

**HR**  
R E I T

**SUPPLEMENT**



# SUSTAINABILITY REPORT 2020

Environmental **Social** Governance



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# 1.0 Introduction

- H&R REIT (H&R) is publishing its second Sustainability Report in 2021, reflecting 2020 performance. In 2019, H&R began collecting and compiling data for 100%\* of the entire portfolio wherever H&R has control over utility use and/or is able to access utility data. As such, 2019 has been selected as the base year for reporting.
- Energy Profiles Limited (EPL) has tracked and reported on utility use and emissions for the majority of H&R's office properties since 2013. H&R has been reporting to the Carbon Disclosure Project (CDP) since 2016, reflecting 2015 performance onwards.
- H&R is reporting on select Global Reporting Initiative (GRI) indicators, as well as select Sustainability Accounting Standards Board (SASB) indicators.

## 1.1 CDP Highlights



**2**

H&R was rated second out of the Canadian REITs that reported to CDP in 2019 (CDP 2020 Reporting).

**4.1%**

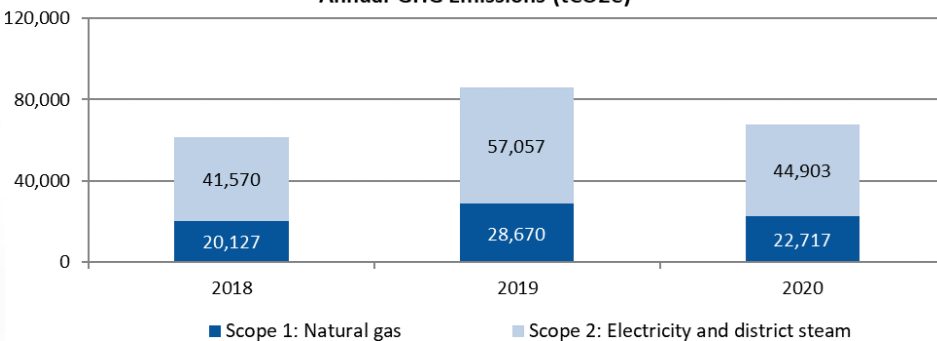
Reduction in normalized emissions intensity in 2019 vs. 2018 for H&R Utility Tracker properties.

**100%\***

Landlord-controlled data coverage to be reported for 2019 and 2020 as compared to 22% of our portfolio for 2018 (upcoming CDP 2021 submission).

The following figure shows 2019 vs. 2018 direct – natural gas combustion (Scope 1) emissions and indirect – electricity and district steam (Scope 2) emissions Green House Gas (GHG) emissions reported to CDP in 2020, along with values for 2020 (upcoming CDP 2021 submission). 2019 values are significantly higher due to increased data coverage.

Annual GHG Emissions (tCO2e)



- In 2019, H&R scored better than all but one of the Canadian REITs that reported in 2020 CDP Reporting. To further illustrate our progress, properties tracked by EPL 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 has 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 is 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 reports 100% of landlord-paid utilities. Tenant-paid utilities are reported where data is available. Combined, H&R reports at least partial data coverage for 65% of their portfolio by gross leasable area.

<sup>1</sup>Complete or partial, as per SASB definitions.

## 1.2 Global Reporting Initiative (GRI) - Disclosure Approach

The GRI standards are widely recognized and adopted standards for sustainability reporting globally. H&R has adopted the GRI to serve as a framework in keeping with industry best practices and as a means to track and report on progress going forward.



GRI indicators can be disclosed in three ways:

- In accordance with GRI Standards: Core Level
- In accordance with GRI Standards: Comprehensive Level
- Using selected GRI Standards with a GRI-referenced claim

In order to claim that reporting is ‘in accordance with GRI Standards’, mandatory requirements and disclosures specified in the GRI Standards must be met. For 2020, H&R has opted to report ‘using selected GRI Standards with a GRI-referenced claim’.

## 1.3 Sustainability Accounting Standards Board (SASB) - Disclosure Approach

The SASB Foundation is a not-for-profit, independent standards-setting organization. SASB publishes Industry specific sustainability accounting standards. Supplementing GRI reporting with select indicators from the SASB Real Estate Sustainability Accounting Standard allows H&R to focus in on metrics most relevant to real estate investments.



# 1.4 General – Disclosures – GRI

GRI 102-1 Name of the organization:

H&R REIT

GRI 102-2 Activities, brands, products, and services:

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 as of December 31, 2020.

GRI 102-3 Location of headquarters

3625 Dufferin Street, Suite 500, Toronto, Ontario, M3K 1N4

GRI 102-5 Ownership and legal form

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 as of December 31, 2020.

GRI 102-7 Scale of the organization

Scale of the organization:

- i. Total number of employees: 733 (as of December 31, 2020)
- ii. Total number of operations: H&R's 2020 Annual Report, Management's Discussion and Analysis: Overview
- iii. Net sales (for private sector organizations) or net revenues (for public sector organizations): H&R's 2020 Annual Report, Management's Discussion and Analysis: Results of Operations
- iv. Total capitalization (for private sector organizations) broken down in terms of debt and equity: H&R's 2020 Annual Report, Management's Discussion and Analysis: Liabilities and Unitholders' Equity
- v. Quantity of products or services provided: H&R's 2020 Annual Report, Management's Discussion and Analysis: Overview

GRI 102-12 External initiatives:

BOMA BEST Building Management Rating System

ENERGY STAR Portfolio Manager through Natural Resources Canada

Carbon Disclosure Project (CDP)

GRI 102-13: Membership of associations:

Building Owners and Managers Association Canada (BOMA Canada, BOMA Toronto)

Real Property Association of Canada (REALPAC)

Canada Green Building Council (CaGBC)



## 2.0 Greenhouse Gas (GHG) Emissions

### 2.1 Disclosures

The following table summarizes H&R's GHG emissions for 2020. Scope 1 (direct – natural gas combustion) and Scope 2 (indirect – electricity and district steam) and Scope 3 (indirect – water and tenant sub-metered electricity) emissions are reported. Net market-based emissions account for the purchase of Renewable Energy Credits (RECs) and Carbon Offsets, while location-based emissions do not.

**Table 1: 2020 GHG Emissions by Asset Class and Scope**

Asset Class	GHG Emissions (tCO <sub>2</sub> e)						
	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Carbon Offsets	Total Location-based	Total Market-based
Office	15,553	29,795	29,795	5,178	-1,488	50,525	49,037
Residential (Apartments)	13	3,095	3,156	407	0	3,514	3,576
Retail (Shopping Centres, Regional Malls)	5,266	9,606	9,606	3,037	0	17,909	17,909
Other Retail	982	2,261	2,261	877	0	4,120	4,120
Industrial	903	146	146	8,471	0	9,520	9,520
<b>Total</b>	<b>22,717</b>	<b>44,903</b>	<b>44,964</b>	<b>17,970</b>	<b>-1,488</b>	<b>85,589</b>	<b>84,162</b>

Ref: GRI 305-1, 305-2, 305-3



## 2.0 Greenhouse Gas (GHG) Emissions

**Table 2: 2020 GHG Emissions Intensity by Asset Class and Scope**

Asset Class	Effective GLA (ft <sup>2</sup> )	Intensity (tCO <sub>2</sub> e/1,000 ft <sup>2</sup> )					
		Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Total Location-based	Total Market-based
Office	9,967,476	1.56	2.99	2.99	0.52	5.07	4.92
Residential (Apartments)	7,088,212	0.00	0.44	0.45	0.06	0.50	0.50
Retail (Shopping Centres, Regional Malls)	7,074,400	0.74	1.36	1.36	0.43	2.53	2.53
Other Retail	3,783,193	0.26	0.60	0.60	0.23	1.09	1.09
Industrial	9,954,760	0.09	0.01	0.01	0.85	0.96	0.96
<b>Total</b>	<b>37,868,040</b>	<b>0.60</b>	<b>1.19</b>	<b>1.19</b>	<b>0.47</b>	<b>2.26</b>	<b>2.22</b>

Ref: GRI 305-4

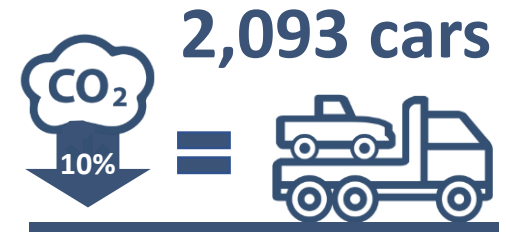




## 2.0 Greenhouse Gas (GHG) Emissions

### 2.1.1 Year-Over-Year Performance

H&R's like-for-like 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>.



The following table summarizes the like-for-like percentage change in GHG emissions for H&R's properties for which data was available for 2019 and 2020 (65% of the portfolio's GLA). A primary reason for the significant decrease in energy use in 2020 is the reduced number of occupants in office and retail properties during the pandemic.

**Table 3: Like-for-like Percentage Change in GHG Emissions by Asset Class**

Asset Class	Data Coverage - Partial	2019 Emissions (tCO <sub>2</sub> e)		2020 Emissions (tCO <sub>2</sub> e)		Difference	
		Total location-based	Total market-based	Total location-based	Total market-based	Location-based	Market-based
Office	85.3%	55,367	55,295	50,525	49,037	-8.7%	-11.3%
Residential (Apartments)	80.6%	3,887	3,955	3,514	3,576	-9.6%	-9.6%
Retail (Shopping Centres, Regional Malls)	73.0%	20,527	20,527	17,909	17,909	-12.8%	-12.8%
Other Retail	45.4%	4,680	4,680	4,120	4,120	-12.0%	-12.0%
Industrial	35.8%	9,333	9,333	9,520	9,520	2.0%	2.0%
<b>Total</b>	<b>65.1%</b>	<b>93,794</b>	<b>93,790</b>	<b>85,588</b>	<b>84,162</b>	<b>-8.7%</b>	<b>-10.3%</b>

Ref: IF-RE-130a.3

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



# 2.0 Greenhouse Gas (GHG) Emissions

## 2.2 Disclosure Notes – GRI

GRI 305-1, 305-2, 305-3: Direct, energy indirect, and other indirect GHG emissions

a. GHG emissions in metric tons of CO<sub>2</sub> equivalent.

- See Table 1.
- Carbon Offsets were purchased to offset 1,488 MTCO<sub>2</sub>e GHG emissions at 25 Sheppard Avenue West in 2020.

Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

- Scope 1 emissions are emissions generated at H&R properties from natural gas combustion for space heating, water heating and, in some cases, cooking.
- Emissions from refrigerants, diesel fuel used for back-up generation, and gasoline for fleet vehicle use are outside of the scope of this report.

Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

- Scope 2 emissions are emissions from energy consumed at H&R properties but generated elsewhere. Electricity and district steam are reported.

If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

- Renewable Energy Credits were purchased for 100% of 2019 electricity use at 26 Wellington Street in Toronto and accounted for in the reported market-based Scope 2 emissions.
- Market-based emissions are slightly higher than location-based emissions because US market-based emission factors are higher than corresponding location-based factors.

Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

- Scope 3 emissions are reported for tenant-paid electricity accounts, tenant-paid sub-metered electricity consumption and for water consumption at H&R properties.

b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

- CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are included in the reported emissions.

c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

- Not Applicable.

d. Base year for the calculation, if applicable, including:

- The base year for reporting is 2019.

i. the rationale for choosing it;

- Historically, H&R reported annually on energy and emissions for a number of its office properties. 2019 is the first year for which H&R has compiled and reported on energy and emissions data for its entire portfolio wherever H&R has control over utility use and/or is able to access utility data.

ii. emissions in the base year;

- See Table 3. Heating fuel, electricity, steam, and Deep Lake Water Cooling are reported where data is available to H&R. In some cases where utilities are billed to tenants, data is not available to H&R. These utilities are considered outside of H&R's control.

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

- Property acquisitions and divestments by H&R REIT.
- Properties or accounts owned in the base year, but previously excluded from scope.
- Corrections to historical data based on availability of more accurate information.
- Updates to published emission factors.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

Emission Factors Canada

- Electricity and Natural Gas: Canada's Greenhouse Gas Inventory 1990-2017 (NRCan, 2020)
- Steam: 2020 EPL Enwave Study (EPL, 2021)
- Water: Greenhouse Gas and Energy Co-Benefits of Water Conservation (Mass, 2009)

Emission Factors USA

- Electricity – location-based: EPA eGRID 2016 (US EPA, 2020)
- Electricity – market-based: 2019 Green-e® Residual Mix Emissions Rates (2018 Data) (Green-e, 2020)
- Natural Gas: AP-42: Compilation of Air Emissions Factors, Supplement D (US EPA, 1998)
- Water: Energy consumption for water use cycles in different countries: A review (Wakeel et al, 2016)

Global Warming Potentials

- IPCC's Fourth Assessment Report—Errata (IPCC 2012).

# 2.0 Greenhouse Gas (GHG) Emissions

## 2.2 Disclosure Notes – GRI

GRI 305-1, 305-2, 305-3: Direct, energy indirect, and other indirect GHG emissions

- f. Consolidation approach for emissions; whether equity share, financial control, or operational control.
  - H&R reports using the financial control approach, prorating for their equity share in each property, consistent with recommendations from REALPAC<sup>3</sup>.
- g. Standards, methodologies, assumptions, and/or calculation tools used.
  - Energy use, water use, and GHG emissions are reported as per the GHG Protocol<sup>4</sup>.
  - Location-based emissions are calculated by multiplying utility consumption values by applicable regional emission factors.
  - Market-based emissions are calculated in accordance with the GHG Protocol Scope 2 Guidance<sup>5,6</sup>.
  - Best efforts are made to collect actual utility consumption from utility bills for all properties/accounts. When gaps exist in verifiable utility data, consumption is estimated based on a linear regression of available utility data and actual weather data. In the case of non-weather dependent accounts, historical consumption is assumed to be equal to recent year consumption. 98% of reported 2020 emissions are based on actual utility bills.
  - Emissions resulting from utilities serving tenant spaces that are metered and charged to tenants based on their consumption either directly by the utility vendor, or by H&R based on sub-metered consumption are reported as Scope 3 emissions, where data is available.
  - For properties that are partially owned by H&R, utility use, emissions, and floor areas are prorated to reflect H&R's ownership interest (equity share) in the property.
  - Emissions from refrigerants and diesel fuel used for back-up generation are outside of the scope of this report.
  - All calculations are completed using H&R Utility Tracker, an Energy Management Information System (EMIS) that is managed by EPL.

GRI 305-4: GHG emissions intensity

- a. GHG emissions intensity ratio for the organization.
  - See Table 2.
- b. Organization-specific metric (the denominator) chosen to calculate the ratio.
  - Square feet of Gross Leasable Area (GLA) is the denominator for intensity calculations.

- c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
  - Direct (Scope 1), energy indirect (Scope 2) and other indirect (Scope 3) emissions are included in the intensity ratio.
- d. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
  - CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are included in the reported emissions.

## 2.3 Disclosure Notes – SASB

IF-RE-130a.3.

Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector.

- See Table 5; while IF-RE-130a.3 refers to energy, H&R has reported GHG emissions here using the same guidance.
- Like-for-like savings are reported for properties with full or partial data coverage (whole building or base building coverage) for both 2019 and 2020: 65.1% of portfolio floor area.

- 
- 3. Whose Carbon Is It? GHG Emissions and Commercial Real Estate (Real Property Association of Canada, 2010)
  - 4. The GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute, 2004)
  - 5. GHG Protocol Scope 2 Guidance – An amendment to the GHG Protocol Corporate Standard (World Resources Institute, 2015)
  - 6. As per the GHG Protocol Scope 2 Guidance, where available, 'Residual Mix Emission Rates' should be applied to electricity not purchased via contractual instruments (e.g. RECs) to avoid double counting of renewable energy attributes. Residual Mix factors are not published for Ontario, where H&R has purchased RECs. As such, the provincial factors have been used in place of Residual Mix factors for the purposes of this report.

## 3.1 Disclosures

The following table summarizes H&R's energy use for 2020. Energy consumption from all utility types has been converted from consumption units to equivalent kilowatt-hours (ekWh). H&R did not make any renewable energy purchases for 2020.

**Table 4: 2020 Energy Use by Asset Class and Utility Type**

Asset Class	Effective GLA (ft <sup>2</sup> )	Energy Use (ekWh)			
		Electricity	Natural Gas	Steam	Total
Office	9,967,476	149,940,993	87,464,064	2,703,165	240,108,222
Residential (Apartments)	7,088,212	7,764,404	68,272	0	7,832,676
Retail (Shopping Centres, Regional Malls)	7,074,400	51,779,429	39,231,178	0	91,010,607
Other Retail	3,783,193	12,715,965	8,903,300	0	21,619,265
Industrial	9,954,760	44,693,993	44,151,321	0	88,845,314
<b>Total</b>	<b>37,868,040</b>	<b>266,894,783</b>	<b>179,818,135</b>	<b>2,703,165</b>	<b>449,416,083</b>

Ref: GRI 302-1, 302-3, IF-RE-130a.2

The following table summarizes H&R's energy use intensity for 2020.

**Table 5: 2020 Energy Use Intensity by Asset Class and Utility Type**

Asset Class	Effective GLA (ft <sup>2</sup> )	Intensity (ekWh/ft <sup>2</sup> )			
		Electricity	Natural Gas	Steam	Total
Office	9,967,476	15.0	8.8	0.3	24.1
Residential (Apartments)	7,088,212	1.1	0.0	0.0	1.1
Retail (Shopping Centres, Regional Malls)	7,074,400	7.3	5.5	0.0	12.9
Other Retail	3,783,193	3.4	2.4	0.0	5.7
Industrial	9,954,760	4.5	4.4	0.0	8.9
<b>Total</b>	<b>37,868,040</b>	<b>7.0</b>	<b>4.7</b>	<b>0.1</b>	<b>11.9</b>

Ref: GRI 302-1, 302-3

## 3.1 Disclosures

The following table summarizes data coverage, i.e. the percentage floor area for which utility data is reported for each asset class. In cases where H&R reports landlord-paid utilities but does not have access to tenant-paid utility data, 'partial' data coverage is reported.

**Table 6: Energy Data Coverage by Asset Class**

Asset Class	Data Coverage (% of GLA)	
	H&R-paid accounts	Partial or Complete
Office	100.0%	85.3%
Residential (Apartments)	100.0%	80.6%
Retail (Shopping Centres, Regional Malls)	100.0%	73.0%
Other Retail	100.0%	45.4%
Industrial	100.0%	35.8%
<b>Total</b>	<b>100.0%</b>	<b>65.1%</b>

Ref: IF-RE-130a.1



## 3.1.1 Year-Over-Year Performance

H&R's like-for-like electricity use decreased by 9% in 2020 compared to 2019; equivalent to the electricity use of 2,920 single-family homes in Ontario<sup>7</sup>.



The following table summarizes the like-for-like percentage change in energy use and intensity for H&R's properties for which data was available for 2019 and 2020 (65% of the portfolio's GLA). Overall like-for-like electricity use decreased by 9% and overall utility use (all utility types) decreased by 8.4%. A primary reason for the significant decrease in energy use in 2020 is the reduced number of occupants in office and retail properties during the pandemic.

**Table 7: Like-for-like Percentage Change in Energy Use and Intensity by Asset Class**

Asset Class	Data Coverage - Partial	Effective GLA (ft <sup>2</sup> )	2019		2020		Difference
			Energy (ekWh)	Intensity (ekWh/ft <sup>2</sup> )	Energy (ekWh)	Intensity (ekWh/ft <sup>2</sup> )	
Office	85.3%	8,501,371	265,928,706	31.3	240,108,222	28.2	-9.7%
Residential (Apartments)	80.6%	6,401,683	8,829,656	1.4	7,832,676	1.2	-11.3%
Retail (Shopping Centres, Regional Malls)	73.0%	5,165,326	102,683,900	19.9	91,010,607	17.6	-11.4%
Other Retail	45.4%	1,905,844	23,232,915	12.2	21,619,265	11.3	-6.9%
Industrial	35.8%	4,510,547	90,166,009	20.0	88,845,314	19.7	-1.5%
<b>Total</b>	<b>65.1%</b>	<b>26,484,771</b>	<b>490,841,185</b>	<b>18.5</b>	<b>449,416,083</b>	<b>17.0</b>	<b>-8.4%</b>

Ref: IF-RE-130a.2

<sup>7</sup> OEB Report: Defining Ontario's Typical Electricity Customer (Ontario Energy Board, 2018)

## 3.2 Disclosure Notes – GRI

### 302-1 Energy consumption within the organization

- a. Total fuel consumption within the organization from **non-renewable sources**, in joules or multiples, and including fuel types used.
  - See Table 4; energy is reported in equivalent kilowatt hours (ekWh).
- b. Total fuel consumption within the organization from **renewable sources**, in joules or multiples, and including fuel types used.
  - There were no renewable fuel purchases/consumption in 2019 or 2020.
- c. In joules, watt-hours or multiples, the total:
  - i. electricity consumption
  - ii. heating consumption **Not applicable**
  - iii. cooling consumption
  - iv. steam consumption
    - See Table 4; energy is reported in equivalent kilowatt hours (ekWh).
- d. In joules, watt-hours or multiples, the total:
  - i. electricity sold
  - ii. heating sold
  - iii. cooling sold
  - iv. steam sold
    - There were no energy sales in 2019 or 2020.
- e. Total energy consumption within the organization, in joules or multiples.
  - See Table 4; energy is reported in equivalent kilowatt hours (ekWh).

- f. Standards, methodologies, assumptions, and/or calculation tools used.
  - See GRI 305-1/2/3 g.
- g. Source of the conversion factors used:
 

**The factors used to convert consumption units to ekWh are from the following sources:**

  - Natural gas: Natural Gas: A Primer (NRCan, 2015)
  - Steam: EPL Study for Enwave Corporation (EPL, 2021)
  - Enwave Deep Lake Water Cooling: EPL Study for Enwave Corporation (EPL, 2021)

### 302-3 Energy intensity

- a. Energy intensity ratio for the organization. – See Table 5.
- b. Organization-specific metric (the denominator) chosen to calculate the ratio.
  - Square feet of Gross Leasable Area (GLA) is the denominator for intensity calculations.
- c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.
  - Heating fuel, electricity, steam, and Deep Lake Water Cooling are reported where data is available to H&R. In some cases where utilities are billed to tenants, data is not available to H&R. These utilities are considered outside of H&R's control.
- d. Whether the ratio uses energy consumption within the organization, outside of it, or both.
  - Energy use within buildings owned by H&R is included in intensity figures.



## 3.3 Disclosure Notes – SASB

### IF-RE-130a.1.

Energy consumption data coverage as a percentage of total floor area, by property subsector.

- See Table 6.
- **Utility use is reported for 100% of H&R-paid utility accounts, with the exception of vacant-unit accounts that H&R pays intermittently. Additionally, utility use is reported for properties required to report to mandatory energy benchmarking programs, e.g. in Ontario and New York City.**
- **Complete data coverage is reported for properties where H&R pays the utility bills for the total energy use of a property, which is the case at most office properties, as for properties required to report to mandatory energy benchmarking programs.**
- **Partial data coverage is reported for properties where H&R pays the utility bills for base building consumption. This is the case for most residential and retail properties**
- **No data coverage is reported for properties where tenants pay all utility bills and are not required to report to mandatory energy benchmarking programs as data is proprietary to tenants.**

### IF-RE-130a.2.

- 1) Total energy consumed by portfolio area with data coverage,
  - See Table 7.
- 2) percentage grid electricity, and
  - See Table 7.
- 3) percentage renewable, by property subsector
  - See Table 7. **Renewable Energy Credits (RECs) were not purchased for 2020.**

### IF-RE-130a.3.

Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector.

- See Table 7. **Like-for-like savings are reported for properties with full or partial data coverage (whole building or base building coverage) for both 2019 and 2020: 65.1% of portfolio floor area.**



## 4.1 Disclosures

The following table summarizes H&R’s water use and data coverage for 2020.

**Table 8: 2020 Water Use and Data Coverage by Asset Class and Scope**

Asset Class	Effective GLA (ft <sup>2</sup> )	Water Use (m <sup>3</sup> )	Intensity (l/ft <sup>2</sup> )	Data Coverage	
				H&R-paid accounts	Partial or Complete
Office	9,967,476	376,733	37.8	100.0%	84.8%
Residential (Apartments)	7,088,212	1,035,567	146.1	100.0%	90.3%
Retail (Shopping Centres, Regional Malls)	7,074,400	230,013	32.5	100.0%	71.9%
Other Retail	3,783,193	75,708	20.0	100.0%	46.8%
Industrial	9,954,760	108,474	10.9	100.0%	45.3%
<b>Total</b>	<b>37,868,040</b>	<b>1,826,496</b>	<b>48.2</b>	<b>100.0%</b>	<b>69.2%</b>

Ref: GRE 303-3, IF-RE-140a



## 4.0 Water Use

### 4.1.1 Year-Over-Year Performance

**H&R'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>8</sup>.**

The following table summarizes the like-for-like percentage change in water use and intensity for H&R's properties for which data was available for 2019 and 2020 (69% of the portfolio's GLA). A primary reason for the significant decrease in water use in 2020 is the reduced number of occupants in office and retail properties during the pandemic.



**Table 9: Like-for-like Percentage Change in Water and Intensity by Asset Class**

Asset Class	Data Coverage - Partial	Effective GLA (ft <sup>2</sup> )	2019		2020		Difference
			Water Use (m <sup>3</sup> )	Intensity (l/ft <sup>2</sup> )	Water Use (m <sup>3</sup> )	Intensity (l/ft <sup>2</sup> )	
Office	84.8%	8,501,371	517,093	60.82	376,733	44.31	-27.1%
Residential (Apartments)	90.3%	6,401,683	1,015,230	158.59	1,035,567	161.76	2.0%
Retail (Shopping Centres, Regional Malls)	71.9%	5,165,326	302,424	58.55	230,013	44.53	-23.9%
Other Retail	46.8%	1,905,844	83,566	43.85	75,708	39.72	-9.4%
Industrial	45.3%	4,510,547	101,350	22.47	108,474	24.05	7.0%
<b>Total</b>	<b>69.2%</b>	<b>26,484,771</b>	<b>2,019,662</b>	<b>76.26</b>	<b>1,826,496</b>	<b>68.96</b>	<b>-9.6%</b>

Ref: IF-RE-140a.3

<sup>8</sup> How much water do I use at home each day? (U.S. Geological Survey)

## 4.2 Disclosure Notes – GRI

### 303-3 Water withdrawal

- a. Total **water withdrawal** from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:
  - i. Surface water;
  - ii. Groundwater;
  - iii. Seawater;
  - iv. Produced water;
  - v. Third-party water.
    - **See Table 8. Water is sourced from municipal suppliers (third-party water).**
- b. Total water withdrawal from all areas with **water stress** in megaliters, and a breakdown of this total by the following sources, if applicable:
  - **Not reported.**
- c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:
  - i. Freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids);
    - **See Table 8.**
  - ii. Other water ( $> 1,000$  mg/L Total Dissolved Solids).
    - **Not applicable.**
- d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.
  - **See GRI 305-1/2/3 g**

## 4.3 Disclosure Notes – SASB

### IF-RE-140a.1.

Water withdrawal data coverage as a percentage of:

- 1) total floor area
  - **See Table 8.**
  - **See Disclosure notes for IF-RE-130a.1.**
  - **In some cases, water use at Quebec properties is not reported as it is charged as part of property tax and is not metered by municipalities.**

### IF-RE-140a.2.

- 1) Total water withdrawn by portfolio area with data coverage
  - **See Table 8.**

### IF-RE-140a.3.

Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector

- **See Table 9. Like-for-like savings are reported for properties with full or partial data coverage (whole building or base building coverage) for both 2019 and 2020: 69.2% of portfolio floor area.**

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**SUPPLEMENT**



# SUSTAINABILITY REPORT 2020

Environmental **Social** Governance