

**H&R REAL ESTATE INVESTMENT TRUST
(THE “TRUST”)**

SUSTAINABILITY POLICY

February 14, 2019

The Trust’s assets and operations impact the environment in which they are situated and society at large. The Trust is committed to being a good corporate citizen and recognizes the responsibility the Trust has, as an owner, developer and manager of a large real estate portfolio, to consider the sustainability impacts of the Trust’s assets and operations. In furtherance of the foregoing, the Trust endeavours to reduce the carbon footprint of its existing assets and future developments. The Trust shares this aim with many of its tenants, and believes that operating in a sustainable manner will help the Trust attract and retain top talent and build value for all stakeholders.

In support of the foregoing, the Trust has developed this Sustainability Policy to promote sustainability throughout the Trust’s activities.

1. Commitments to Sustainability

The Trust is committed to:

- Investing responsibly;
- Monitoring its use of resources and associated emissions;
- Reducing resource consumption and pollution;
- Increasing energy efficiency;
- Increasing waste diversion and use of renewable energy sources;
- Improving the health, safety and well-being of the Trust’s employees in their work, and of the Trust’s tenants; and
- Integrating sustainability into the Trust’s business, including the Trust’s decision-making processes.

2. Implementation of Sustainability Goals

Over the long term, the Trust will strive to:

- Support these commitments with specific policies and practices, both at the corporate and asset levels, so that they become part of the Trust’s “business as usual”;
- Increase the coverage and scope of the Trust’s monitoring and data collection to include more of the Trust’s portfolio and more of the attributes relevant to sustainability;
- Increase the number of properties in the Trust’s portfolio with green building certifications;
- Engage with all the Trust’s stakeholders on the Trust’s sustainability initiatives, be open about the Trust’s successes and challenges, and set a good example in the Trust’s industry;
- Manage the implementation and evolution of these policies and practices, with oversight from a dedicated sustainability committee; and

- Create links between the Trust's sustainability performance and incentives for the Trust's employees and executives.

3. Application and Oversight

This Sustainability Policy applies to all employees, officers and trustees of the Trust. The Trust will monitor the implementation of the Trust's sustainability practices throughout the Trust's operations and take any necessary steps to achieve the Trust's sustainability commitments.