

RESPONSIBLE INVESTMENT QUESTIONNAIRE

FOR REAL ASSET MANAGERS



University
of Manitoba

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Organization Name: GWL Realty Advisors

Contact Name: Susan Haut

Contact Email: institutionalinvestments@canadalife.com

Institutional Mandate: GWL Canadian Real Estate Investment Fund No. 1

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PREAMBLE

The University of Manitoba has made commitments to consider social and environmental issues to advance sustainability and climate action, and to advance reconciliation by respecting and promoting the rights of Indigenous peoples. As such, the University approved a Responsible Investment Policy in March 2023. In accordance with the policy, we require all our external Investment Managers to have an ESG policy and to have rigorous ESG processes in place when evaluating investments. We also require Managers use their (proxy) votes to promote best practices in responsible investing. Managers will be asked to report on their ESG activities on an annual basis. Please note that responses may be posted in full on the University of Manitoba website.

If a question does not apply to you or your mandate, please indicate not applicable.

RESPONSIBLE INVESTMENT QUESTIONS

1. POLICY AND GOVERNANCE

1.1 What are your ESG-related policies and how do ESG factors influence your investment beliefs?

Provide a copy of any ESG or Responsible Investing policies. State whether the policy is publicly available, specify the proportion of organizational assets it applies to and describe the process for reviewing and updating it. If your organization does not have a policy, explain why not.

The Fund Manager, GWL Realty Advisors (GWLRA), prioritizes environmental, social and governance (ESG) factors as a way of managing risk and contributing to long-term performance. The Fund is committed to integrating sustainability into its investment and operating practices to generate superior, long-term, risk adjusted returns. The Fund acknowledges that environmental, social and governance (ESG) factors have the potential to impact investment performance. The Fund manages ESG risks and opportunities by implementing practices that include their consideration, monitoring, and disclosure in the execution of its investment strategies and operating practices.

The Fund integrates five ESG objectives into the management and development of the portfolio:

- Aim for net-zero scope 1 and 2 emissions across the portfolio by 2050.
- Operate efficient and healthy buildings to improve financial performance, lower operating costs and enhance tenant satisfaction.
- Certify 100% of the eligible portfolio under a green certification system.
- Make positive contributions in the communities where the Fund invests.
- Conduct business with honesty and integrity.

The topic of ESG investing is embedded within the Fund Manager's existing investment policy and portfolio management processes, including its management of standing assets through asset and property management. The policy is not publicly reported; however, the following excerpt is from GWLRA's Corporate Policies & Procedures, Investment Policy (February 2023), which explains how ESG considerations are integrated into the investment process.

"E. Environmental Policy

GWLRA is committed to responsible environmental risk management. The GWLRA Corporate Environmental Policies and Procedures provide guidelines to minimize the exposure of our clients and their assets to risks associated with or arising from environmental problems or issues. In respect of Investment Activities, it is our policy to:

- a) understand and comply with the guidelines of the GWLRA Corporate Environmental Policies and Procedures;

- b) create an awareness of environmental issues and responsible practices among staff who are directly involved in decisions which may have potential environmental implications;
- c) ensure environmental implications are identified and assessed before investment decisions are made;
- d) ensure appropriate consultant engagement and over-sight by GWLRA Corporate Environmental OH&S Services for all environmental due diligence for Investment Activities; and
- e) promptly deal with any potential environmental problems that may arise.

The GWLRA Corporate Environmental Policies and Procedures and supporting documents are available on the GWLRA Compass website (internal staff portal).

F. Consideration of Environmental, Social, and Governance (ESG) Factors

- a) We believe prudent integration of environmental, social and governance (ESG) factors into real property investment decisions can potentially create long-term value for assets under management, helping to mitigate risk and enhance growth opportunities.
- b) As a trusted investment advisor, with a fiduciary duty, we are committed to considering ESG factors in our investment decisions through a variety of acquisition/disposition, development, and property/asset management processes (refer to Section 3 for a list of relevant policies).
- c) Addition of assets under management, be it through acquisition or development of properties and, subsequently, their management, takes into consideration a broad range of ESG factors, each to varying degrees depending on the asset class type and other contextual factors. In respect of Investment Activity, it is our policy to:
 - i. Create an awareness of relevant ESG factors, including climate-related risks, among staff who are directly involved in the investment decision-making process;
 - ii. Identify and assess ESG factors before investment decisions are made;
 - iii. Where necessary, engage appropriate consultants to assess the impact of ESG factor(s) on a prospective investment; and,
 - iv. Assess and address any risks identified by a consultant.
- d) Issues related to climate change, specifically transition and physical risks, are considered, as necessary, for all asset class types. 'Transition' risks are analyzed to the extent an asset is impacted by the transition to a low carbon economy. 'Physical' risks are analyzed to the extent an asset is impacted by climate-related natural hazards.
- e) Other ESG factors considered may include, but are not limited to:
 - i. Property accessibility, which may include transit, bicycle and walk scores
 - ii. Environmental contamination (refer to Section 2E: Environmental Policy)
 - iii. Tenant profile and uses
 - iv. Demographics and changing stakeholder needs
 - v. Resource use (e.g., energy and water)
 - vi. Climate change (see Section 2(F)(d) above)
 - vii. Non-climate-related physical hazards (e.g., earthquake, tsunami, volcano)
 - viii. Building refurbishment (e.g., efficiency, hazardous materials, air quality)
 - ix. Tenant build-outs (e.g., materials and practices)

- x. Stakeholder concerns
 - xi. Health and safety
 - xii. Business ethics and integrity of the vendor and tenants
- f) Final results from a comprehensive due diligence and/ or management assessment are presented to the client representative for final approval, and includes evaluation of all relevant factors, such as financial, physical, ESG, market, and legal, thus ensuring responsible capital investment decisions.”

In addition to the Investment Policy described above, the Fund manager maintains corporate policies that embed or specifically deal with E, S, and G issues, including (but not limited to):

- Corporate Environmental & Sustainability Policy Statement
- Corporate Environmental Policy
- Greenhouse Gas Emissions Management Policy
- Energy Management Policy
- Water Management Policy
- Non-Hazardous Waste Management Policy
- Sustainable Procurement Policy
- Green Cleaning Policy
- Occupational Health & Safety (OH&S) Policy
- Canada Life Employment Equity Policy
- Anti-Money Laundering and Anti-Terrorist Financing Policy
- The Great-West Lifeco Code of Conduct - <https://www.greatwestlifeco.com/content/dam/gwlco/documents/code-of-conduct/lifeco-code-of-conduct-2021-en.pdf>

These policies are regularly updated and apply to all staff and assets under management.

1.2 Within your organization, what is the governance structure that provides oversight on responsible investment practices?

List the roles and/or committees involved in responsible investment activities, including stewardship.

Describe how these roles and/or committees are positioned and describe any external resources used to support these activities.

Oversight responsibilities for sustainability reside with GWLRA's Vice President, Corporate Sustainability (Robert Campanelli) and Executive Vice President, Portfolio Management (Steven Marino).

There are four members of the Corporate Sustainability team, all with implementation responsibilities for sustainability and responsible investment practices: one VP, Corporate Sustainability (Robert Campanelli) with 19 years' experience in real estate and sustainability, one Senior Director (Krystian Imgrund) with 14 years' experience in sustainability and energy management, one Director (Marc Pietrobon) with 5 years' experience in building systems and energy management, and one analyst (Laura Manes) with 4 years' experience in conservation programming and utility management.

Steven Marino, EVP

Steven is responsible for the overall management and performance of two open-end, segregated funds and several direct investment accounts. Since 2019, he has provided executive oversight of the Corporate Sustainability team. He joined GWL Realty Advisors in 2000 and has held several prior positions within the company, most recently Senior Vice President, Investments. Steven has 23 years of real estate experience. He holds a BA in Urban Studies (Honours) from the University of Toronto and an MBA from Wilfrid Laurier University.

Robert Campanelli, VP

Robert has over 19 years of experience in the Canadian real estate industry. He has led the GWLRA sustainability practice for over a decade. Prior to joining GWLRA, he was the Vice President of Professional Development & Industry Sustainability at the Real Property Association of Canada (REALPAC). Rob holds a Masters of Urban Planning from McGill University.

Krystian Imgrund, Sr. Director

Krystian has over 14 years of experience in sustainability, conservation, and energy management, and has been a part of GWLRA sustainability team for 10 years. Prior to joining GWLRA, he was a Measurement and Verification Specialist at Honeywell International Inc, focusing on the implementation and monitoring of energy conservation measures in public buildings. Krystian holds a H.BSc in Environmental Science and a Master of Arts in Geography from the University of Guelph. He also holds several professional designations related to energy management, responsible investing, and green building certification systems, including the CFA Certificate in ESG Investing, the GARP Sustainability & Climate Risk (SCR) certificate, the Value Reporting Foundation (VRF/SASB) Fundamentals of Sustainability Accounting (FSA) designation, and is a LEED Green Associate (GA) and Certified Energy Manager (CEM).

Marc Pietrobon, Director

Marc has five years of experience in energy management and sustainability. Prior to joining GWLRA, Marc worked as an energy consultant and utility specialist with international engineering firms, BGIS and WSP, leading energy analysis, audits, measurement and verification, and retrofit assessments for private and institutional buildings, including support for the development of a carbon neutral portfolio plan for a Canadian Crown Corporation. Marc holds a H.BASc and Master of Engineering from the University of Toronto, and is a licensed Professional Engineer (P. Eng) and Certified Energy Manager (CEM).

Laura Manes, Analyst

Laura has four years of experience in conservation programming and utility management. Prior to joining GWLRA, she was an Energy Analyst Program Coordinator at Toronto Community Housing Corporation (TCHC), focusing on implementing and tracking conservation programming for low-mid income households. Laura holds a BSc in Biology from Dalhousie University, a Masters in Environment and Sustainability from Western University, and is an Energy Manager In Training (EMIT).

External Resources

For new acquisitions and standing investments, GWLRA is supported by several external service providers, listed below.

	External resource	Service supported	Brief description
1	Energy Advantage	Utility Management/Tracking	To collect, organize, and manage environmental sustainability data, including property-level energy consumption, water consumption, and waste production. This data is used by the third party to benchmark performance and derive property and portfolio level greenhouse gas (GHG) emissions, following the World Resource Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.
2	Maplecroft	Building Natural Hazard and Climate Resiliency Assessment	To remotely rate physical and climate-related natural hazard risks for standing assets and new investments.
3	RWDI	Building Natural Hazard and Climate Resiliency Assessment	On-site building assessments to inform operational and capital actions aimed to increase the resiliency of these buildings, so that they may better withstand and recover from natural and climate change-related hazards.
4	Various providers	Environmental Site Assessment	To offer comprehensive tracking of environmental contamination (e.g., indoor air quality, fuel spills, asbestos, soil/water contamination, mould) through a third-party auditing and compliance database.
5	Various providers	Building Condition Assessment	To provide a comprehensive review of building components and the state of the components (e.g. envelope, HVAC equipment) through a third-party consultant for potential acquisitions.

1.3 How do you incorporate ESG factors such as reducing carbon footprints and enhancing diversity into your investment teams and overall organization?

Mention how material ESG factors influence portfolio construction and asset selection. Disclose the roles/committees that are responsible for incorporating ESG factors into this strategy. Provide any examples from the past 12 months of how ESG factors have influenced asset selection and/or portfolio construction for this strategy.

GWLRA has a dedicated research team focused on analyzing trends (including MSCI and CDP) and applying them to acquisition, disposition, and development strategy as well as ongoing asset management including capital investment decisions. This team, in addition to the Corporate Sustainability team, conduct its own research and contributes to industry research that can touch on ESG trends, issues, and factors in the commercial real estate industry.

In terms of portfolio construction and asset selection, The Fund Manager's Investment and Portfolio Management teams include the following ESG factors for portfolio construction and asset selection as per the firm's Investment Policy (see question 1.1 for further details):

- Property accessibility, which may include transit, bicycle and walk scores
- Environmental contamination
- Tenant profile and uses
- Demographics and changing stakeholder needs
- Resource use (e.g., energy and water)
- Climate change (physical and transition risks)
- Non-climate-related physical hazards (e.g., earthquake, tsunami, volcano)
- Building refurbishment (e.g., efficiency, hazardous materials, air quality)
- Tenant build-outs (e.g., materials and practices)
- Stakeholder concerns
- Health and safety
- Business ethics and integrity of the vendor and tenants

GWLRA's investment team employs third-party consultants to conduct assessments of potential acquisitions, such as Environmental Site Assessments (ESAs), Building Condition Assessments (BCAs), which are performed by licensed professionals (e.g., engineers), and site-specific Natural Hazard and Climate Risk Assessments (Scorecards). These assessments provide information related to ESG, such as site contamination, the efficiency of building systems, and risk exposure scores related to the magnitude and probability of natural and climate-related hazards impacting a potential acquisition.

The results of these assessments may trigger further analysis to determine if any identified risks are appropriately mitigated. Consideration is also given to how an issue may be managed subsequently to acquisition, since the Fund Manager typically is responsible for the property and asset management of new acquisitions, and is therefore able to effectively address and change performance, in some circumstances. Ultimately, all findings form part of the due diligence and investment prospectus for a

potential new acquisition and will be considered in light of other financial considerations and ESG issues. See question 2.1 for examples of how ESG issues influence investment decision making.

As it relates to promoting diversity within the organization, Canada Life and GWLRA strive to integrate diversity, equity and inclusion into everything we do – for our people, our customers and our communities. Building a culture that's inclusive, safe and welcoming where everyone can be their best, authentic selves is a top priority for our organization. Our multi-year diversity, equity and inclusion strategy will continue to strengthen our internal plan of action on people and culture, and expand our plans to include a forward thinking, outward looking view of diversity and inclusion at Canada Life – from our community activities, to branding, products and services.

We strive to be a company that reflects the vibrant diversity of Canadians. To make this happen, we're working on fostering an inclusive culture to attract, develop and enable the best talent at all levels of our organization. This will help us succeed and grow as a business with an inclusive customer experience, products and brand. We're also working to strengthen the diverse communities in which we live and work.

Education is key to enabling a more diverse and inclusive culture and we're committed to offering educational opportunities and resources to employees. For example, bias is one of the commonalities we all have as humans. Most biases are unconscious, where we may not be aware of their impact on our actions. To help employees better identify and understand their own unconscious biases and the unintended impacts they may have, we continued to offer Inclusion for All training. Open to all employees, this training provides the tools and practices to create greater inclusion at work and in our communities.

1.4 What international standards, industry guidelines, reporting frameworks, or initiatives that promote responsible investment practices have you committed or contributed to?

Examples include publicly supporting the Paris Agreement, being a PRI signatory, endorsing the TCFD recommendations and participating in the United Nations Global Compact.

Great-West Lifeco, Canada Life's parent Company, responds annually to the CDP's Climate Change Questionnaire, which is aligned with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD). Great-West Lifeco is also an official supporter of the recommendations of the TCFD.

The Fund Manager submits annually to GRESB (formerly the Global Real Estate Sustainability Benchmark), which offers the defining standard for sustainability performance for real estate managers and assets, providing independent, standardized and validated evaluations. In 2022, GWLRA continues to be recognized by GRESB as one of Canada's leading real estate organizations, earning a Green Star ranking for the eighth year in a row and our sixth consecutive GRESB 5-Star (top quintile) rating. GWLRA also landed among the top 5% of participants in the global Diversified/ Non-Listed/Core category (of 259 submissions).

The Fund Manager submits on behalf of the Fund for transparency in the investment community and benchmarking the Fund's performance relative to the MSCI index.

The Fund Manager’s business aligns with the United Nations Sustainable Development Goals (SDGs), which are part of our commitment to be a responsible, values-based business that creates positive impacts in society. While we recognize we can impact many of the 17 SDGs to varying degrees, the following three are those where we make the greatest contribution:

- o SDG 11 – Sustainable Cities and Communities
- o SDG 12 – Responsible Consumption & Production
- o SDG 13 – Climate Action

Corporately and individually, the Fund Manager and its staff belong to a number of industry associations relevant to commercial real estate as a way of addressing issues and opportunities of common interest, including ESG. They include the following:

- Building Owners and Managers Association (BOMA) and its Regional Chapters
- Canada Green Building Council (CaGBC)
- Commercial Real Estate Development Association (NAIOP)
- Commercial Real Estate Financial District Security Group
- Commercial Real Estate Women (CREW)
- National Association of Real Estate Investment Managers (NAREIM)
- Real Property Association of Canada (REALPAC)
- Urban Land Institute (ULI)

1.5 List the certification schemes, ratings or sustainability performance benchmarks that your portfolio of assets are assessed against.

The Fund Manager submits to GRESB for assets under its administration and separately for the Fund, Canadian Real Estate Investment Fund No 1 (CREIF). The Fund Manager also submits on behalf of the Fund for transparency in the investment community and benchmarking the Fund's performance relative to the MSCI index.

Through the Fund Manager’s internal benchmarking program, the “Sustainability Benchmarking and Conservation Program (SBCP)”, individually managed office assets establish 5-year (2019-2023) carbon reduction targets. A third-party collects utility bill data to track and analyze progress. GWLRA provides annual progress updates/feedback to the assets through Building Sustainability Reports (BSPs). Teams are currently on track to meet or exceed the overall five-year reduction target and will look to evolve their emission targets to be in line with GWLRA’s net-zero commitment by the end of the SBCP in 2023.

The Fund tracks multiple metrics at the asset (property) level, subject to availability, including but not limited to: energy and water use, waste production and recycling, GHG emission production, green building certifications, exposure to natural hazards and climate-related physical risks, site-level contamination and hazardous materials, building indoor air quality, tenant engagement programs and activities, and walkability/Walk Scores at the asset level.

The utility, waste, and GHG emissions data for the Fund's office and residential portfolios is externally assured by an independent third party under ISAE 3410: Assurance Engagements on Greenhouse Gas Statements and is reported in line with the World Resource Institute's GHG Protocol Corporate Accounting and Reporting Standard. Third-party consultants also review select metrics at varying intervals, depending on need and frequency of collection.

Sustainability performance metrics include:

- A reduction in energy use intensity (ekWh/ft²)– to measure the success of building energy efficiency
- A reduction in water use intensity (L/ft²)– to measure the success of building water efficiency
- An increase in waste diversion rate (%) – to measure the success of building waste management
- A reduction in Greenhouse Gas (GHG) Emissions (%) and GHG Emissions Intensity (gCO₂e/ft²) - to measure the carbon footprint of assets
- An increase in Walk Score (0-100 index) – a measure of the relative ease to walk or bike to and from a building, the accessibility of a building by transit, and the proximity of a building to key amenities
- Low exposure to the physical and climate-related natural hazards (1-10 index) – third-party assessment of the risk to assets posed by exposure to natural hazards
- An increase in GRESB Score (0-100) and Peer Rankings – a measure of overall ESG management by GWLRA and the ESG performance of its portfolio

Individual assets within the fund pursue green building certifications, which are tracked at the portfolio level (including type and rating level). The Fund's assets focus on the attainment of Building Owners and Managers Association of Canada Building Environmental Standards (BOMA BEST) or Leadership in Energy and Environmental Design (LEED) green building certifications, which encourage the reduction of environmental impacts and improvement of tenant/occupant comfort and well being. In 2022, 95% of the Fund's eligible portfolio (by floor area) was certified under LEED® and/or BOMA BEST® certifications. Other certifications achieved include WELL, Fitwel, Built Green, Rick Hansen Foundation and Zero Carbon Building Standards.

2. PRE-INVESTMENT

2.1 How does your organization evaluate material ESG risks for potential investments and how do these factors affect investment selection?

Describe the process, including any standards and data used, to determine which ESG risks and opportunities are material. State whether you conduct scenario analysis. Explain how you conduct due diligence on identified material ESG factors.

As the Firm exclusively manages real estate investments, diversification of material ESG risks can come through real estate asset classes, tenant mixes, and geographical location. While the impacts of climate change (the main systemic ESG risk facing real estate) are unavoidable, the extent, severity, and manifestation of these impacts vary on these diversification factors.

To ensure ESG risks are being managed at the time of acquisition, during due diligence the Investment team, in conjunction with other GWLRA teams, commissions studies and collects data on certain ESG risks associated with a potential acquisition and then addresses them in the investment summary how these risks may be avoided, mitigated, controlled, or transferred. GWLRA's Investment Committee and senior management then assess during final approval, in the context of all other risks and opportunities associated with a potential acquisition, whether these risks are adequately addressed and acquisition can proceed.

For example, the Investment and Corporate Sustainability Teams receive natural and climate-related physical hazard screens from a third-party risk analytics firm, which provide risk exposure scores related to the magnitude and probability of natural hazards impacting a potential acquisition. If the risk score for any hazard falls below a given threshold, a subsequent review is triggered to further investigate the risk exposure and steps taken to document what local infrastructure or site-specific considerations are present that may mitigate or control the risk. These considerations are provided in the final investment summary.

GWLRA's investment team employs third-party consultants to conduct assessments of potential acquisitions, such as Environmental Site Assessments (ESAs), Building Condition Assessments (BCAs), which are performed by licensed professionals (e.g., engineers), and site-specific Natural Hazard and Climate Risk Assessments (scorecards). These assessments provide information related to ESG, such as site contamination, the efficiency of building systems, and risk exposure scores related to the magnitude and probability of natural and climate-related hazards impacting a potential acquisition. Findings from these studies are incorporated into the Investment Team's 'Investment Summary' (see question 1.1), where relevant, and may influence investment decisions by the Portfolio Team.

GWLRA has a dedicated research team focused on analyzing trends and applying them to acquisition, disposition, and development strategies as well as ongoing asset management including capital investment decisions. This team, in addition to the Corporate Sustainability team, conducts its own research and contributes to industry research that can touch on ESG trends, issues, and factors in the commercial real estate industry.

GWLRA recognizes positive ESG performance, opportunities, or metrics during the due diligence process that may beneficially inform investment decision-making, when taken in context with other asset information. For example: High 'Walk Scores' for office and residential assets are considered positive ESG factors during the investment process. Walk Scores show, on a scale of 1 to 100, the relative ease to walk or bike to and from a building, the accessibility of a building by transit, and the proximity of a building to key amenities. Buildings with high walk scores allow for healthier lifestyles and less reliance on single passenger vehicles and are often desirable to tenants and residents.

2.2 Does your organization specifically evaluate potential acquisition or development investments in and near Indigenous territories to ensure they comply with the articles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) that require developers to recognize the right of free, prior and informed consent of the local Indigenous peoples?

Describe your processes and the sources of materials used in any analysis.

No, however, the Fund manager recognizes all North American assets fall within one or more traditional Indigenous territories, including but not limited to, the Mi'kma'ki, Ho-de-no-sau-nee-ga (Haudensaunee), Očhéthi Šakówiŋ, and Skwxwú7mesh (Squamish).

The Fund Manager has pursued developments in Indigenous-managed Territories outside the Fund with other clients, but did so with the full participation with the local First Nation communities. GWLRA's involvement in the development, and approach to engaging and working with First Nations, can be read about further here: https://www.gwlrealtyadvisors.com/post_news/gwlra-receives-leap-community-impact-award-for-delta-iport/

In general, as per the Fund Manager's Investment Policy, the acquisition process includes demographic and stakeholder considerations, which implicitly includes Indigenous Peoples. During the development process, the Development Manager must host regular meetings including meetings that include and allow all stakeholders to provide input on development land acquisitions. The Development Manager is to hold subsequent design and progress meetings with stakeholders as well.

Outside the acquisition and development process, the Fund Manager's Diversity, Equity and Inclusion Committee furthers the company's commitment to ensuring that these fundamental values and expectations are at the core of how we treat every employee. We will be focusing our senior training on such topics as Inclusion as a Strategic driver along with rolling out a virtual Unconscious Bias session to all employees. This is part of an ongoing strategy and commitment to the D, E and I initiatives and goals of the company. Indigenous rights and reconciliation are a part of the Firm's approach to DE&I. To continue to support their pathway to reconciliation, the Fund Manager has made a five-year (2023-2027) commitment to sponsor the Gord Downie & Chanie Wenjack Fund.

2.3 Do new investments or developments have net-zero commitments in line with the science-based pledges of G7 countries and numerous organizations and companies?

Describe the commitments and how progress is measured and assessed against the commitments.

In 2022, in recognizing the urgent need for collective action to combat the climate crisis, the Fund manager publicly committed to achieving net zero greenhouse gas emissions by 2050. The public statement is available [here](#). This commitment extends to all new investments and developments in GWLRA's purview, and will include:

- Setting final and interim targets aligned with a science-based approach
- Sharing relevant elements of our net-zero action plan and provide regular updates to stakeholders on climate risks and opportunities

- Engaging with our owner-clients to target net-zero greenhouse gas emissions by 2050
- Supporting our parent company, Great-West Lifeco, in its target to achieve net-zero GHG emissions by 2050, for its general account investments, and net-zero (well before 2050) for its operational GHG emissions (see [release](#)).

The Investment Policy (see question 1.1) includes the requirement to assess and measure, where possible, the GHG emissions of any new acquisitions and consider the carbon footprint of an asset prior to acquisition. Properties with abnormally high emissions may trigger further reviews, including but not limited to, considerations about the ability for an asset to transition to net zero and over what timeframe that could occur.

3. CONSTRUCTION AND DEVELOPMENT

3.1 What ESG requirements do you have for development projects and major renovations?

Requirements might relate to metering technology; ability to obtain green building certification; use of sustainable building materials; becoming net-zero carbon emitters within a certain timeframe after construction is completed; air quality protection during construction; or engaging with stakeholders, including local communities.

The Fund Manager embeds considerations of ESG factors directly into new developments and major renovations. GWLRA's Development Policy requires alignment with the Corporate Environmental Policy (see below) and Investments Policy (see question 1.1), which also contain ESG considerations. The Fund generally strives for its new developments to be energy and water efficient and be able to receive either LEED or BOMA BEST certification upon completion. As per the Development Policy, the Development Manager must host regular meetings including meetings that include and allow all stakeholders to provide input on development land acquisitions. The Development Manager is to hold subsequent design and progress meetings with stakeholders as well.

Below is an excerpt from the Development Policy, describing the stakeholder engagement and alignment with the Investment Policy:

4. New Development and Land Acquisition Approval Process

A. General Requirements

The Development Group will ensure that all New Developments and Land Acquisitions opportunities are sourced, underwritten and approved in a consistent manner and will follow a prescribed internal and external approval process. This will ensure the various stakeholder groups have an opportunity to provide input on New Developments and Land Acquisitions, with the objective being to mitigate project risks and to ensure client goals are met.

B. Alignment with the Investment Policy

The Development Policies are aligned with the Investment Policy, and all New Development and Land Acquisitions approvals will adhere to the processes and procedures outlined in the Investment Policy. All members of the Development Group must be familiar with the Investment Policy.

d) Initial Underwriting and Due Diligence

All New Developments and Land Acquisitions will be subject to a rigorous Due Diligence Process which is led by the Development Group, with assistance from Investments, Asset Management, Environmental Services, Property Management, and Regional Finance. The Development Group will work with all related departments and resources within GWLRA. Preliminary due diligence can begin as soon as the potential New Development or Land Acquisition opportunity is identified. Formal due diligence should only begin subsequent to Investment Committee Approval.

Specific areas of focus during the due diligence process will be on risks and opportunities related to the following areas:

- Development strategy
- Environmental contamination
- Environmental preservation (trees, watercourses and green spaces)
- Legal and title Issues
- Municipal approvals and entitlement
- Offsite servicing costs and obligations
- Design, constructability and technical issues
- Leasing and market analysis
- Financial performance (proformas, cash flows, etc.)

Upon completion of the Due Diligence Process, the results are summarized in an Investment Summary that fully describes the New Development or Land Acquisition. The Investment Summary template is attached as Schedule C.”

Below is an excerpt from the Firm's Corporate Environmental Policy (Appendix E), describing the process for environmental site assessments, including reference to air quality:

“Corporate Environmental Occupational Health & Safety oversees an Environmental Site Assessment (“ESA”) Program that enables GWLRA to understand and manage environmental risks. Phase I ESAs are conducted by GWLRA Approved Environmental Consultants on a regular frequency for all GWLRA managed property in order to identify any new or previously unidentified actual or potential issues of environmental concern that could have resulted in subsurface contamination in soil, soil vapour and/or groundwater onsite and/or offsite. Phase I ESAs are conducted as a minimum in general accordance with the CSA document entitled Phase I Environmental Site Assessment, CSA Z768-01 dated November 2001 (reaffirmed 2012), or equivalent. Phase I ESAs may assist in reducing uncertainty about potential environmental liabilities and may be a basis for further investigation of a property.

Phase I ESAs may also be used to make informed business decisions about property transactions, to identify certain baseline environmental conditions, to assist in meeting regulatory requirements, to secure favourable coverage under GWLRA's PPL Insurance policy and as an initial step in site remedial activities.

- If, based on the findings of a Phase I ESA, additional investigation is recommended by the GWLRA Approved Environmental Consultant in order to determine whether actual subsurface contamination exists, a Phase II ESA should be conducted to ascertain the presence or absence of subsurface impacts exceeding applicable regulatory criteria. Phase II ESA investigations or other recommended EHS work may be required:
- If the property has a history of industrial use or is at or near a refuelling station or dry-cleaning facility, or where significant issues of potential environmental concern exist regarding neighbouring properties.
- Where soil or groundwater contamination or leakage from above or below ground storage tanks is known or suspected.
- To test for asbestos containing materials, polychlorinated biphenyls ("PCB") or other hazardous building materials.
- To assess for mould and/or indoor air quality concerns.

If a Phase II ESA identifies subsurface contamination, the extent of subsurface impacts should be further investigated to delineate (determine the limits of) the contamination and attempts should be made to identify the potential source(s) of the contamination. Once delineated, remedial options and associated costs should be assessed, and a remedial strategy implemented. Where applicable, Regulatory Authorities shall be notified and/or Regulatory instruments obtained.

In the event that GWLRA requires legal advice regarding compliance with Environment Health and Safety Laws or internal policies, or in respect of a specific transaction, environmental matter or dispute, internal CL legal counsel may be consulted and/or external legal counsel may be retained. In addition, a GWLRA Approved Environmental Consultant may be retained and instructed by said legal counsel or Corporate Environmental OH&S."

4. OPERATIONAL MANAGEMENT AND POST-INVESTMENT

4.1 If asset management is handled by your organization's internal employees, how do you ensure they have sufficient training and resources to effectively manage the ESG factors identified for each asset?

If you provide training, assistance and/or additional resources, describe what they cover, which staff receive them and how frequently they are delivered.

The Fund Manager's asset management team receives annual or periodic ESG training, including:

- Code of Conduct (governance) - all employees
- Corporate Environmental Policy Awareness (environmental) - all employees
- Preventing Harassment and Violence in the Canadian Workplace (social) – all employees
- Privacy and Information Security Training (governance) - all employees
- Climate change physical risks & resilience (environmental) – executive, asset, property, and development teams
- Climate change transition risks and net zero (environmental) – asset and property
- Building sustainability information (environmental) – asset and property management teams
- Corporate sustainability overview (environmental) – all employees

External training offerings and resource materials are also promoted through industry organizations that relate to sustainability and climate change risk management.

4.2 If asset management is handled by a third-party, how do you include ESG factors in your selection, appointment and monitoring of third-party managers? How do you ensure they protect the ESG interests of the various stakeholders (local governments and communities, tenants, water and energy conservation, etc) of each asset?

Mention whether you i) request track records and examples of ESG initiatives during selection; ii) set dedicated ESG procedures in the property management phase; iii) set targets on material ESG factors to monitor performance against; iv) set incentives related to these targets and include ESG clauses in property management contracts; v) set ESG reporting requirements.

Not applicable, the Fund's assets are asset managed exclusively by the Fund Manager, GWL Realty Advisors.

4.3 How do you manage material ESG risks and opportunities to protect and create value during the holding period?

Describe if/how you develop and implement ESG action plans, and whether these vary depending on whether you take a minority or majority investment. Provide recent examples of actions taken, covering environmental and social factors.

The Fund has explicitly incorporated ESG considerations into its management process for standing assets for over a decade. It continuously monitors real estate industry trends related to sustainable and ESG and evolves its approach to meet the anticipated needs of investors, regulators, and society in general.

Upon acquisition, and throughout the management of certain assets, the Fund Manager (GWLRA) utilizes several tools and consultants to assist in the management of ESG issues:

- a) GWLRA has robust environmental management systems, designed to monitor key environmental risks within the portfolio and mitigate against any potential impacts. These systems include the comprehensive tracking of environmental contamination (e.g., indoor air quality, fuel spills, asbestos, soil/water contamination, mould) through third-party auditing and compliance databases; tracking of energy/water use, waste production, and quantification of greenhouse gas emissions, for reporting in GWLRA's annual Greenhouse Gas Emissions Inventory, through a third-party utility database. GWLRA further engages an auditing and consulting firm to provide third-party assurance of publicly reported energy, water, waste, and greenhouse gas emissions data.
- b) Individual property management teams engage with third-party consultants for environmental services, including energy, water, and waste management. Services include auditing, proposal and implementation of efficiency and conservation measures, and guidance on operational and management approaches for energy, water, and waste. These engagements drive efficiency measures at the properties, promote conservation, and reduce greenhouse gas emissions.

By way of example, the Fund's assets undergo regular energy audits to identify energy conservation measures, including both operational and capital investments. These measures reduce GHG emissions and reduce utility costs at the target properties. To encourage further energy and GHG emissions reductions, the Fund's assets participate in GWLRA's Sustainability Benchmarking and Conservation Program, which requires office assets to set reduction targets and develop reduction plans for energy use, water use, and waste production over the period of 2018-2023. Best practices and resources related to energy/water conservation and waste reduction are regularly shared with the property and asset management teams to encourage improvement of these key metrics.

In consideration of the standing portfolio, the Fund also manages both physical and transition risks. For physical risks, the Fund completed detailed risk exposure assessments with a third-party risk analytics provider, across all assets in the portfolio, covering 20 natural and climate-related physical hazards. The assessments included climate change projections for the years 2045 and 2070, under three warming scenarios, to better understand how the risk of climate-related hazards may evolve over time. Results show the Fund's overall average risk score for its managed portfolio, across all hazards, is classified as

'low risk' (when measured against its vendor's global benchmark), and the average risk exposure score to each acute hazard assessed did not exceed internal thresholds. Results have been used to inform targeted vulnerability assessments for assets with relatively higher risk exposure across the portfolio to improve on site resilience, including two industrial sites, two offices, and a residential property. These assessments helped to identify site specific mitigation measures to reduce exposure to climate related hazards, and prepare assets should a climate event occur. Many of these measures are transferable to all sites, and will be made into best practices that all assets can follow.

The Fund manages transition risk by quantifying and reducing its carbon footprint and assessing how carbon pricing may be applied to this footprint. These actions lessen the Firm's and its tenants' exposure to carbon pricing and regulatory risks, among others. Specifically, the Fund implements programs to reduce these emissions, including active management through regular energy audits, benchmarking of performance, and setting of reduction targets; and, implementation of building retrofits that improve energy efficiency and reduce GHG emissions (e.g., lighting retrofits). Most recently, the Fund and Fund manager set targets to achieve net zero by 2050 by reducing its Scope 1 and 2 emissions for all assets under management. To advance the Fund's net zero ambitions, the Fund Manager engaged with a specialized consultant to assist in the development of a prioritized list of assets for decarbonization studies and to build out an organizational strategy. This strategy will help ensure the Fund takes advantage of the opportunities pursuing net-zero presents and manage the transition risks associated with Canada's shift to a low carbon economy. In 2022, the Fund conducted six decarbonization assessments and is planning a further seven in 2023, for high-priority, high-opportunity assets across Canada. Work also commenced in 2022 at 840 Howe, an 11-storey office tower in downtown Vancouver, which is the Fund's first decarbonization project. It is expected the project, over the next five years, will deliver a reduction of 110 tCO₂e/yr., through the conversion of conventional gas-powered heating systems to low emission electric equipment.

The Fund also targets to have all of its standing assets certified under a green building certification system. At year end 2022, 95% of the Fund's eligible portfolio attained either LEED and/or BOMA BEST green building certifications, covering over 25.1M ft². These certifications cover environmental and social issues that are relevant to the management and operation of buildings in Canada.

The Fund and Fund Manager also manage social issues that are relevant to its employees, tenants and residents, and communities in which it operates. Specifically, the Fund is focused on key areas that it believes help drive value or manage risks at its assets:

- Regularly survey tenants' and residents' satisfaction
- Improve and manage occupant health, wellness, and accessibility (e.g., attaining appropriate certifications, monitoring indoor air quality)
- Focus on Equity, Diversity & Inclusion (EDI) through a dedicated committee and roadmap for improving EDI across the Fund Manager's organization
- Promote a culture of safety with detailed OH&S policies, procedures, and tracking for on site staff
- Deliver social and economic benefits in our communities through the development of purpose-built rental, support of local causes, and provision to staff of paid volunteer days

The ESG action plans and beliefs (see question 1.1) are consistent regardless of whether a minority or majority investment.

4.4 What information do you disclose on your responsible investment activities and performance to investors? How do you approach disclosing any material ESG incidents?

Describe any processes you use to ensure material ESG incidents are reported. Provide details of thresholds used to quantify what constitutes a material ESG incident, e.g., those with legal implications or resulting in an insurance claim over a certain amount.

The Fund and Fund Manager publicly report its responsible investment activities and performance in several ways (in addition to annual GRESB submissions):

- The Fund Manager produces an *Annual Review* that is aligned with Global Reporting Initiative (GRI) Standards (2016/2021) and the GRI Construction and Real Estate Supplement (CRESS), which are best practice frameworks for corporate disclosure of sustainability-related (ESG) impacts and issues. The important topics are defined on GWLRA's materiality matrix, which we used to inform the content of this report. Our GRI Index provides further information on where relevant information on our sustainability performance is addressed, including information in this report and on our corporate website. <https://www.gwlrealtyadvisors.com/wp-content/uploads/2023/05/GWLRA-AR-2022.pdf>
- The Firm's (GWLRA's) website provides a comprehensive, up-to-date overview of how GWLRA integrates ESG into its business activities. <https://www.gwlrealtyadvisors.com/sustainability/>
- The Fund produces an Annual Report, which features fund-specific sustainability key performance indicators and progress towards goals <https://www.gwlrealtyadvisors.com/wp-content/uploads/2023/06/GWRLA-CREIF-AR-2022.pdf> (see pgs. 16-19 of the latest report)
- The Fund's assets are included in its parent company's reporting, specifically Great-West Lifeco's CDP submission. The most recent version is available here: <https://www.greatwestlifeco.com/content/dam/gwlco/documents/reports/2023/great-west-lifeco-cdp-climate-change-questionnaire-2023.pdf>

5. ADDITIONAL INFORMATION

5.1 Does your organization identify and manage the ESG risks, opportunities and impacts connected to its internal operations?

Is so, please provide a brief overview. Examples might include initiatives to reduce its carbon footprint and to enhance the diversity of its investment team.

The Fund Manager's approach to ESG is to focus on the E, S, and G issues that are most impactful to our business and clients. These are the issues that help to create and preserve asset value by reducing operating costs, anticipating forthcoming regulatory risks and compliance, attracting and retaining residents/tenants, and fostering an engaged and productive workforce.

The main issues and approaches we take include (but are not limited to):

Environmental

- Focus on managing climate change risks and opportunities by reducing GHG emissions, committing to net-zero, and increasing resilience to natural hazards
- Improve efficiency and manage costs by reducing assets' energy, water, and waste
- Distinguish assets and verify performance by pursuing green building certifications
- Manage contamination and pollution risks with a robust Environment Management System (EMS)

Social

- Regularly survey tenant and resident satisfaction
- Improve occupant comfort by pursuing health & wellness and accessibility-related building certifications
- Focus on Equity, Diversity & Inclusion (EDI) through a dedicated committee and roadmap for improving EDI
- Promote a culture of safety with detailed OH&S policies, procedures, and tracking
- Deliver social and economic benefits in our communities through the development of purpose-built rental, support of local causes, and provision to staff of paid volunteer days
- Promote responsible contracting practices by engaging contractors and service providers who pay prevailing wages and benefits and who agree that they will not sub-contract without GWLRA's prior written consent; GWLRA's philosophy, in this regard, is that fair working conditions promote quality of service and products consistent with the expectations of our stakeholders.
- Participate in real estate-based industry organizations, particularly those that are advancing best practices and techniques.
- Engage staff through training and education, health and wellness initiatives, occupational health & safety training and policies, and equity, diversity, and inclusion initiatives
- Work collaboratively with the communities where it operates to try to create positive social impacts that contribute to overall well-being, quality of life and economic prosperity.

Governance:

- Maintain a robust Code of Conduct, and foster a culture of compliance, integrity, and ethics
- Manage a comprehensive set of policies/procedures covering anti-bribery/corruption, insider trading, fraud, money laundering, privacy protection, and cybersecurity
- Embed ESG considerations within investment due diligence and management policies for all assets
- Deliver compliance training and build awareness for all staff
- Transparently report on ESG progress through GRESB and our GRI-aligned Annual Review
- Abides by a stringent set of policies that promote good governance, including compliance, business continuity management, anti-corruption/bribery, and auditing

Governance issues are overseen by a rigorous and robust risk management and compliance process. The most senior decision-maker on ESG, as well as the Executive Committee of the entity, is informed formally at least annually on the ESG performance of the entity. The most senior decision-maker on ESG performance also receives regular (at least monthly) updates on the entity's progress as it relates to ESG-related projects, programs, reporting/disclosure requests, and performance.

For example, informing the most senior decision-maker on ESG performance can include regular updates on how the entity is meeting its internal and external (e.g., investor) client ESG disclosure requirements, regulatory reporting obligations, assessing the exposure of its real estate assets to natural and climate-related physical hazards, or how the entity's office assets are progressing in meeting their sustainability-related targets (e.g., energy use, water consumption, waste diversion, and GHG emissions).

Overseen by our risk and compliance team, the firm's compliance framework is informed by The Canada Life Assurance Company's risk assessment process and supplemented with policies and practices specific to our real estate business.

The firm's compliance obligations cover a wide range of topics, such as Office of the Superintendent of Financial Institutions (OSFI) requirements, commercial and residential tenancies, real estate brokerage licensing, privacy, anti-money laundering, health and safety, and environmental matters, among others. Strict policies define our expectations in each of these areas.

The firm also maintain numerous compliance programs and retain third-party services to audit performance. Brokerage licensing certifications and renewals are monitored in each province where we provide licensed services. Select property management practices are also assessed through third-party verification processes.

Finally, the Firm's President, supported by the Executive Team, has overall responsibility for managing and growing our business. This includes ensuring that strategies and goals are aligned with our changing business context and include both financial and non-financial objectives. Various senior management committees assist the Executive Team including Investment, HR, Compliance, Risk, Environmental, OH&S, and Transformation Committees that involve senior leadership across the company.

5.2 Is there any information on your organization’s responsible investment approach, not otherwise covered in this questionnaire, that you would like to share?

You could, for example, choose to expand upon your organization’s approach to specific ESG issues, such as human rights or climate change, highlight any responsible investment challenges your organization faces, or provide an overview of your organization’s policy engagement activities.

In November 2022, the Fund Manager earned [Diversio’s Level 1 Certification](#), recognizing the company’s commitment to equity, diversity, and inclusion. Diversio is a global diversity and inclusion data and consulting company that helps organizations and investors collect data, gain insights, and implement solutions to make meaningful progress. Achieving Diversio’s Level 1 Certification is a recognition of important steps taken by GWLRA including: making a public commitment to equity, diversity, and inclusion (EDI), collecting diversity and inclusion data, setting goals improvement, and the implementation of programs and policies that align with governance, talent acquisition, employee engagement, and data transparency.