



# SUSTAINABILITY REPORT 2020

Environmental Social Governance

**H&R REIT's** Sustainability Report highlights Environmental, Social and Governance (ESG) initiatives and accomplishments for the 2020 calendar year. It encompasses office, residential, retail, and industrial assets owned by H&R REIT during 2020, including those owned for a portion of the year.

H&R REIT has opted to report using selected Standards with a Global Reporting Initiative (GRI)-referenced claim. In addition the report includes indicators from the standards for Sustainability Accounting Standards Board (SASB) Real Estate sub sector. Both frameworks provide us the capacity to benchmark our performance REIT-wide, ensuring transparency and continuous improvement year-over-year.

Please refer to [hr-reit.com](https://hr-reit.com) for relevant supplemental financial and governance related disclosures.

## Data Boundaries

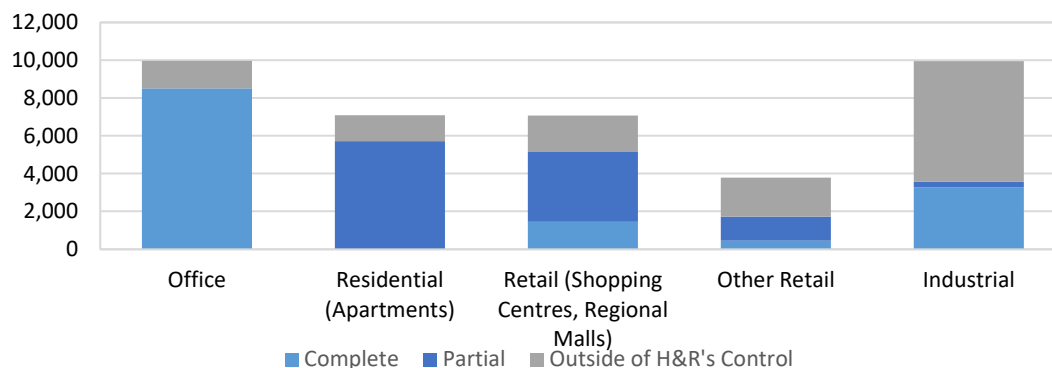
**H&R REIT** reports on utility use and resulting Green House Gas (GHG) emissions for natural gas combustion (Scope 1) emissions, base building electricity and district steam use (Scope 2) emissions, and water and tenant-paid electricity use (Scope 3) emissions, where available. 2019 marked the first year for which data had been collected and compiled for 100%\* of the entire portfolio wherever H&R had control over utility use and/or is able to access utility data. As such, 2019 has been selected as the base year for reporting.

Utility use and emissions are reported based on H&R REIT's ownership interest including equity accounted investments.

Data is compiled and reported via H&R REIT Utility Tracker, H&R REIT's cloud-based Energy Management Information System (EMIS).

\* H&R reports 100% of landlord-paid utilities. Tenant-paid utilities are reported where data is available.

**H&R REIT Energy Data Coverage by Effective Gross Leasable Area (1,000 ft<sup>2</sup>)**



\* Data coverage excludes H&R's minority interest in ECHO Realty LP which consists of 238 properties

# Sustainability Report 2020



## Introduction

- Letter from the CEO 4
- About H&R REIT 5
- Our Sustainability Journey 6
- Our Approach 7
- Environmental/Social/Governance 8



## Social

24

- Health & Safety - COVID-19 Pandemic Response 25
- Employee Engagement/Development 26
- Health, Well-Being and Safety 28
- Committed to responsible stewardship of the environment 29
- Diversity and Inclusion 30
- Community Partnerships 32



## Environmental

9

- Green Buildings – Design, Procurement and Operations 10
- Retail Division – Green Building Goals 18
- Retail Division – Environmental Initiatives 19
- Residential Division – Environmental Initiatives 20
- Climate Change and Carbon Emissions 21
- Resource Efficiency 22
- Electronic Recycling Program 23



## Governance

34

- Governance Practices 35
- Whistleblower Policy and Code of Business Conduct and Ethics 36

# Letter from the CEO – Thomas J. Hofstedter

We are proud to present H&R REIT's second annual Sustainability Report.

As one of Canada's largest REIT's, we have always viewed sustainability as our responsibility to our unitholders in terms of transparency, employees in terms of communication, engagement, collaboration and opportunity, to our tenants to provide them with healthy and positive working environments and to the greatest extent, to our communities in which we do business. Despite the challenges faced by businesses and our communities in 2020, we are proud to report that our team at H&R REIT has allowed us to rise to the challenges presented by the pandemic with professionalism and confidence. With today's current COVID-19 environment, having a strong, integrated and forward-thinking sustainability program is of utmost importance.

In our annual Sustainability Report, we provide a reflective look on how our commitments to sustainability are manifesting in our portfolio - resulting in lasting changes for our properties, employees, unitholders and communities at large.

We thank you for reviewing H&R REIT's second annual Sustainability Report and welcome your comments and feedback as we continue our ever-changing journey through sustainability.

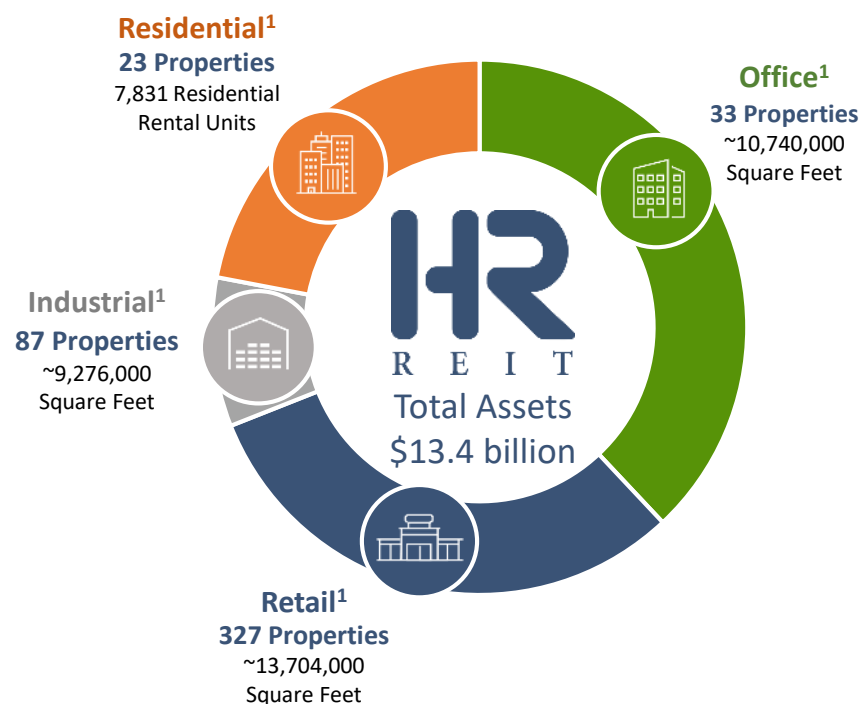
A stylized, handwritten signature in black ink, consisting of a large 'H' followed by a series of loops and a long horizontal stroke.

**Thomas J. Hofstedter**  
President & Chief Executive Officer



# About H&R REIT

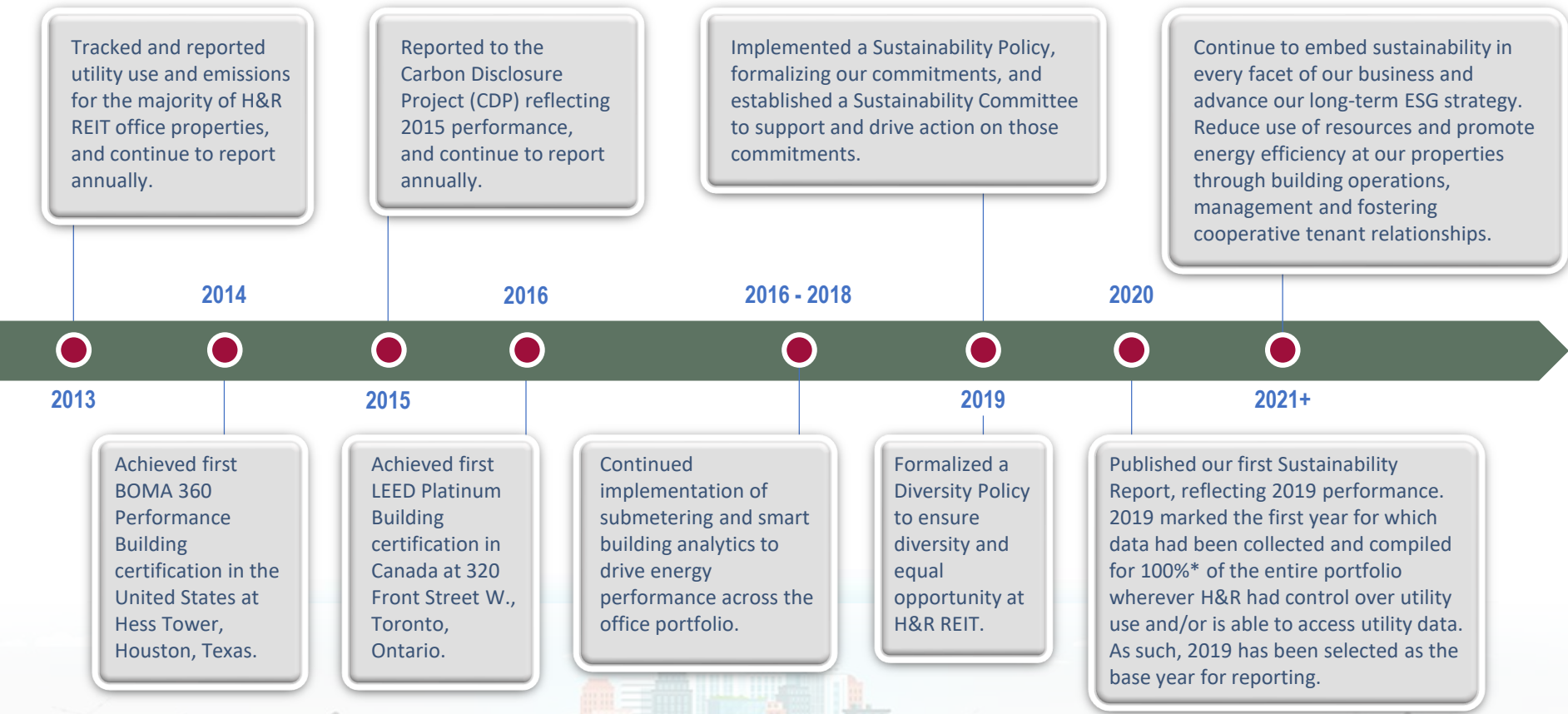
- H&R REIT (TSX: HR.UN) is one of Canada's largest fully internalized real estate investment trusts with total assets of approximately \$13.4 billion at December 31, 2020.
- H&R REIT has ownership interests in a North American portfolio of high quality office, retail, industrial and residential properties comprising over 40 million square feet.
- Since the foundation of H&R in 1996, H&R's objective is to maximize net asset value ("NAV") per Unit through ongoing active management of H&R's assets, acquisition of additional properties and the development and construction of projects.
- H&R REIT's units (HR.UN) have traded on the Toronto Stock Exchange since 1996.



<sup>1</sup> Figures above are at H&R's ownership interest including equity accounted investments

# Our Sustainability Journey

Sustainability has been a fundamental part of our focus, from acquisition to operations and management of our properties throughout our entire office, retail, industrial and residential portfolios and management of our relationships, with employees, tenants and community. Our journey timeline, combined with our Sustainability Reports to date, is affirmation of our business strategy and commitment to sustainability and the ever changing landscape and challenges our communities face.



\* H&R reports 100% of landlord-paid utilities. Tenant-paid utilities are reported where data is available.



Integrate sustainability priorities into decision making across all stages of an asset's lifecycle.

## Strategic Planning

In line with our strategic planning processes, H&R REIT's Executive team identifies and assesses material environmental, social and governance risks. Annually, the Executive team reviews the key environmental, social and governance factors for the upcoming years.

## Asset Management

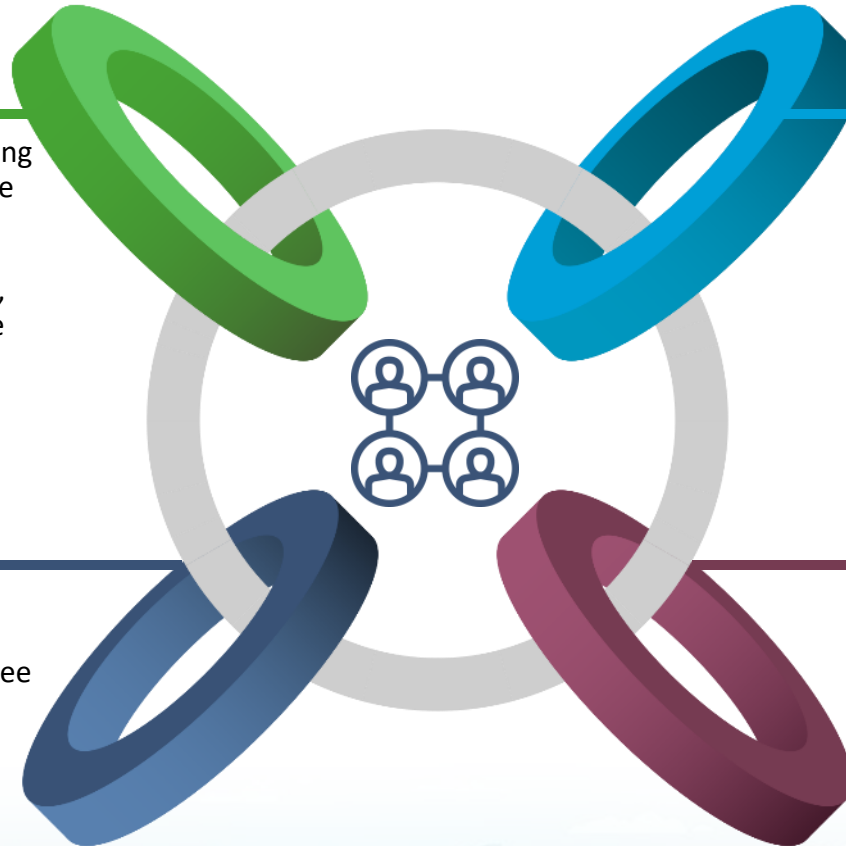
By applying Sustainability and Environmental guidelines for Operations, our Property Operations and Asset Management departments integrate sustainability opportunities into their daily management and tracking processes.

## Acquisitions

H&R REIT has well established governance structures such as the Board Investment Committee to oversee and approve acquisitions inline with the REIT's strategic plan. H&R conducts environmental due diligence prior to acquiring a property, and if recommended, undertakes further remedial action and monitoring.

## Development

Sustainability goals are established for our assets that are selected for renovation or redevelopment.





## Environmental

The Environmental section provides an overview and highlights of the environmental impact of our business activities as asset and property managers. For greater detail please refer to the Supplement found on our website.



## Social

The Social Factors section focuses on our personal interactions with our employees, tenants and customers in the communities in which we operate.



## Governance

With a diverse and experienced Board of Trustees, high disclosure standards, and strong governance practices, we are committed to maintaining the highest ethical standards as one of Canada's leading real estate companies.

Sustainability at H&R REIT, encompasses the Environmental, Social and Governance (ESG) features that can materially affect the long-term value of our company. We at H&R REIT believe that tracking both building performance and corporate metrics provides a better indication of overall achievement and contributes to our exceptional culture.





ENVIRONMENTAL



# SUSTAINABILITY REPORT 2020

Environmental Social Governance

Recognizing that buildings account for a significant component of energy consumption in the world, H&R REIT is committed to reducing energy usage and the overall environmental footprint of its portfolio.

Green building certifications, such as LEED and BOMA BEST, provide third-party validation of property management, environmental programs and development practices within building portfolios. H&R REIT's Sustainability Committee actively strives to identify opportunities to implement efficiencies and sustainable practices within the portfolio and increase our number of certification under green building rating systems.



**7.84 M+**  
square feet LEED and/or  
BOMA Best Certified\*



Our Office Portfolio exemplifies a sustainable real estate objective by utilizing green building best practices.



**59%** of H&R's Office Portfolio  
LEED and/or BOMA Best Certified\*



\*net rentable area (percentage ownership) as of December 31, 2020.



"In 2020, 25 Sheppard was the latest in a long line of H&R assets to achieve LEED(R) Platinum certification, a demonstration of H&R's continued dedication to green buildings."

*Neal Bach, President, Energy Profiles Limited | EPL manages H&R REIT Utility Tracker, H&R's cloud-based Energy & Sustainability Performance Management System*





We utilize ENERGY STAR® Portfolio Manager, a cloud-based software program developed by Natural Resources Canada, to benchmark the energy performance of our office properties. ENERGY STAR Portfolio Manager provides each building with a score which allows our operations and management teams to visualize the energy performance of our buildings and identify areas of improvement.

The ENERGY STAR® symbol is the internationally recognized and trusted mark of high energy efficiency. Buildings that earn a score of 75 or higher and meet certain other eligibility criteria will receive an official ENERGY STAR certificate from Natural Resources Canada.

**58%** of H&R's Office Portfolio is actively tracked on ENERGY STAR Portfolio Manager\*

**32%** of H&R's Office Portfolio is ENERGY STAR Certified\*

\*net rentable area (percentage ownership) as of December 31, 2020.



# 26 Wellington | 26 Wellington Street East, Toronto, ON

In addition to achieving **LEED® Platinum** certification, 26 Wellington Street East was awarded ENERGY STAR Certification in 2020 with a score of 93, proving once again it is top class in energy performance, and showcasing H&R REIT's dedication to sustainability and excellence in building operations.

Built in 1981, 26 Wellington Street East is a 12-storey Class A Office Building that continues to outperform its newer neighbours in Toronto's ever-growing Financial District. This near 40-year-old tower has undergone numerous upgrades to dramatically cut energy consumption and utility costs by over 60% since 2013.

Upgrades include LED lighting throughout the office space, lobby, and parking garage, VFD control upgrades to ventilation equipment and pumps, and adaptive frequency drives installed on chiller compressors to improve efficiency. A submetering system was installed to enable automatic data collection and monitoring of lighting, receptacle, and HVAC loads, and is used in conjunction with BAS analytics to drive continuous improvement as part of an OCx plan. Over half of 26 Wellington Street East's total energy requirement is met with Green-e-certified renewable energy credits to reduce environmental impacts associated with fossil fuel energy use.

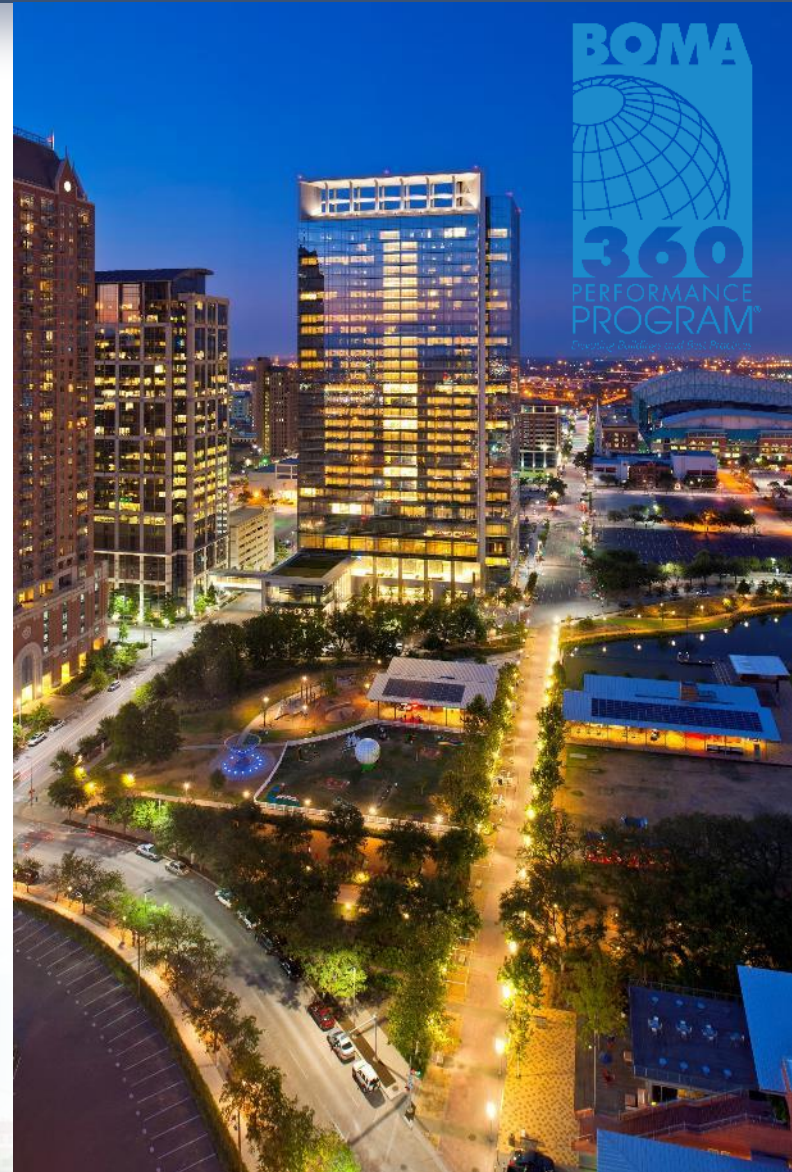


As featured in the Spring 2020 issue of Sustainable Architecture & Building [SABMag], "2019 LEED Buildings-in-Review" published with the Canada Green Building Council [CaGBC].

# Hess Tower | 1501 McKinney Street, Houston, TX

Hess Tower is a 29-story, premier Class AA, **LEED® Platinum** office tower located in the heart of downtown Houston. Sitting on 2.15 acres, it was developed to support the revitalization of downtown Houston's Entertainment District.

It broke ground in March 2008 as a speculative development and the first, pre-certified LEED Gold building to be constructed in Houston's Central Business District. Late in 2008, Hess Corporation, a global energy firm, signed a long-term lease to occupy the entire building. Hess tower boasts an impressive list of sustainable features including an energy recovery unit, green roof, condensate recovery irrigation system, and automated day light saving system. Since it's completion in 2011, Hess Tower has received many accolades including designation as a **BOMA 360** Performance Building, **Energy Star Certification**, and **IFMA First Annual Facility Award of Excellence**. In 2017, it was named as recipient of the **International TOBY (The Outstanding Building of the Year®) Award**.



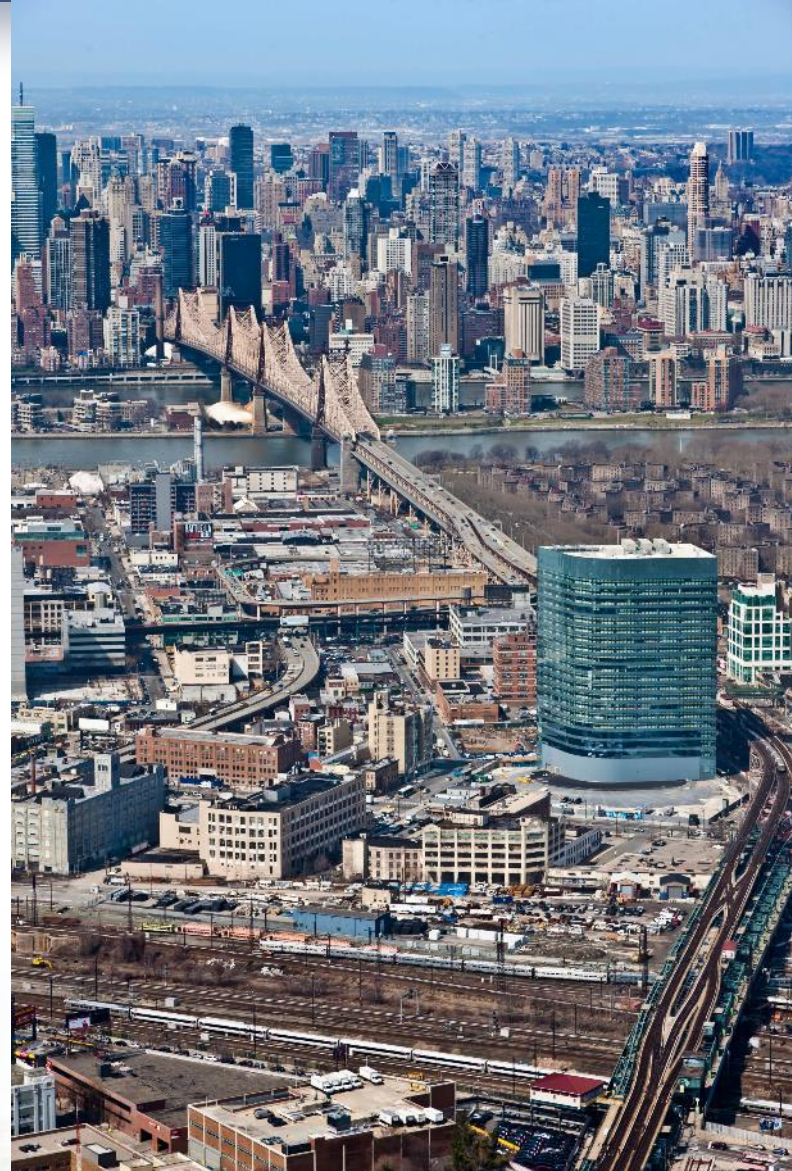


# Two Gotham Center | 42-01 28th Street, Long Island City, NY

Located in Long Island City, New York, this 22-storey Class A office tower comprises 660,431 rentable square feet office space, fully leased to the City of New York. Completed in 2011, Two Gotham Center presents a beautifully curving 325-foot façade of gleaming glass, with efficient and generous floor plates of 34,500 square feet.

The property's cutting edge green technology has significantly reduced operating costs and has earned the prestigious **LEED® Silver** certification. Other highlights include three 60' 'Living Walls' that provide oxygen enriched air to the main atrium area, 30 EV charging stations, and 70 indoor bicycle spaces.

One of the defining features of this property is its awe inspiring views of the East River and the Midtown Manhattan Skyline. In addition, the property's Queens Plaza location places it on the doorstep of Long Island City's most important transportation hub. Six separate subway lines are accessible within a two-minute walk of the Property, providing rapid transit to Midtown Manhattan's Grand Central Station in approximately 8 minutes.







Completed in early 2019 and located in Long Island City, New York, Jackson Park sits across from H&R's Two Gotham Center. Jackson Park consists of three skyline defining glass towers totaling 1,871 luxury residential units, a lush 1.6 acre private park and over 120,000 square feet of indoor and outdoor resort-style amenity space.

In addition to achieving **LEED® Silver** certification, sustainable unit highlights include floor-to-ceiling windows to provide superior natural light and dramatic views, Blomberg/Whirlpool Energy Star Appliances and LED lighting.

Jackson Park is conveniently located within one of New York City's biggest transportation hubs, with eight subway lines as well as easy car access, buses and the Long Island Rail Road.



# Airport Road | 7900 Airport Road, Brampton, ON

7900 Airport Road in Brampton, Ontario is a 744,413 square foot **LEED Gold®** certified industrial building which is 100% leased to Unilever Canada Inc.

Constructed by H&R in 2014, this Class A industrial building has excellent access to Highway 407 and Highway 427.





H&R has been preparing our enclosed shopping centre portfolio by establishing mandatory and consistent construction guidelines for tenants, base building and mall common areas and by establishing Sustainable procurement guidelines in our Environmental Purchasing Policy.

By the end of 2021, H&R intends to certify all of its enclosed shopping centres under the BOMA BEST® rating system.

Pursuing improvements in energy and water efficiency, electric vehicle infrastructure, recycling programs and waste reduction initiatives will allow H&R to continue to minimize its environmental footprint throughout its portfolio on a daily basis.

In partnership with Bullfrog Power Inc., Park Place eliminated **over 5,731 tonnes** of carbon emissions using wind energy, which is the equivalent to the consumption of **2,429,749 litres** of gas<sup>1</sup> since 2010.



Park Place Shopping Centre in Lethbridge, Alberta is certified **BOMA BEST Platinum**

<sup>1</sup> epa.gov

Tenants continue to be attentive to energy performance and the carbon footprint of the properties they occupy. This recognition, together with the recognition that resource consumption, waste generation and other sustainability issues to a large extent result from tenants activities, has led to the implementation of many projects in partnership with our tenants to maintain higher-quality, resource efficient buildings. Examples of these initiatives include:



At **St. Albert Centre in St. Albert, Alberta**, the malls recycling program diverts approximately 80 tonnes (176,360 pounds) of cardboard, paper, and plastics annually. It also has a detailed light bulb recycling program, diverting approximately 7,366 feet of fluorescent tubes and 4,733 miscellaneous bulbs from landfills so far.



**Sunridge Mall in Calgary, Alberta** has an exceptional recycling program for a commercial application that has been emulated by several high-profile organizations, including the Calgary Flames. The mall's emphasis on limiting its footprint and recently completed retrofits has resulted in a 15% return on investment in hydro, 25% reduction in natural gas usage and current waste audits put the mall's diversion rate at more than 80% - a significant increase from its 13% diversion rate only 5 years ago.



**Sherwood Park Mall in Sherwood Park, Alberta**, utilizes RecycleSmart Smart Waste Compactors (smart waste technology) to ensure that bins are used to the fullest potential and that more than 3.3 tonnes of waste is recycled each year, instead of going to a landfill. Recently, the property has retrofitted parking lot lighting, which – when paired with other efficiency measures – has enabled it to secure an average annual energy reduction of 11 MWh a year.



At Lantower, H&R's Residential Division, we are implementing new tools, technologies and materials that ensure we are doing what we can to shrink our environmental footprint over the long term.



## Electric Car Charging Stations

We currently provide EV charging stations at several of our residential properties. In the future, we will continue to implement charging stations to match employee and residential usage needs.



## Waste Management

We partner with a third-party consultant to manage our waste and recycling programs across our residential portfolio. Our goal is to enhance our sustainability footprint with more responsible landfill diversion tactics.



## Water Reduction

Several of our properties currently have installed drip irrigation systems to reduce water use. Further, we are exploring smart irrigation solutions to expand our water conservation impact.



## National Forest Foundation Partnership

- Lantower has partnered with The National Forest Foundation (NFF), a leading conservation group in North America whose mission is to preserve America's forests and promote responsible recreation.
- NFF makes it easy to help in their conservation effort. Their platform is set up in a way that allows every \$1 donation to go directly towards planting one tree in one of North America's forests. **Lantower has committed \$1 for every new lease we sign at our communities, which will go directly to NFF to support its mission.**

## Green Marketing Practices

- All marketing material (business cards, floor & site plans, current rate sheets, etc.) will be accessed electronically using QR Codes provided at our residential communities.
- The only tangible marketing collateral distributed by our site teams will be QR Code cards made of recycled flower seed paper.

<sup>2</sup> epa.gov



# Climate Change and Carbon Emissions

H&R REIT has tracked and reported on utility use and emissions for the majority of H&R REIT office properties since 2013. H&R REIT reported to the Carbon Disclosure Project (CDP) since 2016, reflecting 2015 performance onwards.

In 2019 H&R REIT scored better than all but one of 11 Canadian REITs in 2020 CDP Reporting. To further illustrate our progress, properties tracked by Energy Profiles Limited on H&R Utility Tracker (making up approximately 22% of H&R's portfolio) achieved a 4.1% reduction in normalized emissions intensity (2019 vs. 2018).

In 2020, H&R expanded our reporting boundary to report utility consumption and emissions wherever H&R has control over utility use and/or is able to access utility data. The result was an increase in data coverage<sup>1</sup> from 22% of 2018 usage (CDP 2019 Reporting) to 62% of 2019 usage (CDP 2020 Reporting). This year, (upcoming CDP 2021 Reporting) data coverage has been further increased to 65%.

H&R REIT's like-for-like Greenhouse Gas (GHG) market-based emissions decreased by over 10% in 2020 compared to 2019; equivalent to taking 2,093 passenger vehicles off the road<sup>2</sup>.



**4.1 %**

Reduction in normalized emissions intensity in 2019 vs. 2018 for H&R Utility Tracker properties.

<sup>1</sup> Complete or partial, as per Sustainability Accounting Standards Board (SASB) definitions

<sup>2</sup> Greenhouse Gas Emissions from a Typical Passenger Vehicle (United States Environmental Protection Agency, 2018)

H&R continues the drive to evaluate and improve the environmental footprint of our assets. Although it is difficult to accurately report the portion of savings resulting from resource reduction initiatives versus those resulting from reduced number of occupants in office and retail properties during the pandemic in 2020, we are confident that as operations and occupancy stabilize the efficiency improvements made will be reflected in the energy and utility performance in future years.

**H&R REIT's like-for-like electricity use decreased by 9% in 2020 compared to 2019; this reduction is equivalent to the electricity use of 2,920 single-family homes in Ontario<sup>1</sup>.**

<sup>1</sup> OEB Report: Defining Ontario's Typical Electricity Customer (Ontario Energy Board, 2018)



**H&R REIT's like-for-like water use decreased by 9.6% in 2020 compared to 2019; equivalent to the annual household water use of 1,398 people<sup>2</sup>.**

<sup>2</sup> How much water do I use at home each day? (U.S. Geological Survey)





# Electronic Recycling Program



E-waste only occupies **1%** of our landfills, yet accounts for **65%** of the harm done to the environment.

As part of H&R REIT's commitment to recycling, Electrobac Bins for e-waste have been placed at various properties since 2019.

- Certified by the Recycler's Qualification Office (RQO)
  - All e-waste materials collected are processed in Canada
- Each Electrobac smartbin is an EPRA-certified depot point for e-waste recycling
- Certified by ComplyWorks (health & safety)



The e-waste recovered from H&R REIT's Electrobac Bins are equivalent to\*:



**550**  
Mature  
trees saved



**9,135**  
Litres of oil  
saved



**20,605**

Recycled plastic bottles

\*As of December 31, 2020.

Data provided by ALLGREEN RECYCLING CARBON FOOTPRINT CALCULATOR



**SOCIAL**



# SUSTAINABILITY REPORT 2020

Environmental **Social** Governance

# Health & Safety: COVID-19 Pandemic Response

At H&R REIT, providing our employees, tenants, contractors and the public safe and healthy environments is an essential part of our business management.

The 2020 COVID-19 pandemic was uncharted territory for the world. In response to this crisis, H&R REIT's Pandemic Committee quickly actioned business continuity measures while safeguarding the well-being of our employees. H&R REIT's corporate office, property management teams, and health and safety committees expanded existing best practices to incorporate government and public health COVID-19 protocols. Our property management and leasing teams partnered with our tenants to collaborate, provide knowledge, guidance and implement additional safety measures within our buildings to minimize the transmission of COVID-19 in the workplace.

H&R REIT remains focused on maintaining transparency and open communication with our employees and tenants to ensure the ongoing health and safety of all persons working in our buildings. We continue to closely monitor all aspects of the pandemic. We remain flexible in our approach to evaluate and make recommended adjustments to align with current government and public health protocols.



# Employee Engagement and Development

## Our people are our strength.

At H&R REIT, we recognize the achievements and talents of our people and we have been able to create a dynamic executive team which is a foundation to our success. We want our employees to feel empowered so that they will be more efficient and energetic in their work and become strong leaders both at work and in our communities.

We have more than 730 employees in over 6 Provinces and 4 States.

Our initiatives include:

- Employment advancement is encouraged with first consideration given to existing staff. This allows movement and growth within the organization, thus enabling our employees to acquire new skills and achieve personal development.
- H&R REIT has assisted employees with time off, flexible hours and extended leaves of absence to promote good health and pursue their outside interests and goals, including training for and competing in the Olympic games and to complete a tour of duty in Afghanistan.
- Programs to encourage volunteer hours, continuing education and physical fitness.





# Employee Engagement and Development



Lantower Residential has partnered with Officevibe, an online platform that measures 10 Key Metrics that are directly tied to an employee's level of Engagement at work, based on their answers to Officevibe's 120 Survey questions.

Officevibe also provides employers with a simple way to share Feedback within the organization, with the goal being of fostering a positive work culture and environment.

Great  
Place  
To  
Work®

Certified

SEP 2019–SEP 2020

USA

TM

We are pleased to advise that Lantower Residential achieved "Great Place to Work" certification.



# Health, Well-being and Safety

H&R REIT values the health, well-being and safety of our employees. To that effect, we (have) provide(d) the following perquisites:

- Extended health and dental coverage
- Employee assistance programs
- Travel and life insurance coverage
- Flex hours and accommodations for leaves of absences
- Health and well-being seminars
- Professional fees paid
- Contributing to relevant professional development courses
- Events to foster team building
- Computer laptops, as required
- Safety equipment and apparel
- Accommodations for religious holidays
- First Aid Training, WHMIS Training Health and Safety Committees
- Building Operators receive additional training including Scissor Lift Training, Working at Heights/Fall Arrest Training, Confined Space Training.
- Head office gym





# Committed to responsible stewardship of the environment

Due to the growing concern of bee decline globally, H&R REIT decided to take action by partnering with a Canadian beekeeping company. With the full support and engagement of all our tenants, beehives were installed on the roof tops of two of our Downtown Toronto office towers, Creekbank Campus in Mississauga and ONE60 Elgin in Ottawa. The feedback from our tenants has been overwhelmingly positive.

Our beekeepers inspect the hives regularly to ensure the bees are healthy. At the end of each beekeeping season, they remove 75% of the honey, leaving 25% for the bees to feed off of during the winter months. The honey that is removed is jarred and then sold to our tenants and other building partners, such as contractors and suppliers. Due to the COVID-19 pandemic, curbside pick-up was instated to continue sales of the honey. Proceeds from the honey sales continue to support local charities, including the Sanfilippo Children's Research Foundation.





## H&R REIT places on The Globe and Mail's second-annual Women Lead Here benchmark of executive gender diversity.

H&R REIT is pleased to announce that we have once again earned a spot on the Report on Business Women Lead Here list, an annual editorial benchmark to identify best-in-class executive gender diversity in corporate Canada. For the 2021 ranking, Report on Business conducted a journalistic analysis of nearly 500 large publicly traded Canadian companies, evaluating the ratio of female-identifying to male-identifying executives in the top three tiers of executive leadership. H&R REIT was one of only 71 publicly traded companies in Canada recognized with respect to the percentage of women in executive roles, clearly leading the way towards executive gender equity.

We are proud to share that **WOMEN** represent the following percentages of our team:

	2020	2019
Senior Executives	45%	33%
All Executives	42%	40%
Overall Workforce	47%	47%
Board of Trustees	25%	12.5%



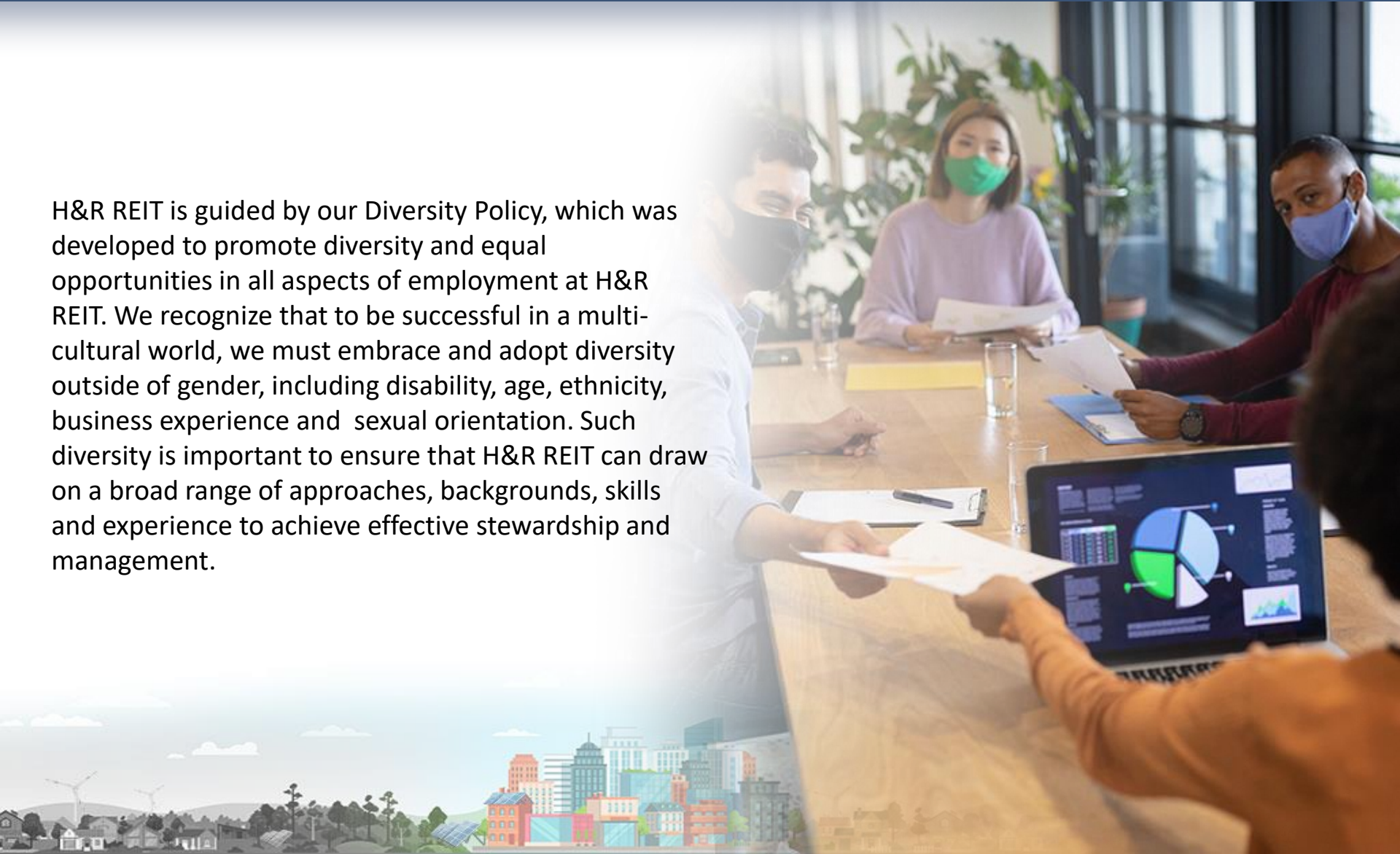
———— 2021 ————  
**REPORT ON BUSINESS**  
**WOMEN LEAD HERE**



———— 2020 ————  
**REPORT ON BUSINESS**  
**WOMEN LEAD HERE**

# Diversity and Inclusion

H&R REIT is guided by our Diversity Policy, which was developed to promote diversity and equal opportunities in all aspects of employment at H&R REIT. We recognize that to be successful in a multi-cultural world, we must embrace and adopt diversity outside of gender, including disability, age, ethnicity, business experience and sexual orientation. Such diversity is important to ensure that H&R REIT can draw on a broad range of approaches, backgrounds, skills and experience to achieve effective stewardship and management.



# Community Partnerships

H&R REIT's enclosed shopping centres in Canada, are well-known fixtures in the communities in which they operate. Local spirit and community partnerships are a valued part of its business operations. Some examples of community partnerships include:



- **Orchard Park Mall in Kelowna, British Columbia** hosts an annual golf tournament in support of the local chapter of the **Canadian Mental Health Association (CMHA)**. Through this tournament, they have raised more than **\$450,000 over 5 years**, which helped fund a new kitchen for the CMHA Wellness Centre as well as a “Discovery College”.



- **Place du Royaume in Chicoutimi, Quebec** administers a foundation that provides **bursaries from \$1,000 to \$5,000** to aspiring students from the community to attend the **University of Quebec**. For the last 30 years, the foundation has provided over **\$880,000** in assistance.



- **Stone Road Mall in Guelph, Ontario** provided the vacant Sears location free of charge to **The Foundation of Guelph General Hospital's** annual “Black Tie Bingo” fundraiser. What made this so special was that the event was in jeopardy of being cancelled when their regular venue experienced major water damage less than 3 months prior to the event. The event was a huge success, raising over **\$270,000** for The Foundation.



# Community Partnerships

In addition, H&R REIT is proud to support the efforts of our residential division, Lantower Living to Giving program. Through the Living to Giving program, corporate and onsite staff work together to achieve lasting social impact and provide relief to children, families, and communities in need.

Recipients/partners include:

- Habitat for Humanity
- Save the Children
- North Texas Food Bank
- Lida Hooe Elementary School
- Promise House
- Children's Health
- Second Harvest Food Bank
- Ronald McDonald House
- Family Gateway, Semillitas and others.





**GOVERNANCE**



# SUSTAINABILITY REPORT 2020

Environmental **Social** **Governance**



As one of Canada's largest Real Estate Investment Trusts, H&R REIT is committed to sound corporate governance principles. To that end, H&R REIT has established policies governing the tenure and constitution of our Board of Trustees which will enhance the diversity and reduce risk for our organization. Management and the Board will review H&R REIT's corporate governance practices regularly to ensure that they align with best practice and provide strong transparency to our unitholders.

## Highlights:

- The tenure for all new trustees is limited to 10 years
- Since 2016, the REIT has undertaken a comprehensive board renewal process, expanding from 5 members to 10 members, with 8 of the 10 candidates at the 2021 AGM added over the past five years, including 4 who are new additions in 2021
- Board renewal process executed in a thoughtful and prudent manner, satisfying the need for change and new perspectives, while also allowing for continuity and retention of institutional memory
- Women currently represent 30% of our Board, marking progress on the Board's diversity commitment and achieving the Canada Club's aim for better gender balance at the Board level
- Independent Board Chairperson
- Say on Pay vote (95% support for 2021) strongly supports executive compensation
- Expanded the minimum unit ownership to Trustees and all Executive Officers
- Clawback policy applicable to all incentive compensation

# Whistleblower Policy and Code of Business Conduct and Ethics

## Whistleblower Policy

To ensure a culture that holds business and personal ethics to the highest standards, H&R REIT has established and maintained a Whistleblower Program that allows officers and employees to bring forward, on a confidential and anonymous basis, any concerns regarding the Trust's internal controls and legal and regulatory compliance.

## Code of Business Conduct and Ethics

H&R REIT prides itself on its commitment to a culture of honesty, integrity and accountability and strives to operate in accordance with the highest ethical standards and applicable laws and regulations. H&R REIT created a Code of Business Conduct and Ethics that outlines the ethical principles that should guide all employees of H&R REIT in their daily work.

All employees must attest that they agree to comply with these requirements annually. We ensure that we receive 100% response rate.

H&R REIT's website, [www.hr-reit.com](http://www.hr-reit.com), includes additional governance information, including the Trust's Trading Policy, Disclosure and Social Media Policy, Majority Voting Policy and mandates of the Board and of its committees.





# Message from our Sustainability Committee

As we reflect on the Sustainability journey that H&R REIT has taken over the years, we are proud of the progress that we have made so far. Our team at H&R REIT, from property operating staff to Executives, has embedded sustainability practices and considerations within H&R's decision making and performance evaluation. 2019 marked H&R REIT's commitment with the formal implementation of our Sustainability Policy and Committee and 2020 the year of our inaugural Sustainability Report. We will continue to assess our environmental related risks and opportunities as well as improve public disclosure of our sustainability performance.

We are proud to share with you our second Sustainability Report. We continue to use this report as our foundation as we journey through, with our employees, tenants, unitholders and community at large, the ever changing landscape and challenges we face.

A handwritten signature in black ink that reads 'M. Boyes'.

Michael J. Boyes

Vice President of Sustainability & Special Projects





*Growing in sustainability*



# SUSTAINABILITY REPORT 2020

Environmental Social Governance