

Choices for the Future

Our roadmap towards
achieving net zero
carbon by 2040



Why commit to net zero carbon?

Real estate and construction account for nearly 40% of global greenhouse gas emissions.

Climate change is significantly affecting real estate: there are more natural disasters (floods, storms, wildfires), which is causing buildings to deteriorate and insurance costs to rise.

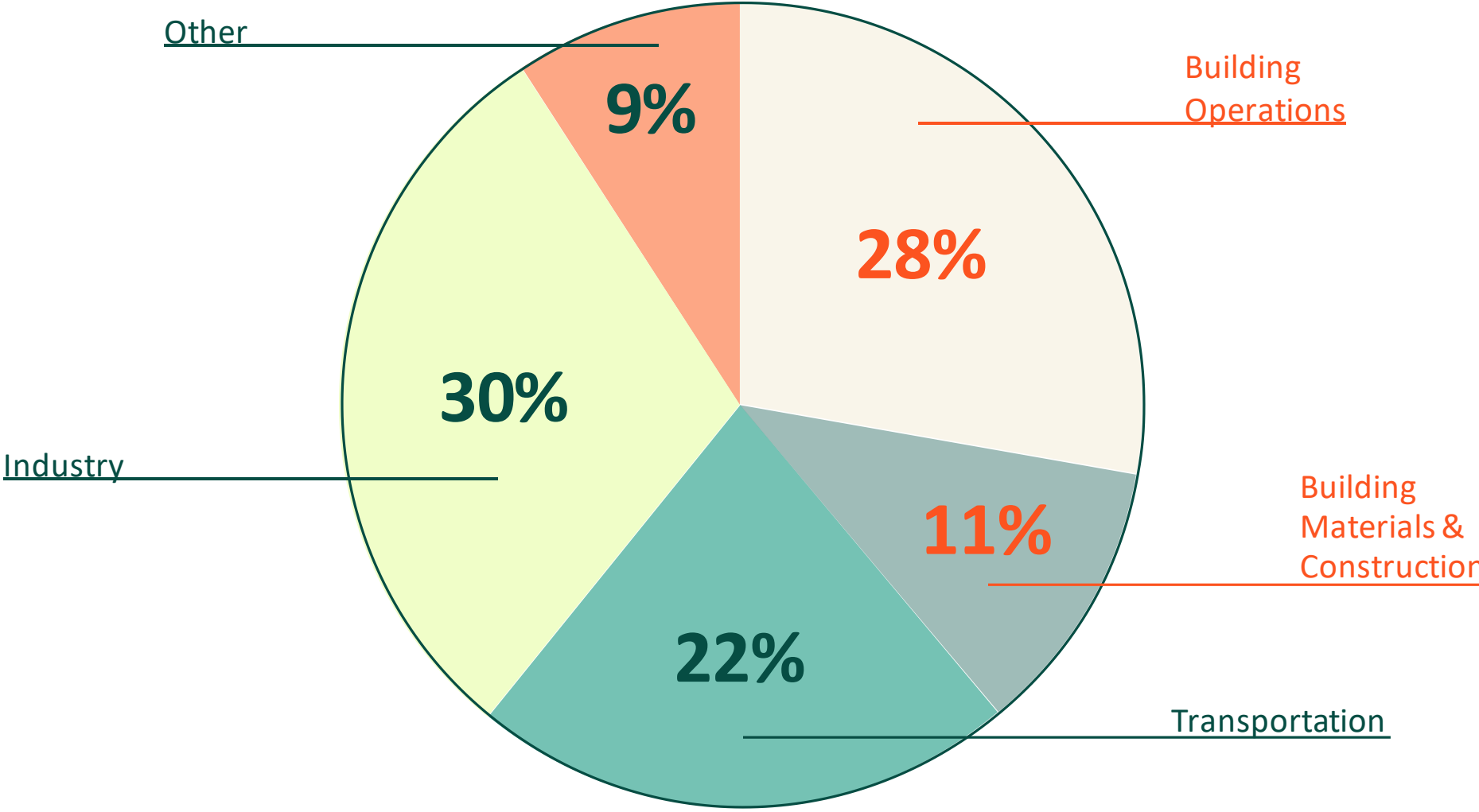
Governments are enacting more and more regulations affecting real estate, including energy efficiency standards and carbon taxes.

Demand from tenants and users for low-carbon real estate is growing. At Ivanhoe Cambridge, we are convinced of our duty to have a positive impact on the environment. The climate emergency is driving us to do this faster. And to go further.

The steps we are taking are also enhancing the resilience of our assets, because a sustainable investment will be more profitable over the long term. If we did nothing, it would inevitably be more costly.

Real estate has a key role to play in reducing greenhouse gas emissions

Global CO₂ Emission by Sector



The real estate sector is the world's biggest generator of carbon emissions and is therefore a key player in mitigating climate change.

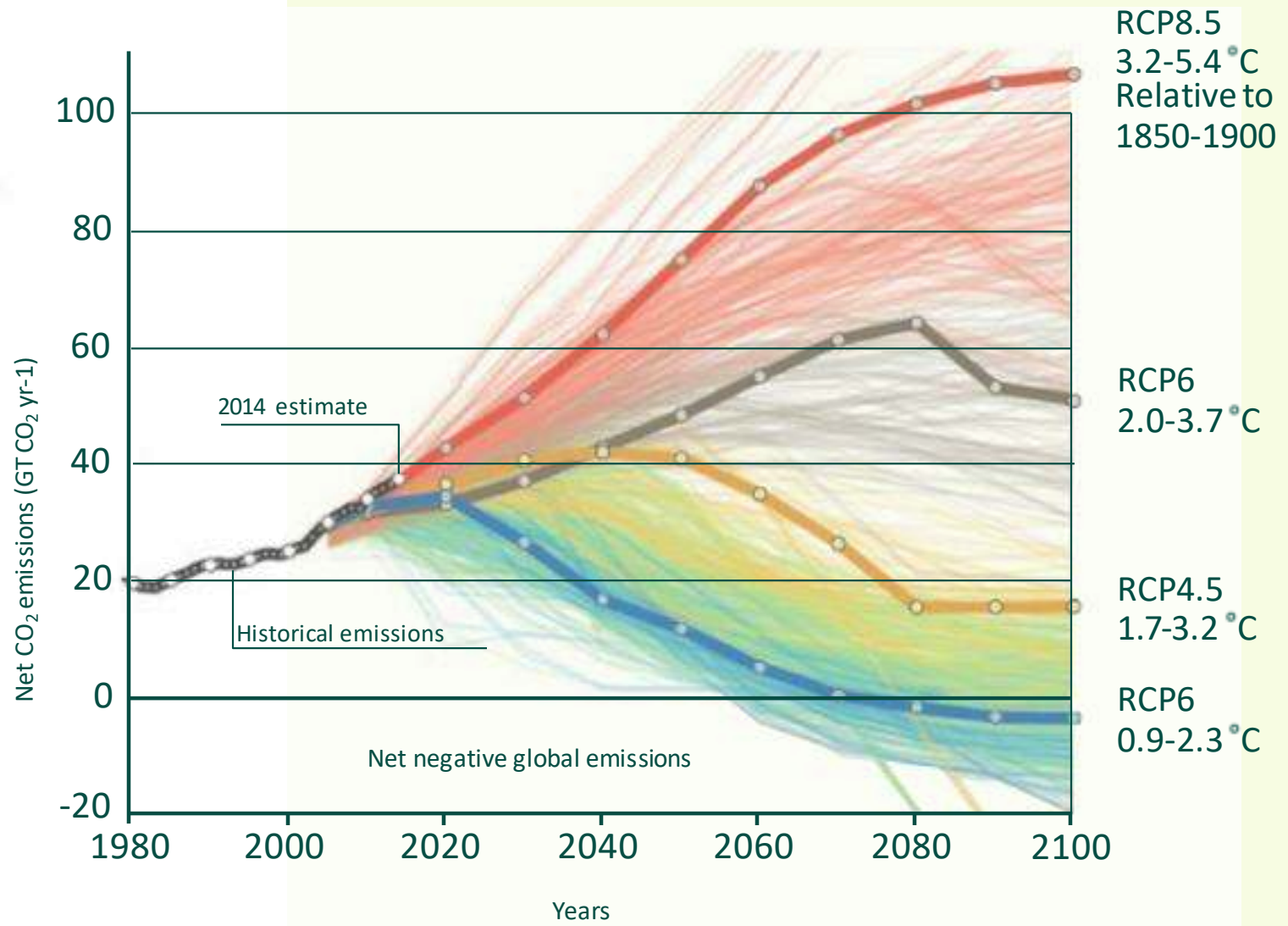
Today, it is vital that property investors define net zero carbon strategies to ensure the resilience and sustainability of their portfolios.

To limit global warming to 1.5 °C, we must aim for net zero carbon

There are different scenarios for how much the planet's average temperature will rise by 2100, with significant amplitudes that depend on the decisions that we make today. If we stick to the current pathway without doing anything, the increase could exceed 5 °C, which would have serious consequences for ecosystems and even worse ones for humanity.

For this reason, Ivanhoé Cambridge has made the choice to align with the most ambitious carbon-reduction policies so as to make the greatest possible contribution to mitigating climate change.

- >1,000 ppm CO₂eq (172 scenarios, RCP8.5)
- 720-1,000 ppm (148 scenarios, RCP6)
- 580-720 ppm (144 scenarios, RCP4.5)
- 480-580 ppm (509 scenarios, no equivalent RCP)
- 430-480 ppm (116 scenarios, RCP2.6)



Business as usual (current pathway):
Extreme weather events

Current policies
(insufficient to maintain global warming under 2 °C)

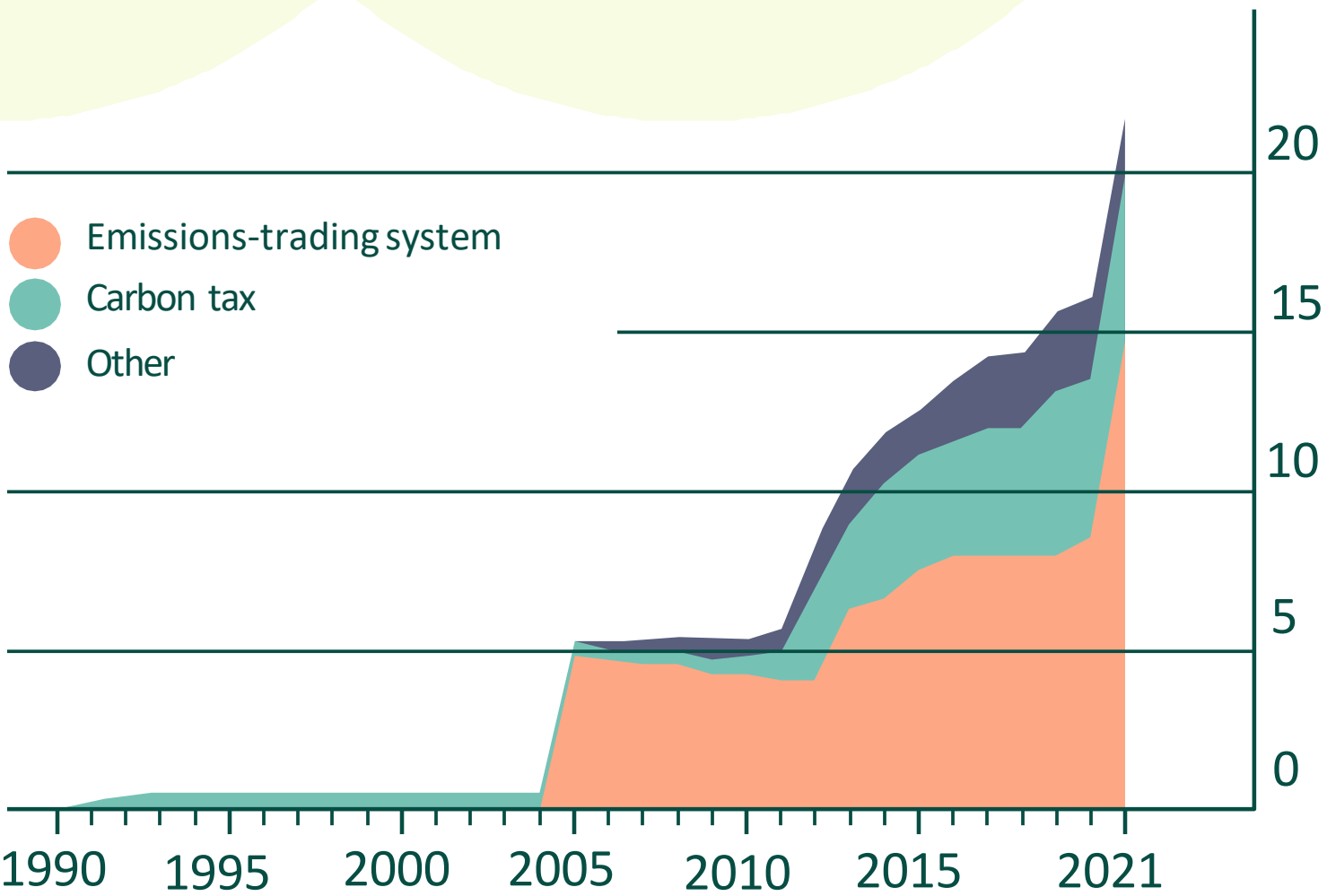
Aggressive government climate policies and pricing
(>135\$/tCO₂ by 2030) & disruptive technological advances

Climate regulations globally on the rise

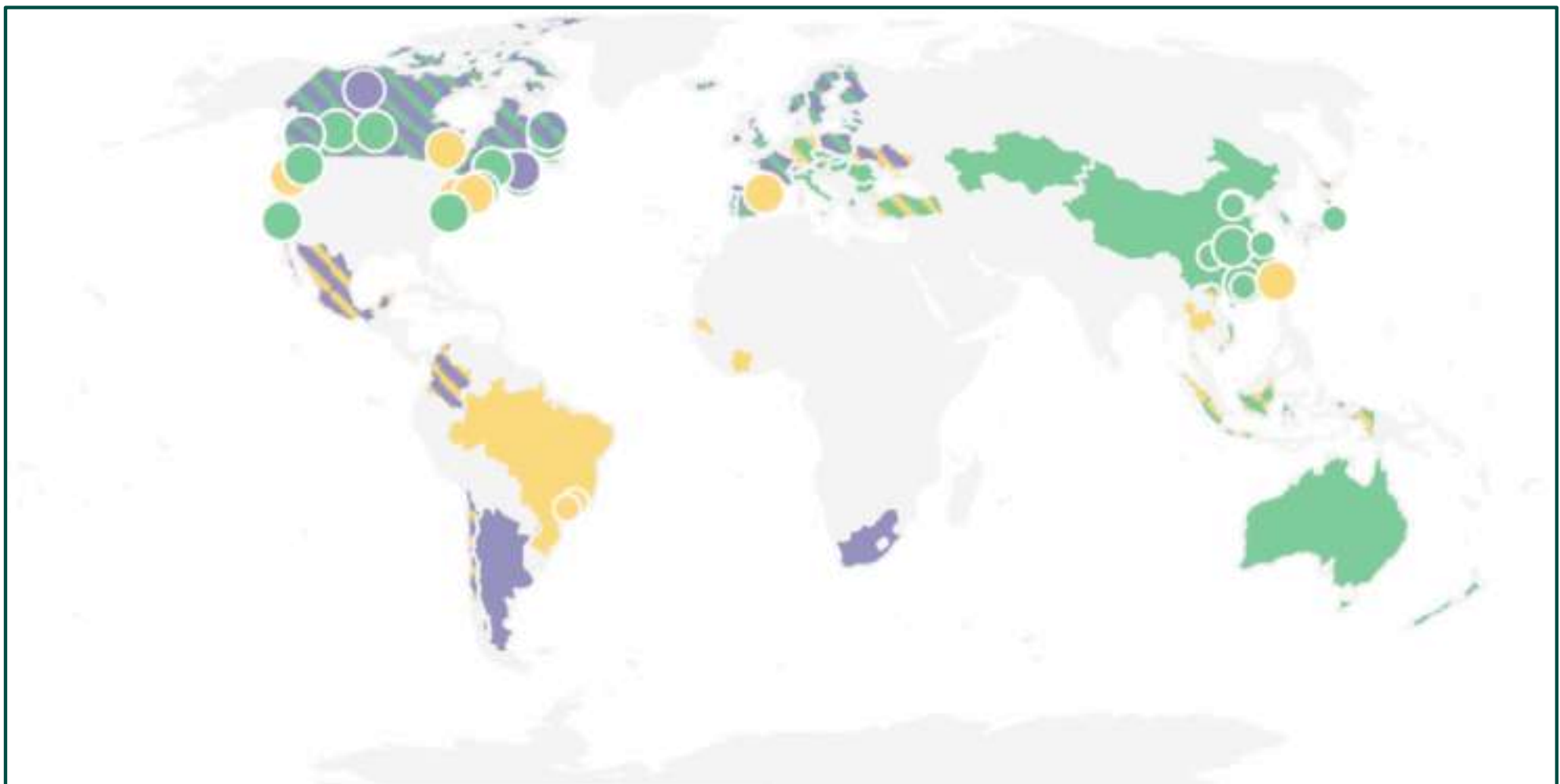
Although there are significant disparities by region, carbon pricing is here to stay, and the price is rising steadily. In Canada, for example, the price of carbon today is \$30/tCO₂ and it is expected to at least quadruple by 2030.

Rising carbon pricing initiatives

% of annual global greenhouse gas emissions covered



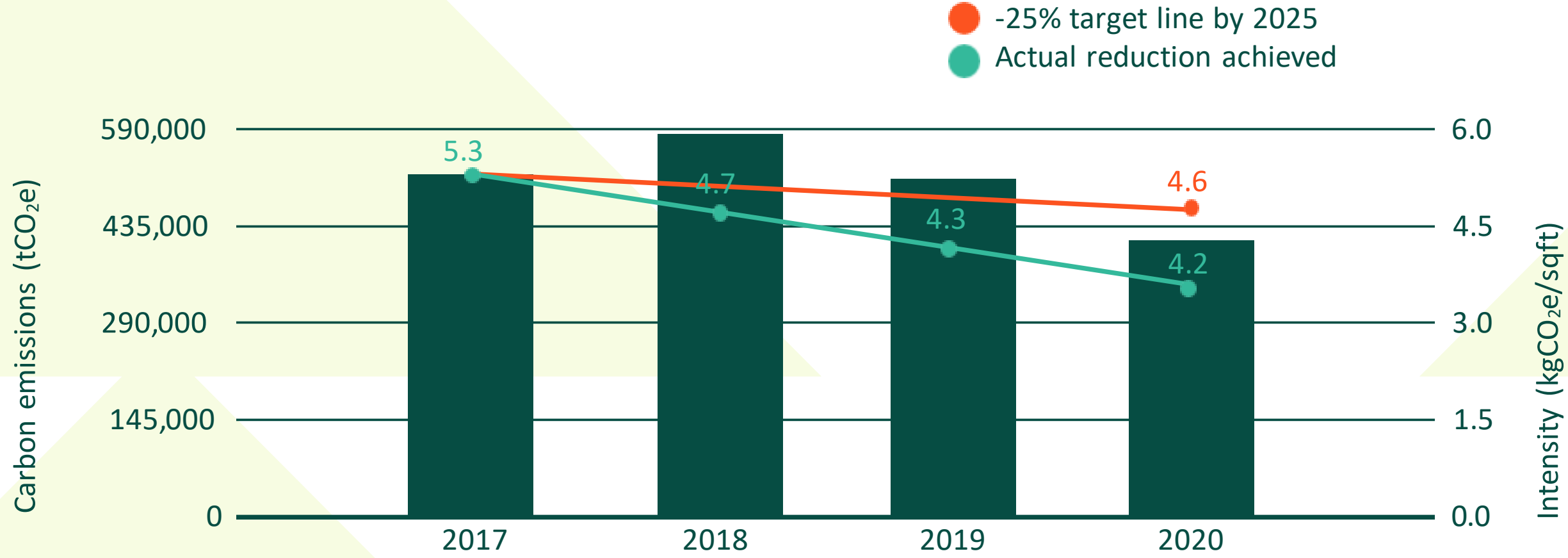
Summary map of regional, national and subnational carbon pricing initiatives



- ETS implemented or scheduled for implementation
- ETS or carbon tax under consideration
- Carbon tax implemented or scheduled for implementation

Ivanhoé Cambridge has already begun reducing carbon intensity across its portfolio

In 2017, Ivanhoé Cambridge committed to reducing its carbon intensity of 25% by 2025, and in 2020 had already achieved a reduction of 20%.



For example, since 2017 Ivanhoé Cambridge has reduced its energy use intensity (kWh/sq ft) by 4% in its managed portfolio in Canada (-2% in its international portfolio managed by third parties) by implementing energy efficiency measures.

Our commitments

Ivanhoé Cambridge commits to **achieving net zero carbon by 2040:**

1. Reduce carbon intensity by 35% by 2025 compared to 2017

- We will step up our energy efficiency efforts and use of renewable energy sources in our buildings, notably by leveraging technology and innovation.

2. Grow our low-carbon investments by more than 6G\$ by 2025 (compared with 2020)

- Since 2017 Ivanhoé Cambridge has increased its low-carbon investments by nearly 200% i.e., 14.6G\$ (as at December 31, 2020).
- This objective was set using the Climate Bonds Initiative criteria and covers assets that have earned “Gold” or higher green building certification (e.g. LEED).

3. Starting from 2025, all new developments will be net zero carbon

- Many of our planned developments are already net zero operational carbon and we intend to continue our efforts in this direction to ensure this practice is systematic by 2025.
- In the coming years, our teams will also be working on accounting for the carbon intensity of our building construction, notably in terms of materials used.

What's included in our carbon targeting

To maximize its positive impact, Ivanhoé Cambridge is directing its carbon-reduction efforts primarily at emissions related to the operation of buildings ("operational carbon"), notably as they relate to energy consumption.

Consistent with the World Green Building Council, a net zero carbon building is defined as a highly energy efficient building that is powered entirely by renewable energy sources (on-site and/or off-site).

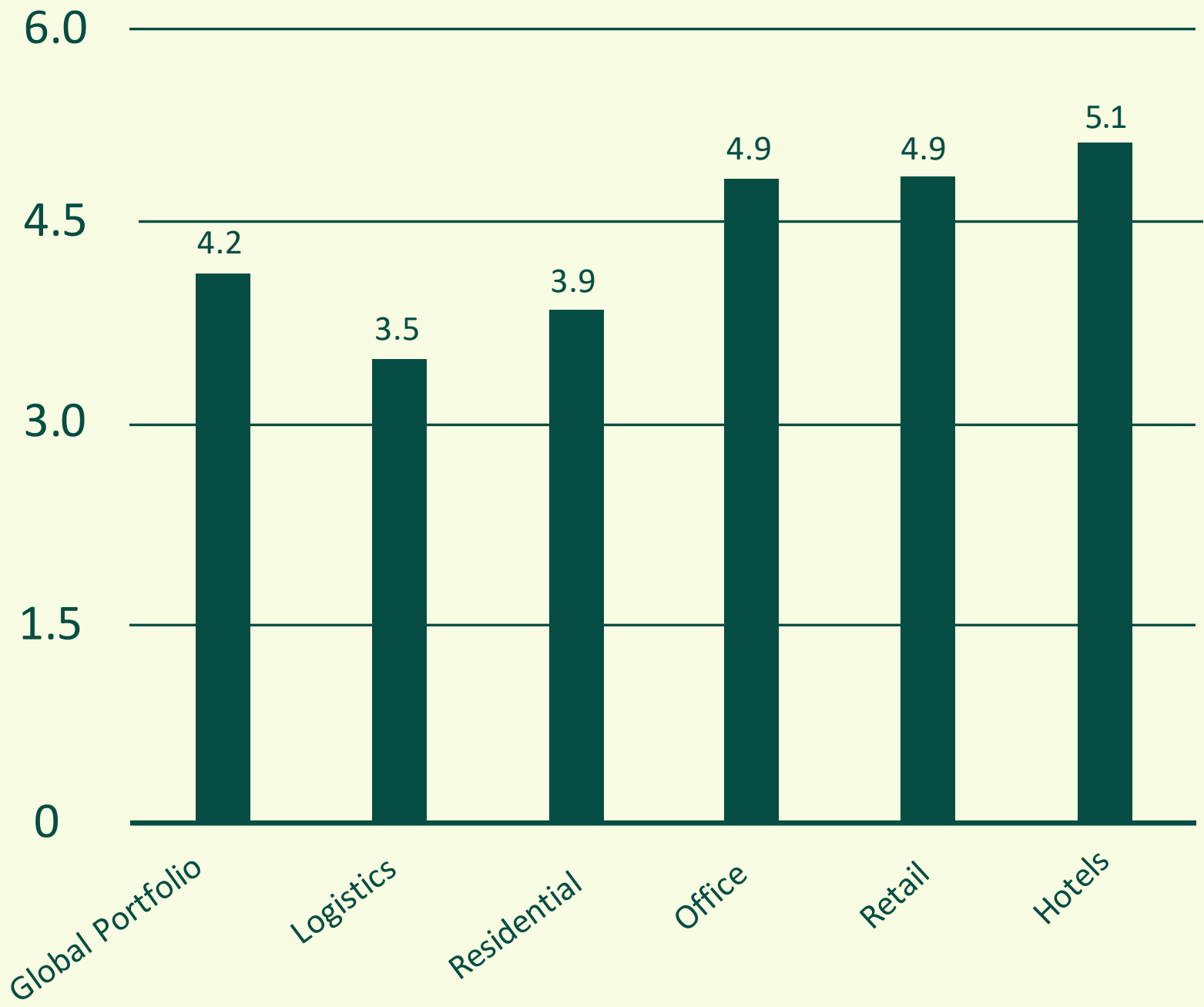
We have also begun our work on the carbon impact of construction and building materials, considering the full life cycle of our properties. We are aiming to integrate these impacts into our commitments in the next two years.

Our current carbon targets apply to our approximately 800 stabilized properties that are wholly owned or held through partnerships, with the exception of properties held through funds or listed companies.

Our carbon targets cover both Scope 1 and 2 emissions, including emissions associated with our tenants' activities. Carbon intensity corresponds to carbon emissions per gross floor area unit, taking into account Ivanhoé Cambridge's share of ownership in the property.

We are working with our peers to promote the development of tools for improved carbon measurement and targeting, e.g. CRREM (Carbon Risk Real Estate Monitor; crrem.eu).

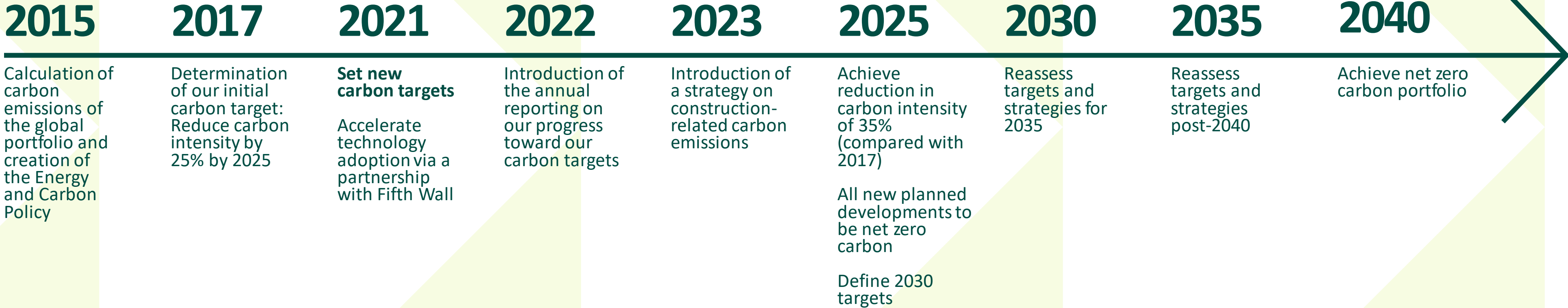
Carbon intensity of our properties by sector (kgCO₂/sqft)



Our roadmap to achieving carbon neutrality by 2040

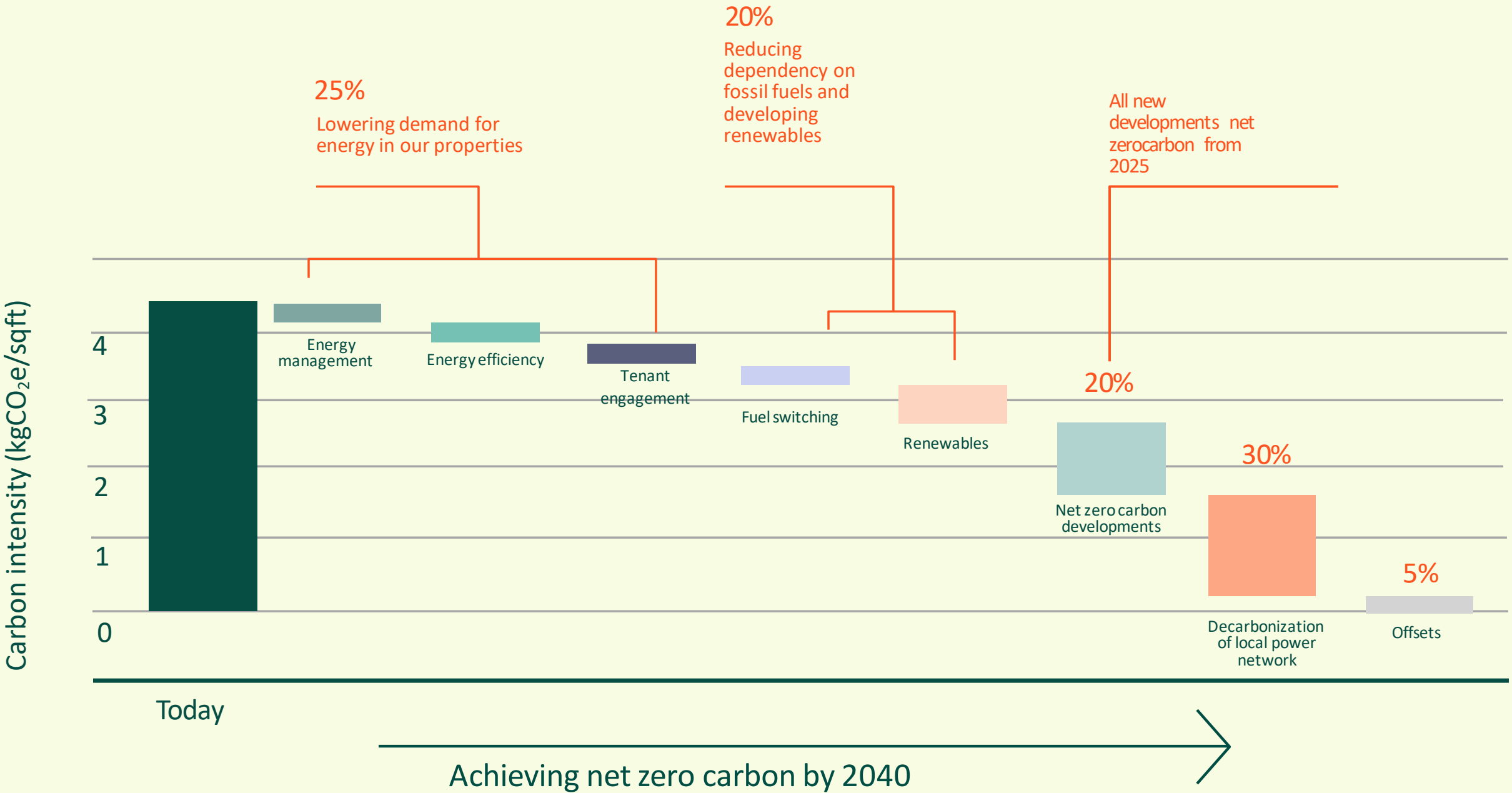


Our roadmap



How we plan to achieve a net zero carbon portfolio

Our roadmap is a mix of energy-efficiency and renewable-energy strategies, plus investment in low-carbon assets. We intend to act both on improvements to our existing assets and on our future developments.



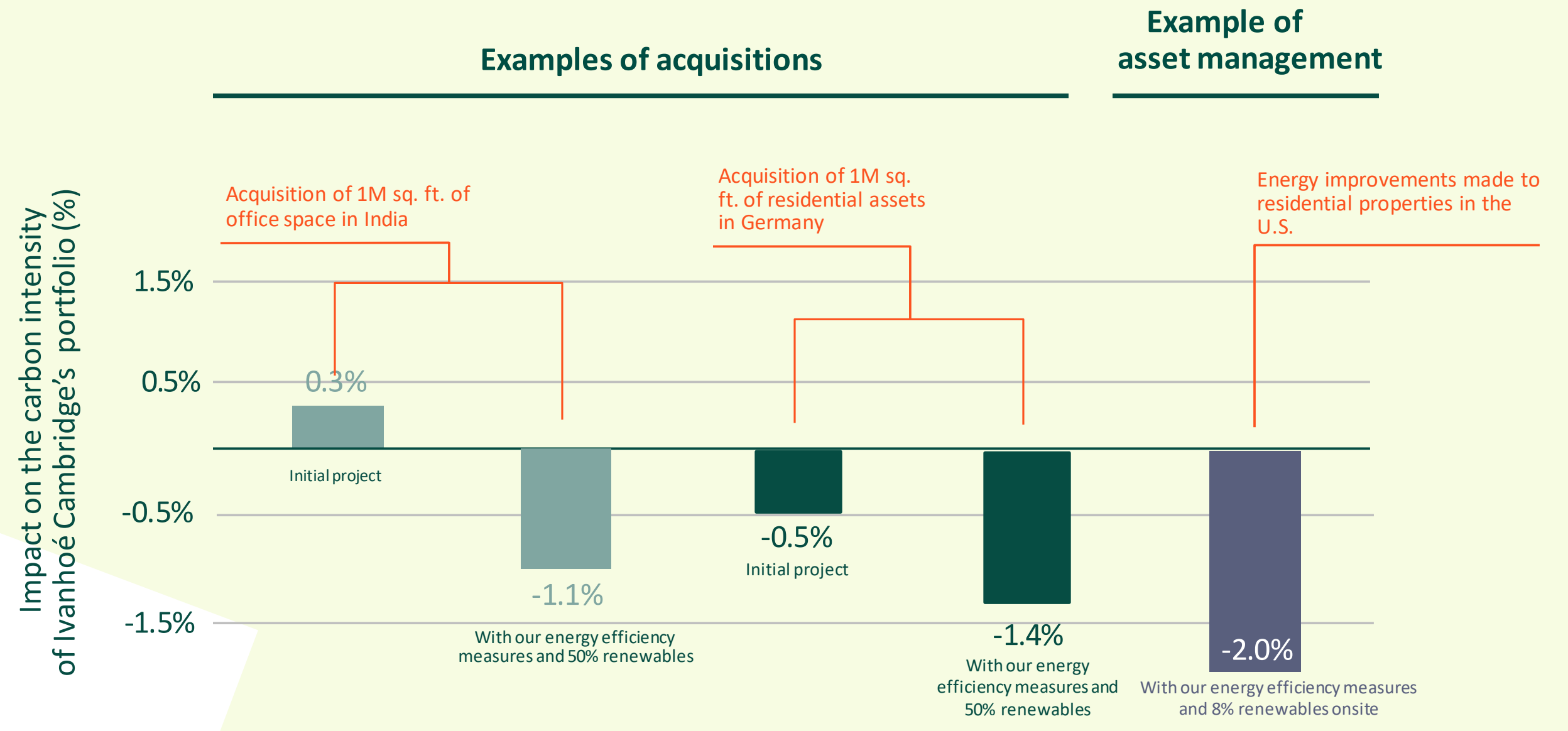
Carbon-reduction priorities for our properties

- Lowering of energy demand (energy management, increased energy efficiency, tenant engagement)
- Reduced fossil-fuel dependency
- On-site renewables
- Off-site renewables
- Net zero carbon for new developments
- Grid decarbonization
- Carbon offsetting (last resort)

Our investment decisions significantly influence our carbon-intensity reduction efforts

A carbon-impact analysis is performed before each new acquisition and is factored into our asset-management decisions.

Impact of various investment decisions on Ivanhoé Cambridge's carbon intensity



Case studies



Édifice Jacques-Parizeau

(Montreal, Canada)

A pilot project that pioneered our net zero carbon ambitions

Édifice Jacques-Parizeau houses the headquarters of the Caisse de dépôt et placement du Québec and Ivanhoé Cambridge. The building offers state-of-the-art energy efficiency and comfort; its materials were chosen to maximize the amount of natural light reaching the interior.

- The double-wall-ventilated curtain wall design optimizes energy use and penetration of natural light to the building interior.
- Cool air is preheated by the thermal energy of exhaust air, and ventilation is via raised plenum flooring.
- Although Édifice Jacques-Parizeau uses mainly natural gas for heat, hot water and humidity control, innovative energy efficiency approaches help minimize its use.
- The building's residual carbon emissions are offset by purchasing green energy from the Gros Morne wind farm in Gaspé, Quebec.

Certified BCZ-Performance by the Canada Green Building Council (CaGBC).

Certified LEED Gold, BOMA BEST Gold and Energy Star (90 rating).



Édifice Jacques-Parizeau | BCZ-Performance

Stuyvesant Town/Peter Cooper Village

(New York City, USA)

Innovation at the heart of residential

GHG emissions have been reduced by approximately 15% to date thanks to:

1. Installation of a 3.8 MW rooftop solar panels system. This project alone has reduced emissions equivalent to planting more than 80,000 trees and growing them for 10 years.
2. Installation of a building-operations management system, featuring 5,200 sensors that measure 20,600 datapoints, enabling real-time monitoring and adjustment of energy usage for maximized energy efficiency.
3. Installation of more than 13,000 LED lamps, resulting in 6.1 million kWh of energy savings.

Certified LEED Platinum Community

“A” grade in New York City’s Building Energy Efficiency Rating System, making Stuyvesant Town the largest residential community in the city to earn that rating



Place Ville-Marie

In continuous evolution

(Montreal, Canada)



Place Ville-Marie is one of Montreal's most prestigious real estate complexes, comprising five office tower addresses, an upscale shopping mall and a vast outdoor plaza, the Esplanade.

The ongoing revitalization project at Place Ville-Marie has included significant investments aimed at enhancing the property's energy performance and reducing its operational carbon footprint.

The Operations team is undertaking a project to reduce building heating requirements through the installation of heat pumps. The project will enable the recovery of waste heat, thereby significantly reducing the property's dependence on the district steam network. It is expected to reduce carbon emissions associated with energy by 40%.

**Certified LEED Gold and
BOMA BEST Gold**

HUB 247

(Greater Paris, France)

A positive-energy office building

The building is located in an *écoquartier* (eco-neighbourhood) which means, among other things, that power is supplied by the local energy network consisting of a geothermal aquifer, gas boilers and solar panels shared by the district.

The eco-neighbourhood is designed to meet the needs of a robust environmentally responsible project that aims to guarantee a district-wide renewable energy rate of 40% based on Thermal Regulation 2012 usage.

This method of energy generation and use enables cost control far superior to classic consumption for a contemporary building.

**Positive-energy building certified
BEPOS Effinergie per Green Office
criteria**

**Certified HQE Exceptionnel, BREEM
Very Good and WIREDSCORE SILVER**



Our climate-change mitigation efforts contribute to our sustainable investment goals

Our objectives

Our vision
Create positive and sustainable environmental and social impact in the communities where we invest and be recognized as a CSR leader in the real estate industry.

Environnemental	Social	Governance
Improve the efficiency and resilience of our assets toward a net zero carbon portfolio.	Have a meaningful and lasting impact in our communities to improve the quality of life in and around our properties.	Implement corporate governance best practices and further integrate CSR in our business processes.

We invest globally and act locally for a sustainable impact in communities.

Awards, recognition and certifications

- GRESB (5-star rated, the top score) – [gresb.com](https://www.gresb.com)
- Canada's Top 100 Employers (Mediacorp – [canadastop100.com](https://www.canadastop100.com))
- Canada's Best 50 Corporate Citizens (Corporate Knights – [corporateknights.com](https://www.corporateknights.com))
- Parity Certification (Women in Governance – [lagouvernanceaufeminin.org](https://www.lagouvernanceaufeminin.org))
- Compliance with GRI international reporting standards ([globalreporting.org](https://www.globalreporting.org))



G R E S B

