark (GRESB)

We are members of the following industry associations:

- + Real Property Association of Canada (REALPAC)
- + Portfolio Management Association of Canada (PMAC)
- + Commercial Real Estate Development Association (NAIOP)
- + Building Industry and Land Development Association (BILD)
- + Canadian Federation of Apartment Associations (CFAA)
- + Federation of Rental-housing Providers of Ontario (FRPO)
- + Investment Property Owners Association of Nova Scotia (IPOANS)



SUSTAINABILITY GOVERNANCE

**Our commitment to sustainability is rooted
in strong governance.**



SUSTAINABILITY GOVERNANCE

APPROACH

Our integrated sustainability governance framework ensures the successful oversight, monitoring, and execution of our commitments. In 2021, we created two distinct and cross-functional groups to advance our sustainability progress: the Hazelview Sustainability Steering Committee and the Diversity, Equity, and Inclusion Committee. These committees are responsible for setting direction and driving progress on our commitments.

Sustainability Steering Committee

The Sustainability Steering Committee is comprised of senior and executive team members that oversee and advise on sustainability implementation across the company. The Committee meets quarterly to discuss sustainability activities, performance and plans, and reports key activities and outcomes to the CEO and executive team. Committee members collaborate with business line leads to implement sustainability initiatives throughout Hazelview.

Diversity, Equity & Inclusion (DEI) Committee

The DEI Committee is a diverse network of team members across Hazelview with the mission to support the development and guide the implementation of the 3-year corporate wide DEI strategies launched in 2022. The Committee meets quarterly to discuss DEI activities, and plans, and reports key activities and outcomes to the CEO and executive team.

SUSTAINABILITY GOVERNANCE FRAMEWORK



OUR APPROACH IN ACTION

Sustainability Policy

Our Sustainability Policy summarizes and guides our actions on sustainability. The Sustainability Policy is implemented across Hazelview business units. The Sustainability Policy is reviewed annually and updated at least every two years.

[View Policy](#)

Diversity, Equity & Inclusion Policy

Our DEI Policy summarizes our vision, goals, pillars and commitments and outlines how we will advance diversity, equity and inclusion within our company and measure progress using both quantitative and qualitative results.

Responsible Investment Policy

Our Responsible Investment Policy defines how we consider ESG and Climate-related risks within our investment process and how we integrate ESG topics during asset ownership. For more information on our responsible investment approach, please see the [Private Real Estate](#) and [Public Real Estate](#) sections in this report.

Code of Business Conduct and Ethics

Hazelview expects its employees to uphold fundamental values and ethical standards in all aspects of their work and Hazelview's business. Hazelview has a written Code of Business Conduct and Ethics (the "Code") applicable to all employees of Hazelview Investments and its wholly owned subsidiaries. The Code sets out guidance with respect to conflicts of interest, protection of Hazelview's assets and resources, confidential information, intellectual property, and creating a positive work environment.

Remuneration Policy

Hazelview's compensation processes and practices have been developed to support clear and consistent remuneration programs, sound and effective risk management, and long-term sustainable value. These processes and standards ensure our remuneration programs are aligned to performance, market conditions, shareholders' long-term interests, and business objectives, including ESG-specific objectives. At the same time, they are designed to support our ability to attract, motivate, and retain staff. Variable remuneration programs are linked to company and individual performance, which is assessed through a comprehensive appraisal system. Our practices discourage risk taking that exceeds the level of tolerated risk for any account or fund managed by Hazelview. They also inhibit conflicts of interest among employees. Unethical behaviour or the breach of internal and external regulations, policies, or practices is taken seriously and can lead to termination.

All policies are stewarded by a sponsor on the Executive Team.



OUR PEOPLE

Our greatest asset is our people.



OUR PEOPLE

APPROACH

At Hazelview, we are continuously striving to create value for our stakeholders and enhance relationships with our team members, investors, supplier partners, and community members. Helping our stakeholders thrive supports our business and enables us to attract and retain the best people.

Our objective is to create an inclusive, respectful, and rewarding workplace that allows our people to grow and advance in their careers. Our approach is guided by our People & Culture team, which is responsible for engaging, listening, and working collaboratively with leadership to offer our people a fulfilling work experience.

OUR TEAM MEMBERS

IN
2022...

294
new
employees
were hired

108
employees
were
promoted

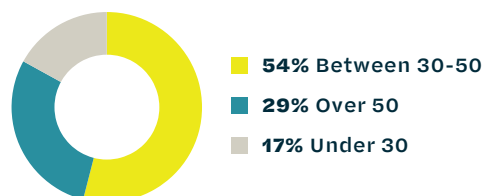
Employment type

	2021	2022
Regular full-time	674	743
Regular part-time	15	10
Contract	14	11
Co-op student / intern	3	4
Total employees	706	768

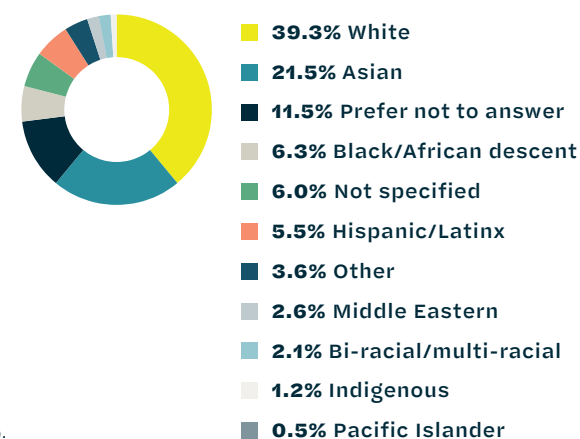
Gender breakdown

	2021 ³				2022 ³			
	Men	Women	Non-binary	Other	Men	Women	Non-binary	Other
Employees ¹	359	325	1	-	399	355	3	1
Leadership team ²	18	8	-	-	19	7	-	-

Age



Ethnicity



¹ Includes employees at all levels.

² Includes those who are a part of the Company's Leadership team.

³ Numbers exclude employees who prefer not to answer (21 in 2021 and 10 in 2022).

2022 EMPLOYEE SURVEY RESULTS

We obtain feedback from our team members through several culture and engagement surveys conducted by our People & Culture team. In 2022, we conducted three employee surveys for Hazelview Properties and one for Hazelview Investments. Moving forward, we will be conducting annual company-wide surveys.

Investment Management Survey

Focused on management & communication, DEI & sustainability, culture and compensation & development

86% RESPONSE RATE

TOP STRENGTHS

people; collaboration; inclusion and belonging; empowerment

TOP OPPORTUNITIES

transparency around total rewards; decision making; career pathing & development; flexibility with work schedule

MORE THAN 90%

of Hazelview Investment respondents feel like they can be themselves at work and feel included and respected by their team and the company

Property Management Survey

Focused on engagement, leadership, communication, and DEI & sustainability, and demographics

63% RESPONSE RATE

TOP STRENGTHS

People; inclusion and belonging; work environment

TOP OPPORTUNITIES

transparency around total rewards; career pathing & development; awareness of Hazelview's Sustainability and CSR strategies

MORE THAN 90%

of people believe Hazelview Properties is a safe and supportive workplace for diversity





LEARNING AND DEVELOPMENT

Hazelview is committed to providing a well-rounded approach to learning and development so employees can excel and feel fulfilled in their role:

- + Access to **e-learning platform** that provides mandatory courses on a variety of topics such as cybersecurity, regulatory compliance, and DEI
- + Optional **internal and external learning sessions** available to all team members focused on learning more about Hazelview’s culture, core values, and business operations
- + A **continuing education policy** to encourage employees to further develop their role-related skills, knowledge, and abilities
- + **Individual Development Plans** allow employees to map out their goals, a timeline to achieve them and necessary activities and resources. They work closely with their managers and/or mentors to develop and execute a 1-5 year plan

In 2022, we focused on investing in our people by providing a variety of training sessions and topics for all our team members.

	2021	2022
Total training hours	2,095	4,922
Training hours per full-time employee	3.0 hours	6.4 hours

EMBEDDING A SUSTAINABILITY MINDSET

To deliver on our sustainability commitments and vision we are embedding sustainability knowledge and best practices throughout our business.

In 2022, we hosted a Knowledge Power Hour focused on ‘Sustainability at Hazelview’ for 174 team members. We also launched an e-learning course to provide foundational sustainability knowledge for the Hazelview Sustainability Committee, People & Culture team and all employees with a sustainability element in their role. The course covered the definition of sustainability, why it is increasingly important for business, the triple bottom line (people, planet, profit) and an introduction to sustainable development. The course is now available to all employees on our e-learning platform.



EMPLOYEE BENEFITS AND PERKS

Hazelview provides several benefits and perks for our employees including:

- + Employee Assistance Program (EAP) offering employees and their family access to counselling, support, and resources through Workplace Options
- + Comprehensive group health benefit plan with extended healthcare and drug benefits, travel insurance, life, & AD&D coverage
- + Employees and their family have access to a virtual counselling platform, Inkblot Therapy
- + Flexible spending account for eligible employees which includes a Health Spending Account and Wellness Spending Account

2022 ACTIONS AND RESULTS

In 2022, we made enhancements to our employee benefits program that focuses on health, wellness, and work-life balance.

- + **Additional paid vacation day** for eligible employees starting from their 3rd work anniversary until their 7th (for a total of 5 extra days)
- + Providing more flexibility to employees by combining sick days and personal days into **Wellness Days**
- + Increasing our **parental leave top-up** amounts and eligibility for corporate employees
- + Offering employees **one paid volunteer day** per calendar year to enable them to take part in volunteering activities with registered charities and community organizations

2023+ COMMITMENTS



Conduct two company-wide employee surveys, one internally and one from a third-party partner



Roll out sustainability training company-wide



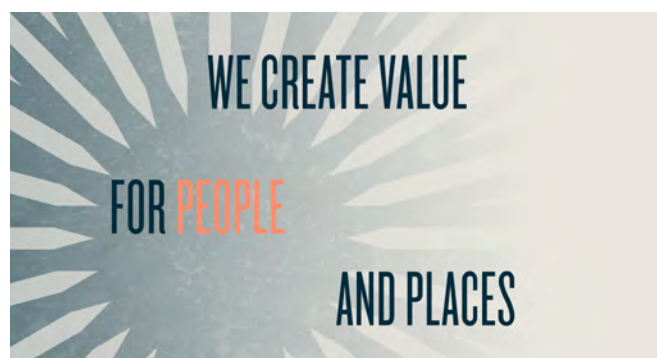
Finalize 3-year wellbeing strategy with program enhancements to be rolled out between 2023–2025. 2023 enhancements include virtual health services, dedicated dollars towards mental health practitioners and increased mental health counselling services through new EAP



Conduct employee focus groups centered around culture and engagement



Launch 'Elevate at Hazelview' – our 360-degree approach to mentorship





BELONGING AT HAZELVIEW

APPROACH

At Hazelview, we go all out to build and nurture a diverse, equitable, and inclusive culture where individual experiences and collective layers of difference are brought together to achieve greatness. We invest where we see potential, building for now and generations to come.

We recognize that creating and fostering a diverse, equitable, and inclusive workplace allows us to develop better ideas, initiatives and people. We also recognize that it is the responsibility of Hazelview to create an inclusive environment that respects the dignity and diversity of all team members. In bringing collective differences together, we grow as an organization, as individuals, retain the best talent, better serve our partners and the communities we operate in.

Our DEI approach aligns and integrates into our ongoing sustainability efforts, creates opportunities for growth, and improves our performance.

BELONGING AT HAZELVIEW GOALS



Recognize, attract, and retain talent that reflects the diversity of the places we invest in



Identify and actively address barriers in organizational practices, training programs, and services



Develop our people by investing in ongoing training and education



Create meaningful partnerships that reflect the diversity of our global presence

2022 ACTIONS AND RESULTS

We made significant progress on DEI in 2022:

Accomplishments

- + Launched two DEI training courses and policy with mandatory employee review and acknowledgement
- + Analyzed pay equity data to investigate any gender inequalities
- + Measured employee engagement scores on DEI initiatives
- + Renewed a two-year partnership with the Canadian Centre for Diversity and Inclusion (CCDI) to provide valuable resources and webinars for all employees
- + Added DEI focused courses to onboarding experience for all new employees
- + Collected and tracked team member demographic and diversity data

Governance

- + Internally published our DEI policy, with mandatory acknowledgement for all employees
- + Established a DEI Lead to manage our cross-functional DEI Committee
- + Began enhancing our talent acquisition processes to further embed DEI-related practices in sourcing and recruitment of diverse talent

2023+ COMMITMENTS

- + Achieve 100% compliance for DEI training courses and acknowledgement of the DEI policy
- + Execute listening sessions to gain valuable team member and stakeholder feedback regarding 'Belonging at Hazelview'
- + Curate local and national partnerships to further 'Belonging at Hazelview' vision, goals, and tactics
- + Partner with a recruitment focused Canadian-based equity deserving group to broaden candidate pool diversity



CASE STUDY: PRIDE MONTH KNOWLEDGE POWER HOUR

In June 2022, we hosted a Knowledge Power Hour during Pride Month where topics such as the importance of Pride, issues faced by LGBTQ2S+ people, what changes are happening in society, what the future holds and a highlight on Two Spirited were discussed. This event was recorded and is available in our e-learning platform for all employees.



SOCIAL IMPACT

We aim to have real impact on people
and the communities we operate in.





hazelview



APPROACH

Hazelview's social impact program, *Hazelview Cares*, is rooted in our commitment to people and the communities we operate in. It focuses on three areas in which we can have a real long-term impact: housing support, education opportunities, and health and wellbeing. Through the program's initiatives, we create tangible societal and economic benefits within our communities. In 2022, more than **40% of Hazelview's 600+ employees** took part in *Hazelview Cares* initiatives, demonstrating that social impact is woven into the fabric of our company. As a result of this participation, **the Hazelview Cares program positively directly impacted more than 3,000 people through housing support, educational opportunities and other community programming.**



CASE STUDY: HAZELVIEW UKRAINIAN HOUSING PROGRAM

In 2022, as the conflict in Ukraine continued to unfold, a group of Canada's largest private and public rental housing providers worked together to identify ways to support those impacted by the humanitarian crisis. Leveraging previous experience from an earlier program for Syrian refugees, we were able to act quickly, and help displaced Ukrainians in as many ways as possible. Through our Ukrainian Housing Support Program, we secured suites across the country to give families a new home in a safe and welcoming community in which to grow and thrive again. We provided various relief packages such as reduced/free rent, flexibility on tenure, waived deposit requirements, added furnishings, and amended our process to accommodate faster approvals and move-ins.

Ukrainian Housing program 2022 snapshot

\$300,000+

provided in discounted or free rent
through the Ukrainian Housing Program

350+

Ukrainians housed
in 140+ suites

1,000+

email & phone inquiries were
personally responded to

\$40,000+

raised



HOUSING SUPPORT

As a rental housing provider, we understand the responsibility we have to residents across the country who call a Hazelview property home. We are committed to fostering happy, healthy, thriving communities in which we operate with a focus on providing high-quality and sustainable rental housing options.

We also understand the challenges that come with finding affordable housing, particularly in larger cities that are close to transit and employment opportunities. In 2021, we partnered with a not-for-profit affordable housing trust, co-founded by Habitat for Humanity GTA, to help bring much-needed new affordable housing to the City of Toronto. To do so, **Hazelview alongside a partner, has committed \$17 million to the affordable housing trust.** Since 2021, **Hazelview has contributed \$3.6 million to fund at least 180 affordable housing units** in the Greater Toronto Area.

To further support those facing barriers to adequate housing, we recently partnered with the City of Toronto to move refugee families currently living in shelters into long-term leases at Hazelview apartments. Throughout 2022 we worked closely with the City of Toronto to establish the lease agreements, with the first refugee families moving into Hazelview properties in early 2023.



EDUCATION OPPORTUNITIES

As part of our commitment to people, we invest in communities we operate in to provide educational opportunities that will help create meaningful socio-economic change.

Every year, we engage residents through community events and programming to provide education support and build connections. In 2022, we:

- + Held education sessions such as ESL classes, STEM classes for kids, and health workshops for hundreds of residents
- + Hired 16 young residents, with a focus on equity-deserving youth, giving them paid work experience, resume enhancement, mentorship and skill-building through our Young Resident Employment Program

We also aim to support and empower the next generation to be sustainable and community minded. In 2022, we:

- + Launched **the Hazelview Sustainable Real Estate Awards Program**, which in its inaugural year funded 20 scholarships and bursaries at colleges and universities in communities where Hazelview operates. These scholarships and

bursaries are awarded based on different levels of academic standing, financial need, and for programs where sustainability can have a major impact such as urban development, sustainable business management, and engineering technology.

- + Hosted our second annual **Sustainable Cities Challenge** developed in partnership with the non-profit Enactus Canada, giving students the opportunity to create and implement community empowerment projects and business ventures geared towards solving pressing economic, social, and environmental challenges. Hazelview provided grants and mentorship to five student teams, whose ideas spanned waste recycling, waste audit technology, and sustainable permaculture.
- + **Committed \$1 million to BGC Ottawa** (formerly known as Boys and Girls Club) which in part was used to fund the 'Leaders4Life' program which looks to develop the next generation of young leaders in that community. The BGC Ottawa clubhouse is very close to Heron Gate, a community that Hazelview operates in, and provides free programs and services to local youth, offering supportive places where kids and teens can experience new opportunities, participate in activities and develop life skills.



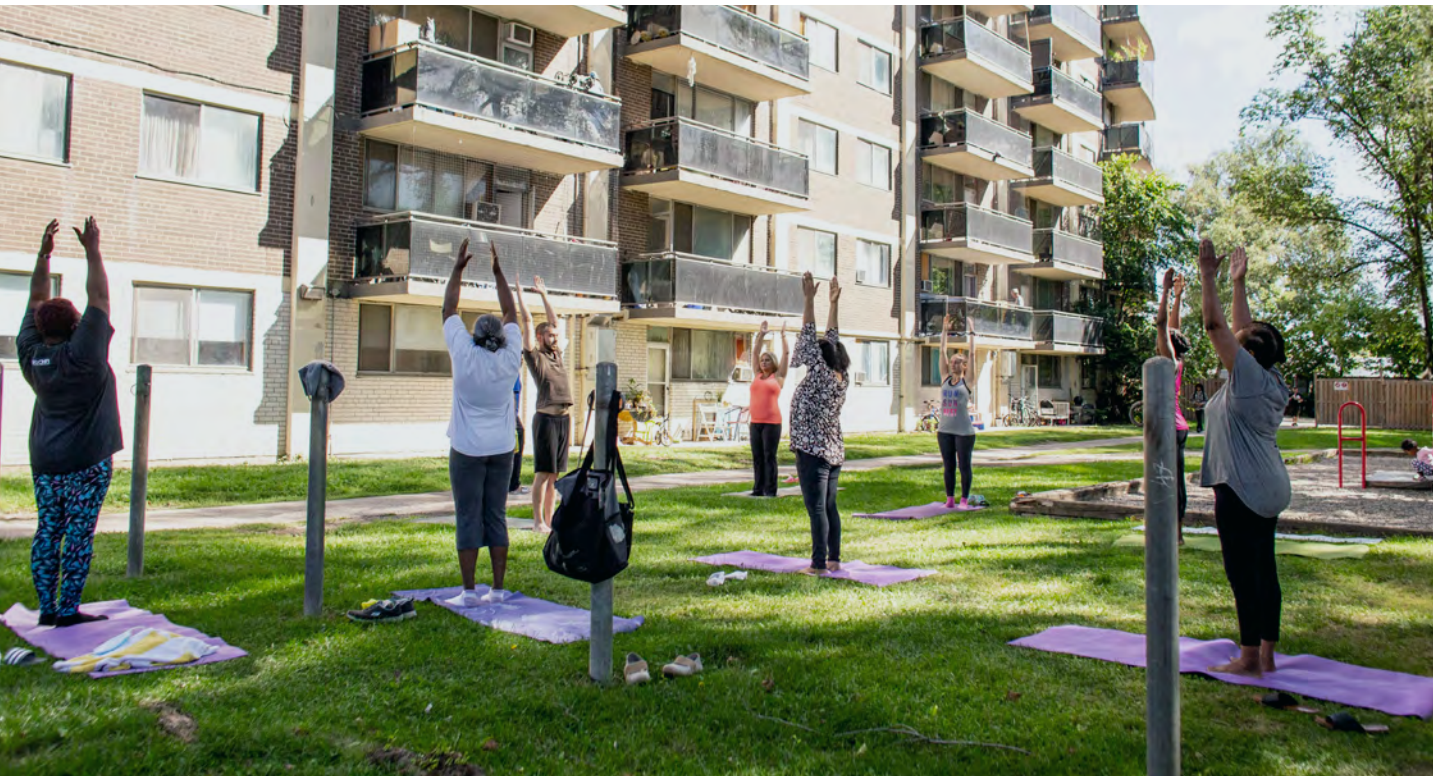
“With this transformational support we will be able to better serve Heron Gate, and the surrounding neighbourhoods with high-quality evidence-based programming for youth”

— ADAM JOINER, CEO BGC OTTAWA

HEALTH AND WELLBEING

Our commitment to people extends to the health and wellbeing of our residents. As part of Hazelview's Voice of Resident program, we collect regular feedback from our residents on a variety of topics. Through one of our many surveys, residents told us they would like more resources on the topic of health and wellbeing. As a result, improving the health and wellbeing of those already living within our communities is a key priority for the *Hazelview Cares* program.

To address our resident's needs, in 2022, we created "Optimizing Apartment Living: Wellness Strategies for Wintertime." The free educational event for Hazelview residents provided tools and expert tips for improving personal wellbeing, nutrition, stress management, and movement.



SNAPSHOT: OPTIMIZING APARTMENT LIVING EVENT

407 ATTENDEES

took part in the wellness event

94%

of respondents are likely or very likely to attend again

85%

of attendees rated their likelihood of incorporating wellness tools and strategies from the event into their daily life as likely or very likely

86%

of survey respondents who attended said they were satisfied or very satisfied with the overall event



2023+ COMMITMENTS



Complete a comprehensive reassessment of our stakeholder needs to ensure the work we do is aligned with our stakeholder needs



Expand the Hazelview Sustainable Real Estate Awards program



Broaden our health and wellbeing programs for residents



Roll out a new program that helps support under-resourced youth in the trades



Continue to work with the City of Toronto and provide housing support for asylum seeking families living in Toronto shelters



PRIVATE REAL ESTATE SUSTAINABILITY

Our private real estate sustainability program protects value and strengthens relationships.



PRIVATE REAL ESTATE INVESTMENT MANAGEMENT

Adopting ESG best practices in our globally diversified real estate portfolio

Hazelview Investments operates a globally diversified real estate portfolio comprised of private real estate, private real estate debt, public REITs, and preferred shares REITs. While our Canadian multi-residential portfolio has been the focus of our integrated sustainability efforts to date, we are committed to employing strong ESG management practices in our globally diversified real estate portfolio.

The globally diversified real estate portfolio is invested across asset classes, including high and low-rise office buildings, industrial assets, residential, life sciences, and hotels. For these investments, Hazelview holds an equity interest but does not operate or manage the underlying assets (meaning day-to-day operations). Operational decisions are made by our investment partners who range in size, scale, and sophistication of ESG management practices.

While we usually don't have the ability to make operating decisions relating to ESG management practices, we are committed to expanding ESG considerations into our diversified portfolio. This includes formalizing ESG considerations into our due diligence activities, working alongside our third-party report providers to incorporate ESG considerations in their reports, and engaging with our investment partners to better understand their ESG activities and performance.

2023+ COMMITMENTS

Continue ESG integration in globally diversified real estate portfolio and engage with our investment partners on ESG management and performance.





SPOTLIGHT: T3 STERLING ROAD

HAZELVIEW FOUR QUADRANT FUND 4Q

Mass Timber investment supports Hazelview's sustainability vision and commitments

Developer:

Hines and Hazelview Investments

Architect:

DLR Group

Investment date:

February 2019

Phase 1 completed in 2023

T3 Sterling Road is a mass timber office development well-located near the Bloor/Dundas transit hub, which includes Dundas West subway station and Bloor GO and UPX station in Toronto's West End. The name T3 refers to the foundational values of the design approach: timber, transit, and technology. T3's natural wood interior, paired with wellness-inspired amenities and an exceptional technology platform, creates a unique work environment that fosters productivity and sparks innovation. T3's exceptional amenities prioritize health and wellbeing, and the natural wood interior and bright, inspiring spaces help people feel – and do – their best. Timber construction is more sustainable than traditional approaches such as steel or concrete, as timber is less

energy intensive to extract and process and is recyclable, biodegradable and non-toxic. The structure is estimated to emit approximately half of the embodied carbon of a traditional concrete and steel building, which represents removing almost 13 million kilometers of vehicle traffic off the road avoid emitting approximately ~1,400 metric tons of carbon dioxide (CO₂) into the atmosphere through development and will store an estimated ~3,600 metric tons of CO₂ in the timber structure. T3 Sterling Road will achieve LEED Gold, WiredScore Platinum, WELL Gold, and Rick Hansen Foundation Accessibility certifications following completion.

INTEGRATED SUSTAINABILITY PROGRAM

Our integrated sustainability program includes our Canadian multifamily portfolio where we provide asset and property management services. The four themed pillars of our integrated sustainability program capture the key sustainability practices and initiatives that support our vision and commitments and align with our business strategy and values. The pillars are supported by performance indicators, targets, progress tracking, and reporting internally and externally to our stakeholders. Our Canadian multifamily portfolio has been the focus of our sustainability efforts to date because we have operational control and access to sustainability performance data such as energy and water use, waste management practices and tenant engagement.

4 KEY BENEFITS OF OUR SUSTAINABILITY PROGRAM:

- + Increased portfolio resilience through continuously improving resource efficiency
- + Elevated risk identification and management
- + Increased culture of innovation
- + Enhanced ability to attract and retain residents, tenants, and team members and maintain their trust

SUSTAINABILITY PROGRAM PILLARS

SUSTAINABILITY GOVERNANCE & POLICY



RESOURCE EFFICIENCY

Improve operational efficiency of buildings and operations.



RESILIENCE

Protect portfolio value through environmental and social risk identification and management.



RESIDENT AND TENANT EXPERIENCE

Strengthen relationships with residents, prospects, and tenants.



RELATIONSHIPS

Enhance relationships with employees, suppliers, and communities.

MEASUREMENT & TARGETS

COMMUNICATIONS & REPORTING

RESOURCE EFFICIENCY

**Efficient buildings are
smart investments**

APPROACH

Using fewer resources improves the efficiency of buildings and operations where Hazelview operates. In addition to improving cash flow and preserving value, increasing efficiency enables us to anticipate and prepare for potential regulatory changes and reduce the environmental impacts of our portfolio.

Energy Management

Hazelview is committed to decreasing energy consumption and reducing costs while making sound decisions observed through energy metric tracking which leads to the development of our efficiency improvement strategy. Our Energy Management Policy sets forth the steps that support this objective including tracking energy usage and establishing an energy use baseline, creating an energy management action plan, and communicating the action plan to relevant stakeholders.

Greenhouse Gas Emissions

Hazelview is committed to improving GHG performance in the portfolio and reducing climate change impacts. Our GHG Emissions Policy sets forth the steps that support this goal including tracking GHG emissions across the portfolio, implementing GHG management strategies, and monitoring/ reporting GHG emissions.

Water Conservation

Hazelview is committed to tracking and reducing our water consumption and implementing efficient practices to reduce water use across the portfolio. Our Water Conservation Policy sets forth steps that support this goal including tracking water consumption, implementing water conservation strategies, installing of water efficient fixtures and continuously tracking and monitoring water usage of the common areas at all of our properties on at least a quarterly basis and identifying opportunities for improvement.

Waste Management

Hazelview is committed to capturing and benchmarking total waste generation data, along with contamination rates, which will be used to set quantifiable reduction and diversion targets. Our Waste Management Plan sets forth the steps that support this goal including gathering waste and recycling information, implementing source reduction best practices, implementing recycling programs, implementing sustainable waste management strategies, educating residents, tenants, patrons, and staff on best practices to reduce waste and regularly reviewing waste tonnage.



2022 ACTIONS AND RESULTS

In 2022, we continued to strengthen our systems and processes as the foundation of our sustainability performance management:

- + Finalized and began rolling out new environmental policies for energy management, greenhouse gas emissions management, water conservation and waste management
- + Used our inaugural GRESB submission results to identify management and performance improvements
- + Launched environmental audit program with a 3 year roadmap for full completion (Energy/Water/Waste)
- + Implemented Blackstone's Onyx Utility Manager & IBM's Envizi platform to improve our environmental data management
- + Reviewed and uploaded historical environmental consumption data to analyze data trends
- + Met Ontario Energy & Water Reporting and Benchmarking (EWRB) reporting requirements

2022 ENVIRONMENTAL PERFORMANCE⁴

	Indicator	2022
Energy	Energy consumption (ekWh)	546,109,298
	Energy intensity (ekWh/sf)	26.21
	Electricity data coverage	75%
	Natural gas data coverage	94%
Water	Water consumption (m ³)	3,325,674
	Water intensity (m ³ /sf)	0.17
	Water data coverage	83%
GHG emissions⁵	Scope 1 emissions (tCO ₂ e)	74,509
	Scope 2 emissions (tCO ₂ e)	13,864
	Scope 1 and Scope 2 emissions (tCO ₂ e)	88,373
	GHG emissions intensity (kgCO ₂ e/sf)	4.24
Waste	Waste output (tonnes)	3,236
	Waste diversion (%)	23%
	Waste data coverage	45%
Building certification	Percent of portfolio with building certification	4.24

A key component of our sustainability program is ensuring we collect high quality and accurate environmental performance data. This enables us to improve resource efficiency, minimize the environmental impacts of our portfolio, set GHG reduction targets and confidently disclose our performance to our stakeholders.

In 2022, we transitioned to Blackstone's Onyx Utility Manager & IBM's Envizi platform. This has enabled us to enhance our environmental data management, measure our environmental performance and improve data coverage and accuracy over prior years.

We recognize there is still more work to be done to improve data coverage and accuracy within our portfolio. We are committed to this and our overall goal to improve the energy efficiency of our buildings. In 2023, we intend to set a GHG emissions reduction target using 2022 as our base year and as a result, expect our 2022 environmental performance data to be refined and updated accordingly.

⁴ Environmental performance data reflects our Canadian multifamily portfolio under management as of December 31, 2022, regardless of Hazelview's ownership interest.

⁵ GHG emissions from Hazelview's Canadian multifamily portfolio include emissions generated directly from the combustion of fuels (Scope 1 emissions) and indirectly from the generation of purchased electricity (Scope 2 emissions).

BUILDING CERTIFICATIONS

Certifying our multi-residential portfolio to credible third-party standards ensures our buildings are operating in an environmentally responsible way. In 2022, our portfolio's building certification rate was 51% which is a decrease from 2021 due to acquisitions made in 2022 that did not have an existing building certification. We continue to work toward certifying 100% of our portfolio with either Certified Rental Building (CRB) or BOMA BEST certifications. While we had previously committed to meeting this target in 2022, we experienced unforeseen challenges that delayed our progress. We remain committed to achieving this target and we expect to reach 100% portfolio certification in 2023.

2023+ COMMITMENTS

- + Implement our new environmental policies
- + Complete full implementation of environmental data management platform
- + Complete additional energy, water, waste audits to progress against goal of completing 100% by the end of 2024
- + Set targets for energy, water, waste and greenhouse gas emissions
- + Launch a tenant sustainability guide that will provide tips for energy and water conservation and waste management
- + Achieve 100% portfolio certification rate

MULTI-RES CAPITAL RETROFIT PROGRAM

39 dual port EV chargers (78 connectors) installed at 32 properties

30 properties conducted energy, water and/or waste audits representing 11% of our portfolio

24 water retrofit projects completed resulting in a 15-20% reduction in water use

18 LED lighting retrofit projects completed resulting in an average of 50% energy savings used by the fixtures

6 high-efficiency boilers installed resulting in a 5-10% decrease in natural gas consumption



RESILIENCE

Protecting value through risk and opportunity management


APPROACH

A resilient portfolio is a future-ready portfolio. It is one that is well-positioned to withstand the effects of climate change and help address social issues. The aim of our resilience pillar is to protect our multi-residential portfolio value by identifying and managing environmental and social risks and opportunities. In doing this, we help ensure business continuity, safeguard our assets, and support our stakeholders. Enhancing the resilience of our portfolio also supports growth and profitability to make us a better overall partner.

Hazelview recognizes the physical and transition risks that climate change poses to the real estate sector and the importance of preparing assets in our portfolio. We are committed to increasing climate change resiliency and adaptation through the adoption of policies and procedures across the portfolio.

2022 ACTIONS AND RESULTS

- + Developed and began implementing our Climate Change & Resilience Policy across the multi-residential portfolio to help conduct Climate-related risk assessments and develop resilience action plans at the asset-level
- + Developed and began implementing our Responsible Investing Policy which outlines how sustainability and Climate-related factors are considered in due diligence and asset management



Hazelview recognizes the physical and transition risks that climate change poses to the real estate sector and the importance of preparing assets in our portfolio.

STEPS WE ARE TAKING TO ENHANCE CLIMATE RESILIENCE IN OUR PORTFOLIO

STEP 1 Conduct risk assessments to identify asset exposure to climate change impacts

STEP 2 Identify opportunities to reduce risk at the building level by implementing resilience measures

STEP 3 Develop action plans to integrate climate change and resilience into the investment process and strategy



CLIMATE CHANGE RISKS

We integrate climate change considerations into our strategic capital planning decisions to prepare for new regulation, identify ways we can future proof our buildings and ready our portfolio for the transition to the low carbon economy. In 2020 and 2021 we conducted a physical climate risk assessment by conducting a portfolio-wide survey to assess properties' exposure to physical climate risks including flooding, rising sea levels, heat stress, wind-storms, water stress, and wildfires. Using the results, we continue to enhance resilience at each property by making physical changes and implementing new operational processes. In 2022, this included:

- + Enhancing water sensor and pump systems
- + Investing in larger generators to provide backup power for residents in the event of extreme weather
- + Ensuring fire and life safety systems meet modern code to provide early detection for any natural environmental occurrences

DIVERSE HOUSING OPTIONS

We recognize that there is a lack of affordable housing across Canada. We also know that housing diversity is important and helps support strong communities. We are committed to providing best-in-class property management at our multi-residential properties to help maintain high quality rental housing options and are assessing ways to integrate attainable and/or affordable housing in existing and new developments, project-by-project. For more information on how we are providing diverse housing options, please see the [Social Impact](#) section.

2023+ COMMITMENTS

- + Implement Climate Change & Resilience Policy and Responsible Investing Policy across portfolio
- + Establish a regular schedule to assess the resilience of our portfolio

CASE STUDY: ENHANCING RESILIENCE AT WEST LODGE

In 2018, Hazelview took over property ownership and management of 103 and 105 West Lodge Avenue, an apartment complex with 732 units located in Toronto, Ontario. Upon takeover, it was clear that the West Lodge apartments needed significant improvement due to lack of investment from prior owners. Soon after, Hazelview planned a multi-year revitalization project which included significant investments to upgrade West Lodge's interior and exterior as well as community-related investments to transform the property into a more sustainable rental community.

Over the last 5 years, Hazelview re-imagined the property and spent over \$23 million on interior and exterior renovations and building enhancements to create inviting spaces for the residents to come together.

In addition to the physical building improvements, the revitalization project focused on building bridges between residents, community partners, and Hazelview. To do so, Hazelview created a new role in the company called a Community Liaison. This person is responsible for fostering a strong and collaborative connection with residents and community partners and establishing a foundation for a thriving community.



360-DEGREE APPROACH

Hazelview's investments in West Lodge will enhance its value by ensuring high quality, desirable and sustainable rental housing into the future and delivering a thriving and supportive community for its residents. The revitalization project also demonstrates how our fully integrated real estate platform can deliver both physical and social benefits.



Exterior renovations:

- New seating for enhanced enjoyment of outdoor space
- Interlocking stone landscaping
- Accessible ramps
- Over 1,000 new trees and shrubs planted with a focus on native plants to reduce watering needs
- Community gardens with new flower beds and rain fed irrigation systems
- New solar lighting
- Permeable pavers to reduce the risk of storm water runoff
- Intelligent irrigation systems and rainwater collection feature to reduce water consumption
- New children's playground and splash pad
- Improved dog run area and clean-up and regrading of field in the back of the property
- Enhanced garbage collection areas
- All existing materials were reused on site, significantly reducing construction waste

Interior renovations:

- New resident lounge with seating
- New resident library with art gallery wall from local artists
- Enhancements to hallway corridors throughout with new carpet made with sustainable materials, zero VOC paint, and FSC certified wood
- New mailroom

Major building enhancements:

- Complete fire and life safety maintenance/upgrades
- Full replacement of heating and hot water systems
- Elevator systems fully modernized
- Electrical panel upgrades
- In-suite repairs and upgrades to 331 suites
- Replacement of balcony doors throughout the property to address temperature concerns
- Full restoration of the parking garage that was previously condemned by the City of Toronto

Community-related investments for West Lodge residents:

- Built a Community Hub - a safe, welcoming, and enjoyable space where residents can gather, participate in programming and get valuable resources
- Issued digital and print newsletters to keep residents updated on building updates, upcoming events, office announcements, important community resources, activities, entertainment, and contests
- Held health and wellness events such as fitness, yoga, and nutrition
- Set up vaccine clinics with Women's College Hospital in the West Lodge Community Hub
- Provided free healthcare through Maple, a virtual healthcare service, including free access to mental health support
- Partnered with Toronto Alliance Church to provide programs on English skills and money management
- Provided employment and skill development classes and resources
- Established a summer student program for a group of students that lived at West Lodge with a focus on assisting with building maintenance, property clean up and co-hosting and setting up community events
- Developed youth programming including arts and crafts, book and game library, baking, movie nights and youth fitness
- Planned seniors' gatherings and excursions for families
- Launched the Good Vibe Market which is a platform for residents to showcase and sell their personal talents such as jewelry, art, baked goods, photography, and singing
- Built a community garden and held workshops
- Created a Resident Care Committee that empowers neighbours to look out for one another, especially in emergencies

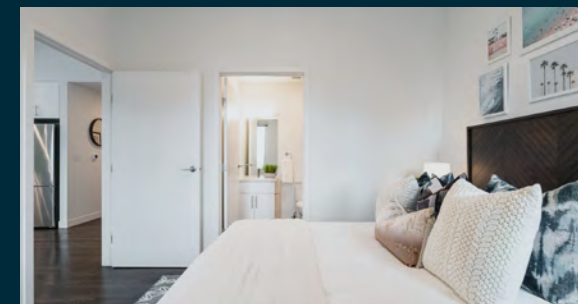
SPOTLIGHT: THE ARTS RESIDENCES

In 2022, Hazelview completed and opened its \$30M retrofit of The Arts Residences in Winnipeg, MB. Our vision was to revitalize an iconic and historic, but underused, downtown Winnipeg office building and create much-needed new rental housing in the city's downtown core.

The retrofit project reimagined almost every square inch of space. The building structure and exterior were kept but we reconfigured the space to accommodate 104 residential units with new finishings. In addition, we:

- + Turned the ground floor into a large lobby
- + Built in common areas and amenities including social lounge, yoga and wellness room, fitness centre, and games area
- + Modernized elevators
- + Revitalized the parkade including structural repair, new electrical, and LED lighting
- + Fully upgraded central heating and cooling plan and modern climate control, increasing window size

This project transformed an underused commercial building into a modern, useful mixed-use residential space while preserving the building's original structure. To celebrate and recognize the history of the building, we partnered with diverse artists to incorporate local art into common spaces, creating inspirational, colourful spaces for people to enjoy. Each of the 13 floors at The Arts Residences features a canvas painting created by Winnipeg-based artist Jordan Stranger, and digitally-created mural created by local Winnipeg-based artist Jonato Dalayoan in collaboration with Mexico-based artist Senkoe. Each painting represents one of the 13 moons of the Ojibwe lunar calendar and is complemented by a digitally-created mural representing the same moon. Residents and visitors often walk every single floor to view the floor-to-ceiling murals that line each corridor.



RESIDENT AND TENANT EXPERIENCE

Our goal is thriving communities

APPROACH

Through this pillar, we focus on helping residents, tenants, and prospects thrive, both at home and in their businesses. We seek to achieve the best possible social outcomes as both a provider of housing and a landlord for commercial businesses. We continuously strive for high satisfaction ratings.

2022 ACTIONS AND RESULTS

Measuring resident satisfaction

Our Voice of Resident (VOR) program is a fully automated digital platform launched in 2021 to collect ongoing feedback from prospects and residents about their experiences at our build-ings. The program covers the full customer experience from prospect and move in through to maintenance requests, day to day living, and move out. We collect information from our residents via email invitations about key aspects of each phase of the resident journey. Each year, we send more than 120,000 email invitations, generating about 20,000 completed surveys. Results are updated daily, and our property and regional team members view results via PowerBI

reporting. Our teams develop action plans to address key pain points, with the goal of continuously improving performance on a variety of aspects of the resident experience ultimately increasing satisfaction, resident tenure, and advocacy.

In 2022, we added questions about sustainability to our VOR surveys. Residents were asked about the importance of sustainability when choosing a place to live, and the importance of key sustainability issues as a part of daily living.



2022 RESIDENT AND TENANT SATISFACTION SURVEY RESULTS

125,000

surveys deployed

18,824

responses received

75.1%

of prospects and residents who interacted with the Hazelview brand were satisfied or very satisfied with their experiences

79.1%

of prospects indicated that sustainability is a very important or fairly important factor in their rental decision-making process

63.6%

of residents indicate that sustainability is very important or fairly important factor to them when going about their daily tasks

USING TECHNOLOGY TO SUPPORT OUR RESIDENTS

Rise Buildings is a property operations and experience platform that we have begun to implement at our new development buildings. The platform, which is available as an app, allows residents to:

- + Connect with our property staff
- + Register visitors
- + Book shared rooms
- + Connect with other residents
- + Connect with community (offers at local shops, events)
- + Keyless entry
- + Property marketplace to buy/sell gently used items

We have implemented the app at our latest development project in Brampton, and plan to onboard additional buildings in the future.

Virtual healthcare for residents

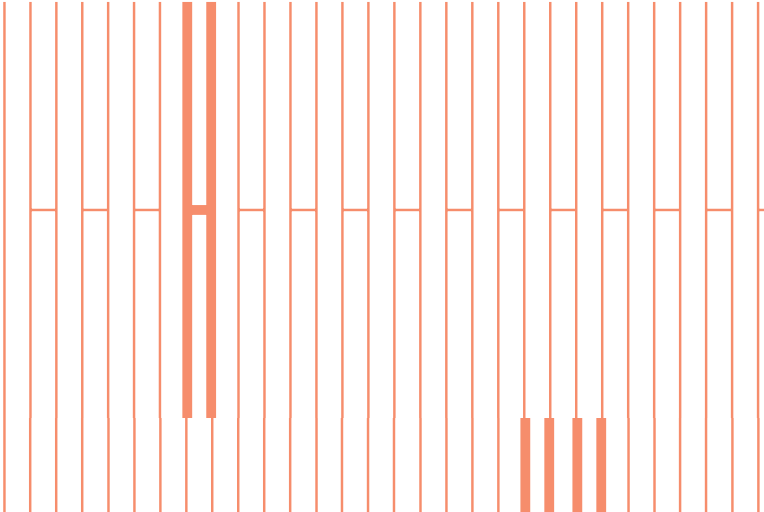
In 2022, we partnered with Maple, a virtual healthcare service, to bring complementary services to Hazelview residents. With so many people on waiting lists for medical care, we saw this as an opportunity to support the people living in our buildings. The initial phase of this program saw 2,000 suites receive access to Maple in 2022. After surveying participating residents following the initial phase, we found that 77.6% are more likely to continue to rent at our buildings as a result of being offered the service. 92.0% report that their experience with Hazelview is made even better by receiving this virtual healthcare service. We will look to expand this program in 2023.

The WELL Certification

In 2022, Hazelview obtained its first WELL Certification at Le Sommet, located in Montreal, Quebec. The WELL certification is an evidence based, third party standard that aims to help property owners and managers prioritize the health and wellbeing of their employees, tenants, residents and other stakeholders through design, operational policies, and maintenance protocols.

2023+ COMMITMENTS

- + Improve by 5% across all resident and tenant survey streams and regions
- + Continue to create partnerships with local organizations to support and execute services and programs for the betterment of the communities we operate in
- + Engage residents in providing input/feedback on Hazelview’s social impact programs to help shape the future of resident programming
- + Conduct research to identify which wellbeing related programs and certifications we will roll out to our portfolio in 2024





RELATIONSHIPS

Partnering for sustainability and health and wellness impacts

OUR APPROACH

In addition to the [commitments and approach to our people](#), evolving our relationships with team members, suppliers, partners, and communities allows us to effect positive environmental and social change where we operate.

2022 ACTIONS AND RESULTS

Embedding sustainability in procurement

At Hazelview, we recognize that our procurement choices impact our residents, communities, and the environment. To integrate sustainability and health and wellness into our procurement decisions, we provide third party designers with specifications to use products and pre-established trade partnerships which they are required to follow. Our program lays out which pre-selected products and trades our contractor partners can use. The product selection incorporates products that are cost-effective, sustainable and supportive for human health and wellness, including:

- + Zero VOC paint
- + Broadloom and carpet tiles comprised of recycled rubber content
- + Phthalate free flooring with 97% of materials assessed against cradle-to-cradle principles for human and environmental health
- + Flooring installation systems are low-VOC, incorporate recycled content and use biodegradable packaging
- + Cabinet materials include recycled and/or recovered wood fiber
- + Plumbing fixtures are water efficient
- + Engineered hardwood flooring meets high indoor air quality standards
- + Energy efficient, Energy Star appliances (fridges, stoves, microwaves, dishwashers)

2023+ COMMITMENTS

- + Re-evaluating and expanding on existing sustainable procurement practices and policies and integrating sustainability factors into our Contractor Code of Conduct
- + Engaging with our partners to better understand their ESG practices

DEVELOPMENT MANAGEMENT

Sustainability is embedded from the start

We are committed to sustainable development that fosters happy, healthy, and thriving communities. As a leading residential real estate developer and redeveloper, we examine opportunities to incorporate energy efficiency, sustainable materials, and leading technologies into the design and construction of our properties.

APPROACH

To guide our approach to embedding ESG into developments, we employ systematic sustainable development practices that are based on leading green building standards, certifications, and benchmarks. For example, we:

- + Benchmark our design development standards to LEED Gold certification
- + Pursue Toronto Green Standard Tier II where feasible, for our Toronto properties

Our sustainable development practices and processes are formalized in an ESG Guideline and Checklist to ensure we are consistently embedding sustainability

considerations in every development we undertake.

The sustainability landscape is rapidly evolving. We are committed to continuously educating our team on new and emerging innovative sustainability technologies, processes, and incentives. In 2022, 75% of our development team members were LEED Green Associate Certified and we encourage team members to attend at least one Canada Green Building Council or ESG focused event or course each year. Going forward, we aim to maintain a minimum 90% LEED Green Associate certification rate for our team.

2023+ COMMITMENTS

- + Complete the Development module in the 2022 GRESB Assessment
- + Create Sustainable Development Policy to formalize Hazelview's sustainable development commitments and approach



\$13.4B
DEVELOPMENT PIPELINE

21,000+
NEW HOMES IN DEVELOPMENT

SUSTAINABILITY INTEGRATION IN THE DEVELOPMENT PROCESS

Financing

- Sustainable financing is part of our development lifecycle – our development team investigates, researches and implements sustainable financing solutions and products as part of the process. This helps to incentivize continued evolution of ESG initiatives/solutions within our developments

Development site acquisition

- Review environmental reports
- Develop remediation strategy, where required
- Review record of site conditions and risk assessments completed as part of the planning approvals process

Planning approval and entitlement

- Obtain planning approval through process that includes community and municipal representatives
- Plan for resilient design (integrating research and practices from other development projects)
- Incorporate climate change resilience features into development design
- Begin benchmarking against LEED Gold
- Conduct research to consider utility of community amenities (e.g., schools, daycares, community centres)
- Investigate, and where appropriate, formalize attainable housing strategy
- Investigate sustainable modes of transportation that help move people and goods with less environmental impact
- Identify features to reduce water discharge into municipal sewer systems
- Identify community employment opportunities
- Review transportation demand and modes of transportation

Design development

- Examine potential for renewable energy and storage (e.g., geothermal, district energy, co-generation, solar)
- Examine sustainable material options (e.g., roof, cladding, windows)
- Investigate options for waste management and diversion systems
- Incorporate health and wellness features for building and community into design
- Investigate potential for third party certification (e.g., LEED, WELL, WIRED)
- Finalize efficiency and intelligent design features (e.g., minimum daylighting, building automation system, systems to support indoor air quality)
- Utilize energy modeling to drive design decisions that support sustainable development and operations of new purpose build rentals
- Formalize and benchmark against greenhouse gas emissions and climate resilience targets

Hazelview is using Canada Mortgage and Housing Corporation's MLI Select, an innovative new multi-unit mortgage loan insurance product, to support climate compatibility, accessibility, and affordability criteria for certain development projects. The program will continue to support the feasibility of our development pipeline of over 21,000 units and in 2022 we applied to finance more than 1400 units.

DEVELOPMENT PROCESS



Feasibility and/or Acquisitions



Entitlement



Design Development



Project Financing



Construction

In a Memorandum of Understanding (MOU) with the City of Ottawa, we have committed to build and/or secure 1,020 new residential units as affordable across a mix of unit types. The MOU is the first of its kind that commits affordable housing from a private developer to the city of Ottawa.

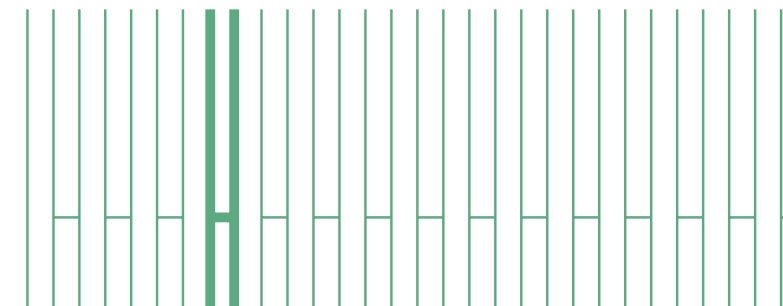


Procurement and construction

- Communicate sustainable development requirements to development partner(s), project manager, general contractor, consultants and other project partners
- Require bidding companies to submit sustainability policies or requirements
- Require contractors to provide environmental policies along with health and safety documents
- Ensure construction managers employ sustainable practices such as waste management and diversion, re-use of goods on site and environmentally sensitive materials handling during construction process
- Establish procurement criteria per project (e.g., locally sourced, diverse, sustainability practices and features)
- Implement features to maintain streetscape around development area (e.g., benches, bike racks, visually appealing hoarding)
- Develop and implement public engagement and communication strategy
- Implement enhanced commissioning requirements for building, conveying, window wall, envelope and lighting systems
- Measure progress against energy and GHG targets and communicate to stakeholders such as investors, financial partners, municipal government and the public

Occupancy

- Complete building audit and/or system commissioning to ensure building is operating as planned
- Submit building certification documentation to certification body, where relevant



COMMUNITY WELLBEING FRAMEWORK

In 2018, The Conference Board of Canada, in partnership with Hazelview, developed and published a Framework for Community Wellbeing. Intended for design professionals, the framework is a guide for understanding the relationship between the built environment and the wellbeing of people and natural systems. It contains 5 domains (social, environmental, economic, cultural, and political) and defines indicators and metrics.

Hazelview's Heron Gate redevelopment in Ottawa will be Canada's first community to be modeled after the Community Wellbeing Framework. Additionally, the approval will enable one of the largest commitments to affordable housing from the private sector within the City of Ottawa.



FEATURE: HAZELVIEW VENTURES

Technology is playing a transformational role in shaping the future of real estate. To embrace the opportunities that technology presents in our business, we created a subsidiary to partner with innovative, early-stage tech companies that we can pilot and implement in our real estate portfolio.

Hazelview Ventures is investing and partnering with innovators in the PropTech, BuildTech, and CleanTech space. In doing so, we offer entrepreneurs the ability to test, refine and scale at an enterprise level, while also exploring creative solutions to improve efficiency and sustainability across the Hazelview property and development management platform.

To date, Hazelview Ventures has made two significant ESG focused investments that have the potential to improve sustainability throughout design, development, and construction.

XABA: USING INTELLIGENT AUTOMATION FOR SUSTAINABLE MANUFACTURING

Investment from Hazelview Ventures:
US \$600K

Investment date: February 2023

HQ: Toronto, ON

Xaba develops new processes, control systems and materials that automate and enable sustainable manufacturing. Today's manufacturing methods require large amounts of energy, manual involvement, and the use of non-sustainable materials. Using Xaba's AI-driven systems and processes, Hazelview is working with Xaba to manufacture more sustainable materials for use in the development and construction of buildings. If achieved, this would significantly reduce the embodied carbon from development projects, the emissions associated with materials and construction processes and a significant contributor of scope 3 emissions.

Xaba



“I found in Hazelview Ventures a true partner, supporting us in every facet of our journey toward our mission for a world of sustainable manufacturing.”

– MAX MORUZZI, CEO AND CO-FOUNDER OF XABA



Augmenta

AUGMENTA: RE-IMAGINING THE FUTURE OF THE CONSTRUCTION INDUSTRY

Investment from Hazelview Ventures:

US \$2.25 million

Investment date: July 2022

HQ: Toronto, ON

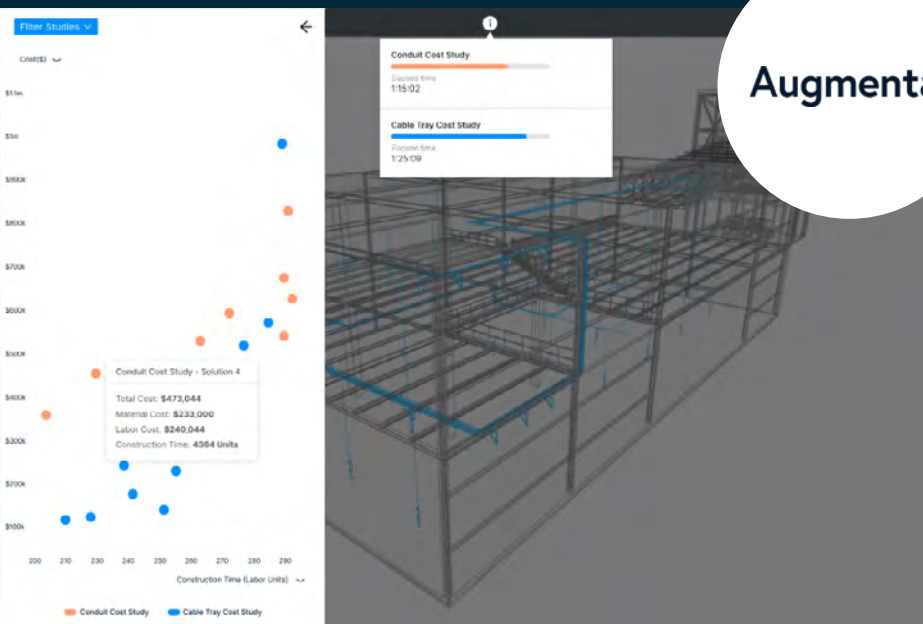
Augmenta is an AI firm that is developing new technology-driven tools to design buildings more efficiently and at a lower cost, enabling a future of sustainable buildings, cities, and infrastructure. Today, buildings account for 30%-40% of global GHG emissions and approximately 30% of construction materials go to landfill. Using Augmenta's Construction Platform (ACP), buildings are automatically designed to reduce the environmental impact over the building's lifecycle by producing designs that are fully detailed, coordinated, and optimized. This results in less waste and rework during the construction phase and sustainable buildings and building systems that use less energy and resources.

Target impact:

- + Reduce waste by up to 25%
- + Reduce embodied carbon by up to 20%
- + Reduce energy use by up to 20%

"Hazelview is a progressive company on the forefront of change in the construction industry. They immediately understood both the cost and ESG benefits associated with ACP, not only for Hazelview, but for developers across the board. We are thrilled to partner with such a forward-thinking organization."

— FRANCESCO IORIO, CEO AND CO-FOUNDER OF AUGMENTA.



PUBLIC REAL ESTATE SUSTAINABILITY⁶

⁶The following applies to the public securities components of our separately managed accounts and private funds. For sustainability or ESG related disclosure on our public fund(s), including Hazelview Global Real Estate Fund, please review the prospectus.

We incorporate ESG factors and best practices into what we do.



RESPONSIBLE INVESTMENT

We consider ESG at each stage of the real estate investment process

We deliver superior risk-adjusted returns for our clients over the long term by investing in public real estate companies that generate positive cash flow and appreciate over time. When we invest in companies with strong ESG practices, we are more likely to reduce risk and potentially enhance returns.

As a capital allocator, we believe we can influence the companies we invest in, ultimately attempting to effect change in the capital markets where we operate.

Our responsible investment approach involves integrating ESG factors throughout the real estate investment cycle:

- + Incorporating ESG considerations as part of our research and analysis to inform the selection of investments or construction of a portfolio
- + Integrating material ESG considerations into investment decisions
- + Engaging with issuers and external managers with the objective of improving ESG performance and disclosures
- + Making reporting available to investors on our ESG approach and performance

Of the 17 United Nations Sustainable Development Goals (UN SDG), we have determined that we can be most effective contributing to the following three goals:

UN SDG 11: Sustainable cities and communities – Make cities and human settlements inclusive, safe, resilient and sustainable

UN SDG 13: Climate action – Take urgent action to combat climate change and its impacts

UN SDG 17: Partnerships for the goals – Strengthen the means of implementation and revitalize the global partnership for sustainable development

THE HAZELVIEW DIFFERENCE



High conviction investment approach



Real estate first research approach



Bottom-up focus



Close relationship to our clients

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDG)



“We believe that high quality investments have historically outperformed over a real estate cycle. Quality is largely driven by risk, which is reflected in the cost of equity investors are pricing those assets at. Depending on a company’s approach, ESG can alter return opportunities, reduce or increase the cost of debt, attract certain tenants, and increase the maintenance capital expenses.”

– CORRADO RUSSO, MANAGING PARTNER & HEAD OF GLOBAL SECURITIES

APPROACH

We integrate ESG considerations into our investment process because we believe companies that proactively manage ESG factors sustain value and will be well positioned for success over the long-term. To do so, we take a principled and bottom-up approach that is based on Hazelview’s Responsible Investment Policy, internationally recognized standards and integrating ESG into our evaluation and decision-making process.

ESG risk analysis

We begin by collecting ESG data provided by third party raters such as MSCI, S&P Global, Sustainalytics, ISS, and Bloomberg, and leading benchmarks and standards such as GRESB, Task Force for Climate-related Financial Disclosures and the Principles for Responsible Investment. However, because third party ESG ratings can be infrequent, imperfect, and retrospective, this can result in missed opportunities. This is why we take a forward-looking view on company ESG practices by complementing third party ratings and disclosures with our own ESG research and integrating findings into our proprietary risk score.

For companies with low or no external ratings, we will dig deeper and, in some cases, override the external ratings based on our own research. Our process includes:

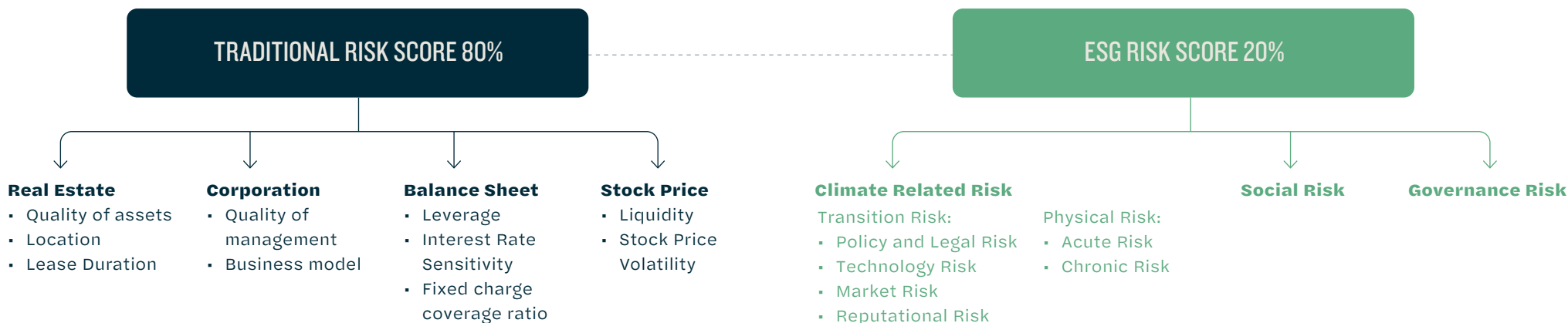
- + Collecting information on the company’s approach to waste management, social initiatives, training policy and key metrics such as GHG emissions, energy intensity and gender diversity
- + Engaging directly with management teams to understand a company’s forward looking sustainability programs and priorities, recognizing that sustainability is integral to the long-term success of their business

This bottom-up approach has helped us identify opportunities to invest in progressive companies, especially when their ESG efforts have not yet been realized or reflected in public scores. In 2022, we made it mandatory to dive deeper into any company that has a MSCI ESG score of B or lower.

We exclude potential investments with very severe MSCI ESG Controversies ratings relating to:

- Environment, Human Rights & Community
- Labour Rights & Supply Chain
- Customers and Governance
- Companies with a MSCI ESG rating of “CCC”
- Companies that generate turnover from critical business areas such as tobacco, gambling, thermal coal, nuclear and controversial weapons





Investment decision-making

Understanding the various influencing factors is critical to making an investment decision and achieving outperformance in the future. ESG risks are multi-faceted and complex and must be considered in the investment decision-making process. Our approach ensures we are reflecting the material ESG risks in the valuation of a company's cash flow potential.

In 2021, we enhanced our proprietary risk model to include our ESG Risk Score ensuring that ESG risks have a material impact on decision making. The ESG risk score is based on a qualitative and quantitative assessment of Climate-related transition risk and physical risks and social and governance scores. In deriving a cashflow valuation for a particular investment, environment, social and governance risks make up 20% of our applied cost of equity. This produces a risk rating that is applied to our internal valuations for each investment to determine an expected risk-adjusted return that is used to inform our investment decisions.

ESG monitoring

Once we make a decision to invest, we use our influence to monitor company ESG practices and support companies to improve ESG performance and disclosures.

External ESG ratings are continuously monitored through the life of an investment and are part of the decision to hold or exit a position. Each Portfolio Manager has access to MSCI ESG data and produces a semi-annual report with the updated MSCI ESG ratings, Controversies and UN Global Compact Compliance. Using those reports, Portfolio Managers will engage with certain management teams, with a focus on those that did not score well or have no external scores, to review their efforts, challenges and progress. The objective of the engagement is to improve ESG ratings and encourage increased ESG transparency and disclosure.

ESG reporting

We are committed to being transparent with our investors on our ESG approach and performance. We provide ESG reporting on a semi-annual basis to investors in the same fund. ESG reporting covers MSCI ratings, controversies, and sustainable impact themes. If requested, we will provide detailed measures on the portfolio such as GHG emissions.

2023+ COMMITMENTS

- + Identify company specific ESG KPIs to monitor and report on a frequent basis
- + Continue to develop proprietary ESG risk ratings
- + Track history of KPIs of each company in our investment universe



CASE STUDY: UNCOVERING OVERLOOKED OPPORTUNITIES

As part of our integrated ESG approach, we frequently review and update the third party ESG ratings of our real estate investments. In 2021 we invested in Life Science REIT, a small real estate company that acquires buildings with the goal of converting spaces into life sciences labs. As a public real estate company, its primary ESG risks include carbon emissions from the electricity and water consumption in the building. Since our investment, Life Science REIT has been consistently rated low by MSCI, scoring a B.

In 2022, we actively engaged with the company's management to better understand its ESG approach, understand why their ESG ratings were so low and discuss ways their practices could be improved. Through our conversations with Life Science REIT we were able to obtain further insight into the company's ESG plans and programs.

Over the past few months, the company has engaged with an ESG consultant to develop an ESG strategy and policy, create a Sustainability Committee and quantify its carbon emissions baseline. Further, the company is committed to increasing transparency of their ESG plans and progress by including TCFD and ESG disclosures in their next annual report.

Using these insights and in-dept knowledge, we believe Life Science REIT's MSCI ESG rating will improve over time. This is consistent with our experience with other new and smaller REITs and confirms our belief that third party rating agencies do not reflect the full picture and that Hazelview can effect change through active engagement.



APPENDIX

Standards indices



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

	Recommendation	Section
TCFD Governance A	Describe the board's oversight of Climate-related risks and opportunities	Not applicable as Hazelview is a private company
TCFD Governance B	Describe management's role in assessing and managing Climate-related risks and opportunities	Sustainability Governance
TCFD Strategy A	Describe the Climate-related risks and opportunities the organization has identified over the short, medium and long-term	Not disclosed – initial work has been completed on physical climate risks (see Resilience)
TCFD Strategy B	Describe the impact of Climate-related risks and opportunities on the organization's businesses, strategy and financial planning	Not disclosed
TCFD Strategy C	Describe the resilience of the organization's strategy, taking into consideration different Climate-related scenarios, include a 2°C or lower scenario	Not disclosed
TCFD Risk Management A	Describe the organization's processes for identifying and assessing Climate-related risks	Resilience
TCFD Risk Management B	Describe the organization's processes for managing Climate-related risk	Resilience
TCFD Risk Management C	Describe how processes for identifying, assessing, and managing Climate-related risks are integrated into the organization's overall risk management	Not disclosed
TCFD Metrics and Targets A	Disclose the metrics used by the organization to assess Climate-related risks and opportunities in line with its strategy and risk management process	Not disclosed
TCFD Metrics and Targets B	Disclose scope 1, 2 and if appropriate, 3 GHG emissions and related risk	Resource Efficiency
TCFD Metrics and Targets C	Describe the targets used by the organization to manage Climate-related risks and opportunities and performance against targets	Not disclosed

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

SASB Reference	Metric	Section
SASB IF-RE-000.A	Number of assets	About Hazelview
SASB IF-RE-000.B	Leasable floor area (sf)	18,831,800 sf
SASB IF-RE-000.C	Average occupancy rate (%)	92%
SASB IF-RE-130.a.1	Energy consumption data coverage	Resource Efficiency
SASB IF-RE-130a.2	Energy consumption	Resource Efficiency
SASB IF-RE-130a.5	Description of energy management	Resource Efficiency
SASB IF-RE-140a.1	Water withdrawal data coverage	Resource Efficiency
SASB IF-RE-140a.2	Water withdrawn	Resource Efficiency
SASB IF-RE-140a.4	Description of water management	Resource Efficiency
SASB IF-RE-450a.2	Description of climate change risk exposure analysis	Resilience

Hazelview Investments

Toronto

1133 Yonge Street, 4th Floor
Toronto, ON
Canada M4T 2Y7
1.888.949.8439
info@hazelview.com

New York

535 Fifth Avenue, 4th Floor
New York, NY
United States 10017
1.888.949.8439
usinfo@hazelview.com

Hamburg

Hohe Bleichen 8, 6th Floor
20354 Hamburg
Germany
+49.40.55.55.36-0
hamburginfo@hazelview.com

Hong Kong

19/F, KONNECT, 303 Jaffe Road
Wan Chai, HK
+852.2973.1221
hkinfo@hazelview.com



hazelview

Hazelview Properties

Head Office

1133 Yonge Street | 2nd Floor
Toronto, ON M4T 2Y7
1-866-898-8868
Fax: 416-981-3336