



2022

SUSTAINABILITY SUPPLEMENT

GRI and SASB Indicators

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1.0 INTRODUCTION

H&R REIT (H&R) is publishing its fourth annual Corporate Responsibility (CR) report, reflecting 2022 performance.

Brightly Software Canada (Brightly) 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.

GHG emissions are reported using the 'Operational Control' approach, as defined by the GHG Protocol. Under the operational control approach, 100% of emissions are reported from operations in which H&R or one of its subsidiaries have operational control. Further details on the selected organizational boundaries and reporting scope can be found in Appendix - 2022 GHG Emissions Reporting Methodology.

1.1 CDP 2022 HIGHLIGHTS (2021 PERFORMANCE)

3

H&R REIT scored third among 12 Canadian REITs.

2.5%

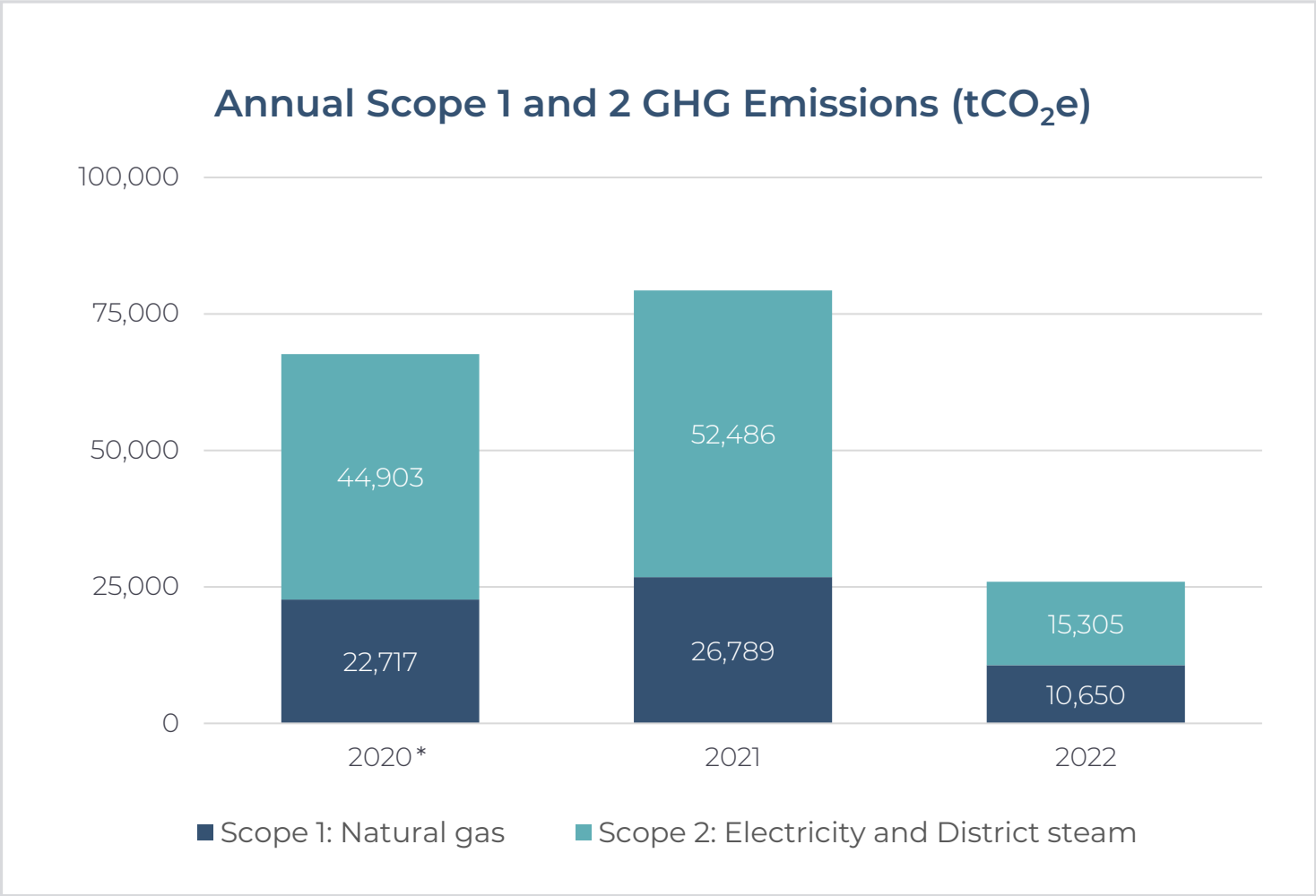
Reduction in total market- based emissions in 2021 vs. 2020 (CDP 2022 Reporting).

76%

Data coverage increased from 22% in 2018 (CDP 2019) to 67% in 2021 (CDP 2022) with coverage of 76% for 2022 (CDP 2023).

For the 2021 reporting period, H&R updated their reporting boundary to follow the 'Operational Control' approach, as defined by the GHG Protocol, to align with recent industry trends and the latest reporting guidance for real estate organizations. Prior to 2021, H&R reported their equity share of emissions under the financial control approach.

The figure shows 2021 vs. 2020 direct – natural gas combustion (Scope 1) emissions and indirect – electricity and district steam (Scope 2) Greenhouse Gas (GHG) emissions reported to CDP, along with values for the 2022 reporting period. Scope 1 and Scope 2 GHG emissions decreased between 2021 and 2022 due to the divestment of the Primaris portfolio, as well as four large office buildings located in Alberta and Ontario.



*Reported prior to the change in organizational boundary

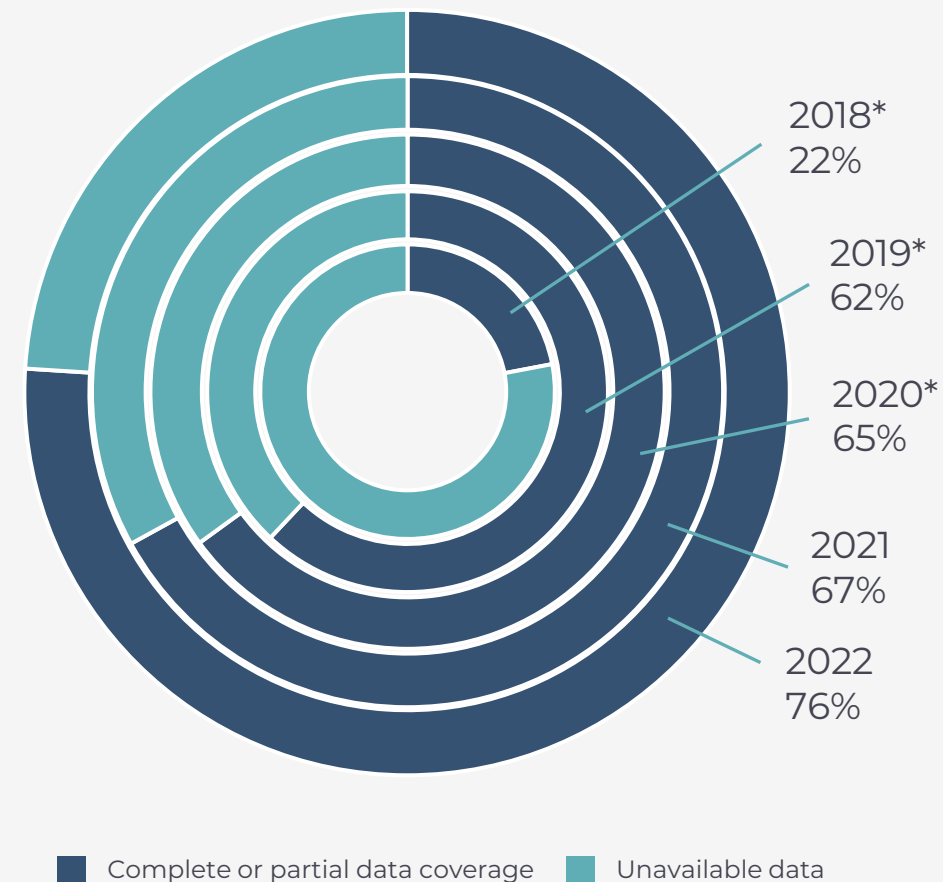
In 2021 H&R scored better than all but two of 12 Canadian REITs in 2022 CDP Reporting. To further illustrate progress, H&R achieved a 2.5% reduction in 2021 market-based emissions compared to 2020 (67% of the portfolio’s gross leasable area, “GLA”). Properties directly managed by H&R and tracked on H&R Utility Tracker¹ (approximately 21% of H&R’s portfolio by GLA) achieved a 4.9% reduction in market-based emissions (2021 vs. 2020).

In 2020, H&R expanded their reporting boundary to report utility consumption and emissions wherever H&R has control over utility use and/or has access to utility data. Since then, data coverage² has increased from 22% of 2018 usage (CDP 2019 Reporting) to 76% of 2022 usage (CDP 2023 Reporting).

The figure illustrates H&R REIT’s utility data coverage from 2018 to present.

Data coverage excludes H&R’s minority interest in ECHO Realty LP which consists of 237 properties as of November 30, 2022.

H&R REIT Utility Data Coverage



*Reported prior to the change in organizational boundary

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 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 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 2022, H&R has opted to report ‘using selected Standards with a GRI-referenced claim’.

1.3 SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) – DISCLOSURE APPROACH

The SASB was founded as a not-for-profit, independent standards-setting organization, and was consolidated into the International Sustainability Standards Board (ISSB), which develops sustainability disclosure standards focusing on the needs of investors and the financial markets.

SASB Standards help companies disclose relevant sustainability information to their investors. 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 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 28.8 million square feet as of December 31, 2022.

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 \$11.4 billion as of December 31, 2022.

1.4 DISCLOSURES – GRI, CONT'D

GRI 102-7 Scale of the organization

- i. Total number of employees: 487 (as of December 31, 2022)
- ii. Total number of operations: H&R's 2022 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 2022 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 2022 Annual Report, Management's Discussion and Analysis: Liabilities and Unitholders' Equity
- v. Quantity of products or services provided: H&R's 2022 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
CDP (formerly the Carbon Disclosure Project)
Global Real Estate Sustainability Benchmark (GRESB)

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 the period of January 1, 2022 to December 31, 2022. Scope 1 (direct – natural gas combustion from spaces managed by H&R), Scope 2 (indirect – electricity and district steam) and Scope 3 (indirect – water, waste, and tenant natural gas, tenant propane, and electricity from separately metered or submetered tenant-controlled areas) emissions are reported. Net market-based emissions account for the purchase of Carbon Offsets and use residual mix emission factors, where available, while location-based emissions do not.

Table 1: 2022 GHG Emissions by Asset Class and Scope

Asset Class	GHG Emissions (tCO ₂ e)						
	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Carbon Offsets	Total Location-based	Total Market-based
Office	7,966	10,894	10,894	7,762	-869	26,622	25,753
Residential (Apartments)	255	3,803	3,925	5,568	0	9,626	9,748
Retail (Shopping Centres, Regional Malls)	42	3	3	312	0	357	357
Other Retail	0	3	3	5,502	0	5,505	5,505
Industrial	2,387	602	602	33,705	0	36,694	36,694
TOTAL	10,650	15,305	15,427	52,849	-869	78,804	78,057

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

The following table summarizes H&R's emissions intensity for 2022.

Table 2: 2021 GHG Emissions Intensity by Asset Class and Scope

Asset Class	Effective GLA (sq.ft.)	Intensity (tCO ₂ e/1,000 ft ²)					
		Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Total Location-based	Total Market-based
Office	7,325,544	1.0	1.0	1.0	1.0	3.6	3.5
Residential (Apartments)	8,435,033	0.0	0.0	0.0	1.0	1.1	1.2
Retail (Shopping Centres, Regional Malls)	757,193	0.0	0.0	0.0	0.0	0.5	0.5
Other Retail	2,603,773	0.0	0.0	0.0	2.0	2.1	2.1
Industrial	14,664,794	0.0	0.0	0.0	2.0	2.5	2.5
TOTAL	33,786,337	0.3	0.5	0.5	1.6	2.3	2.3

Ref: GRI 305-4

The table below summarizes emissions by portfolio segment and scope.

Table 3: 2022 GHG Emissions by Portfolio Segment and Scope

Portfolio Segment	GHG Emissions (tCO ₂ e)						
	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Carbon Offsets	Total Location-based	Total Market-based
Canada	9,509	10,161	10,161	45,055	-869	64,725	63,856
US	1,141	5,144	5,266	7,794	0	14,079	14,201
TOTAL	10,650	15,305	15,427	52,849	-869	78,804	78,057

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

The table below summarizes scope 3 emissions by asset class and category.

Table 4: 2022 Scope 3 GHG Emissions by Asset Class and Category

Asset Class	Scope 3 GHG Emissions (tCO ₂ e)						
	*Category 13				*Category 4	*Category 5	Total
	Tenant Electricity	Tenant Gas	Tenant Propane	Tenant Total	Water	Waste	
Office	5,970	1,110	0	7,080	53	629	7,762
Residential (Apartments)	4,252	933	0	5,185	383	0	5,568
Retail (Shopping Centres, Regional Malls)	0	214	0	214	0	98	312
Other Retail	1,029	4,431	0	5,460	3	39	5,502
Industrial	7,613	25,826	182	33,621	22	62	33,705
TOTAL	18,864	32,514	182	51,560	461	828	52,849

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

*Category 13: Downstream Leased Assets | Category 4: Upstream Transportation and Distribution | Category 5: Waste Generated in Operations

2.1.1 YEAR-OVER-YEAR PERFORMANCE

The COVID-19 pandemic has had a significant impact on GHG emissions for office and retail buildings since early 2020. In 2022, both location-based and market-based emissions for office and retail properties increased across the portfolio relative to 2021, largely due to easing impacts of the pandemic.

The large increase in GHG emissions for the residential portfolio is due to the increasing energy consumption at a property developed in 2021, which had increasing occupancy through 2021-2022.

The following table summarizes the like-for-like percentage change in GHG emissions for H&R's properties for which data was available for 2021 and 2022 (75.7% of the portfolio's GLA).

Table 5: Like-for-like Percentage Change in GHG Emissions by Asset Class

Asset Class	Data Coverage – Partial	*2021 Emissions (tCO ₂ e)					2022 Emissions (tCO ₂ e)					Difference	
		Scope 1	Scope 2 Location-Based	Scope 2 Market-Based	Scope 3	Carbon Offsets	Scope 1	Scope 2 Location-Based	Scope 2 Market-Based	Scope 3	Carbon Offsets	Location-based	Market-based
Office	79.4%	7,285	10,328	10,328	7,381	-2,357	7,966	10,894	10,894	7,762	-869	6.5%	13.8%
Residential (Apartments)	96.3%	149	3,442	3,559	5,341	0	255	3,803	3,925	5,568	0	7.8%	7.7%
Retail (Shopping Centres, Regional Malls)	22.1%	29	3	3	315	0	42	3	3	312	0	2.7%	2.7%
Other Retail	77.2%	0	3	3	5,078	0	0	3	3	5,502	0	8.3%	8.3%
Industrial	64.6%	1,843	371	371	32,771	0	2,387	602	602	33,705	0	4.9%	4.9%
TOTAL	75.7%	9,306	14,147	14,264	50,886	-2,357	10,650	15,305	15,427	52,849	-869	6.0%	8.3%

Ref: IF-RE-130a.3

*2021 emissions are different from the 2021 emissions reported in the 2021 Sustainability Supplement due to base year recalculations outlined under section 2.2 (d).

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 CO₂ equivalent.
- Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.
 - Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
 - If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.
 - Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.
 - **See Table 1.**
 - **See Section 2 of Appendix - 2022 GHG Emissions Reporting Methodology for further details on the selected operational boundaries.**
 - **Carbon Offsets were purchased for green building certifications at 145 Wellington and 320 Front in 2022, totaling 869 tCO₂e.**
 - **Carbon Offsets were purchased for green building certifications at 145 Wellington, 320 Front, and 25 Sheppard Avenue West in 2021, totaling 2,357 tCO₂e.**
 - **No Renewable Energy Credits (RECs) were purchased for 2021 or 2022.**
 - **See Section 6 of Appendix - 2022 GHG Emissions Reporting Methodology for further detail on the application of Carbon Offsets and the Location-based vs. Market-based Approach.**

- b) Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
- **CO₂, CH₄ and N₂O are included in the reported emissions.**
- c) Biogenic CO₂ emissions in metric tons of CO₂ equivalent.
- **Not Applicable**
- d) Base year for the calculation, if applicable, including:
- **The base year for reporting is 2021.**
 - the rationale for choosing it;
 - **In order to provide a year-over-year performance comparison, 2021 has been selected as the base year.**
 - emissions in the base year;
 - **See table 5**
 - 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.
 - Adjustments for acquisitions / divestments are treated using the 'Same-year, Pro-rata'³ approach, meaning that buildings only owned for a portion of the reporting year (2022) are included in all historical years for the same period. Utility use, waste, emissions, and 'effective' gross leasable area are all adjusted proportionately for the period of ownership in 2022.

- For the 2021 reporting period, H&R updated their reporting boundary to follow the 'Operational Control' consolidation approach, where 100% of emissions are reported for activities under H&R's operational control. Previously, H&R reported an equity share of partially owned properties. Base year emissions have been re-calculated to reflect the updated organizational boundary.

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

- **See Section 9.0 of Appendix - 2022 GHG Emissions Reporting Methodology.**

f) Consolidation approach for emissions; whether equity share, financial control, or operational control.

- **See Section 2.0 of Appendix - 2022 GHG Emissions Reporting Methodology.**
- **GHG emissions for the 2021 and 2022 reporting year have been reported using the Operational Control approach.**

g) Standards, methodologies, assumptions, and/or calculation tools used.

- **Details on H&R's utility data source, utility data estimation, and scope 3 classification can be found in Appendix - 2022 GHG Emissions Reporting Methodology, Section 7.0, 8.0 and 3.1, respectively.**
- **The emissions calculation methodology follows the guidance of the following standards:**
 - **GHG Protocol – A Corporate Accounting and Reporting Standard, Revised Edition (World Resources Institute, 2004).**

- **Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard (World Resources Institute 2011).**
- **All calculations are completed using H&R Utility Tracker, an Energy Management Information System (EMIS) managed by Brightly Software, based on data available to Brightly as of July 04, 2023.**

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 CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.).

- **CO₂, CH₄ and N₂O 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.

2.3 DISCLOSURE NOTES – GRI, CONT'D

- 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 2022 and 2021: 75.7% of portfolio floor area.

3.0 ENERGY USE

3.1 DISCLOSURES

The following table summarizes H&R's energy use for 2022. Energy consumption from all utility types has been converted from consumption units to equivalent kilowatt-hours (ekWh).

Table 6: 2022 Energy Use by Asset Class and Utility Type

Asset Class	Effective GLA (sq.ft.)	Energy Use (ekWh)				
		Electricity	Natural Gas	Steam	Propane	Total
Office	7,325,544	94,094,368	48,287,217	3,167,201	0	145,548,786
Residential (Apartments)	8,455,033	25,380,828	6,513,449	0	0	31,894,277
Retail (Shopping Centres, Regional Malls)	757,193	108,222	1,376,057	0	0	1,484,279
Other Retail	2,603,773	20,763,517	23,737,199	0	0	44,500,716
Industrial	14,664,794	117,182,102	150,310,329	0	834,508	268,326,939
TOTAL	33,786,337	257,529,037	230,224,251	3,167,201	834,508	491,754,997

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

The following table summarizes H&R's energy use intensity for 2021.

Table 7: 2021 Energy Use Intensity by Asset Class and Utility Type

Asset Class	GLA (sq.ft.)	Intensity (ekWh/sq.ft.)				
		Electricity	Natural Gas	Steam	Propane	Total
Office	7,325,544	13.0	7.0	0.0	0.0	19.9
Residential (Apartments)	8,435,033	3.0	1.0	0.0	0.0	3.8
Retail (Shopping Centres, Regional Malls)	757,193	0.0	2.0	0.0	0.0	2.0
Other Retail	2,603,773	9.0	9.0	0.0	0.0	17.1
Industrial	14,664,794	8.0	10.0	0.0	0.0	18.3
TOTAL	33,786,337	7.6	6.8	0.1	0.0	14.6

Ref: GRI 302-1, 302-3

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-controlled utilities but does not have access to tenant utility data, ‘partial’ data coverage is reported.

Table 8: Energy Data Coverage by Asset Class

Asset Class	Data Coverage (% of GLA)		
	H&R Operational Control	Partial or Complete	Complete
Office	100.0%	79.4%	79.4%
Residential (Apartments)	100.0%	96.3%	15.9%
Retail (Shopping Centres, Regional Malls)	100.0%	22.1%	12.0%
Other Retail	100.0%	77.2%	72.1%
Industrial	100.0%	64.6%	64.6%
TOTAL	100.0%	75.7%	55.0%

Ref: IF-RE-130a.1

*H&R-paid utility accounts cover all areas of H&R-owned properties where H&R has operational control

The following table summarizes renewable energy purchases for 2022.

Table 9: Renewable Energy by Asset Class

Asset Class	Energy Use (ekWh)			% Renewable	% Grid
	Grid	Renewable Electricity	Total		
Office	145,548,785	0	145,548,785	0.0%	100.0%
Residential (Apartments)	31,894,277	0	31,894,277	0.0%	100.0%
Retail (Shopping Centres, Regional Malls)	1,484,279	0	1,484,279	0.0%	100.0%
Other Retail	44,500,716	0	44,500,716	0.0%	100.0%
Industrial	268,326,939	0	268,326,939	0.0%	100.0%
TOTAL	491,754,996	0	491,754,996	0.0%	100.0%

Ref: IF-RE-130a.2

3.1.1 YEAR-OVER-YEAR PERFORMANCE

The COVID-19 pandemic has had a significant impact on electricity consumption for office and retail buildings since early 2020. H&R's like-for-like electricity use decreased by 1.4 % in 2022 compared to 2021. Overall energy use (all utility types) increased by 2.7%. The large increase for the residential portfolio is due to the increasing energy consumption at a property developed in 2021, which had increasing occupancy through 2021-2022.

The following table summarizes the like-for-like percentage change in energy use and intensity for H&R's properties where data was available for 2021 and 2022 (75.7% of the portfolio's GLA).

Table 10: Like-for-like Percentage Change in Energy Use and Intensity by Asset Class

Asset Class	Data Coverage – Partial	Effective GLA (sq.ft.)	2021		2022		Difference
			Energy (ekWh)	Intensity (ekWh/sq.ft.)	Energy (ekWh)	Intensity (ekWh/sq.ft.)	
Office	79.4%	5,815,436	144,073,772	25.0	145,548,785	25.0	1.0%
Residential (Apartments)	96.3%	8,123,587	29,485,893	4.0	31,894,277	4.0	8.2%
Retail (Shopping Centres, Regional Malls)	22.1%	266,167	1,418,745	5.0	1,484,279	6.0	4.6%
Other Retail	77.2%	2,109,630	42,526,667	20.0	44,500,716	21.0	4.6%
Industrial	64.6%	11,661,698	261,312,404	22.0	268,326,939	23.0	2.7%
TOTAL	75.7%	27,976,518	478,817,481	17.1	491,754,996	17.6	2.7%

Ref: IF-RE-130a.3

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 9; 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.
- See Table 9; no Renewable Energy Credits were purchased for 2021 or 2022
- c) In joules, watt-hours or multiples, the total:
- electricity consumption
 - heating consumption
 - cooling consumption
 - steam consumption
- See Table 6; energy is reported in equivalent kilowatt hours (ekWh).
- d) In joules, watt-hours or multiples, the total:
- electricity sold
 - heating sold
 - cooling sold
 - steam sold
- There were no energy sales in 2021 or 2022.

- e) Total energy consumption within the organization, in joules or multiples.
- See Table 6; 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:
- See Section 9 of the Appendix – 2022 GHG Emissions Reporting Methodology.

302-3 Energy intensity

- a) Energy intensity ratio for the organization.
- See Table 7.
- 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 and steam 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 operational control, however H&R is making significant efforts to obtain tenant utility data to improve coverage of Scope 3 emissions.
- 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 8.
- See Section 7.0 of Appendix – 2022 GHG Emissions Reporting Methodology for details about utility data sources.
- Utility use is not reported for vacant-unit retail, residential or industrial accounts that H&R takes control of intermittently. Due to the short-term nature of H&R's control over these accounts, consumption is considered immaterial. For office properties, properties reporting to mandatory energy benchmarking programs, and properties where manual meter readings through Brightly's Meter Reader Mobile applications, consumption associated with vacant spaces is captured and reported within whole-building totals.
- Complete data coverage is reported for properties where H&R has control of the total energy use of a property, which is the case at most office properties, as well as for properties required to report to mandatory energy benchmarking programs.
- Partial data coverage is reported for properties where H&R has control over base building/common area consumption only. This is the case for most residential and retail properties.
- No data coverage is reported for properties where tenants have operational control 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 8.
- (2) percentage grid electricity, and,
 - See Table 9.
- (3) percentage renewable, by property subsector
 - See Table 9; no renewable energy credits were purchased for 2021 or 2022.

IF-RE-130a.3.

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

- See Table 10; like-for-like savings are reported for properties with full or partial data coverage (whole building or base building coverage) for both 2021 and 2022: 75.7% of portfolio floor area.

4.0 WATER USE

4.1 DISCLOSURES

The following table summarizes H&R's water use and data coverage for 2022.

Table 11: 2022 Water Use and Data Coverage by Asset Class

Asset Class	Effective GLA (sq.ft.)	Water Use (m ³)	Intensity (l/sq.ft.)	Data Coverage		
				H&R-paid accounts	Partial or Complete	Complete
Office	7,325,544	233,951	32.0	100.0%	79.4%	79.4%
Residential (Apartments)	8,435,033	1,149,814	136.0	100.0%	96.3%	72.6%
Retail (Shopping Centres, Regional Malls)	757,193	1,709	2.0	100.0%	13.0%	13.0%
Other Retail	2,603,773	83,621	32.0	100.0%	65.1%	59.7%
Industrial	14,664,794	463,353	32.0	100.0%	65.6%	65.6%
TOTAL	33,786,337	1,932,448	57.2	100.0%	75.0%	68.7%

Ref: GRI 303-3 IF-RE 140a

*H&R-paid water accounts cover all areas of H&R-owned properties where H&R has operational control

4.1.1 YEAR-OVER-YEAR PERFORMANCE

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 2021 and 2022 (75% of the portfolio's GLA). In 2022, water use was broadly similar to 2021 levels with variations based on asset class and region related to differing tenant types.

Table 12: Like-for-like Percentage Change in Water and Intensity by Asset Class

Asset Class	Data Coverage – Partial	Effective GLA (sq.ft.)	2021		2022		Difference
			Water Use (m³)	Intensity (l/sq.ft.)	Water Use (m³)	Intensity (l/sq.ft.)	
Office	79.4%	5,815,436	251,826	43.0	233,951	40.0	-7.1%
Residential (Apartments)	96.3%	8,123,587	1,235,894	152.0	1,149,814	142.0	-7.0%
Retail (Shopping Centres, Regional Malls)	13.0%	266,167	1,613	6.0	1,709	6.0	6.0%
Other Retail	65.1%	2,109,630	117,667	56.0	83,621	40.0	-28.9%
Industrial	65.6%	11,661,698	436,071	37.0	463,353	40.0	6.3
TOTAL	75.0%	27,976,518	2,043,071	73.0	1,932,448	69.1	-5.4%

Ref: IF-RE-140a.3

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 11; 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 11.
 - 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 11.
 - See Disclosure notes for IF-RE-130a.1.
 - See Section 5.1 of Appendix – 2022 GHG Emissions Reporting Methodology for Details on water consumption reporting.

IF-RE-140a.2.

- (1) Total water withdrawn by portfolio area with data coverage
- See Table 11.

IF-RE-140a.3.

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

- See Table 12; like-for-like saving are reported for office and residential properties. Increases in water use are reported for retail and industrial properties. Properties included in the report accounts for full or partial data coverage (whole building or base building coverage) for both 2021 and 2022: 75% of portfolio floor area.

5.0 WASTE DATA

5.1 DISCLOSURES

The following table summarizes waste generation at properties owned by H&R.

Table 13: 2022 Waste Generation by Scope

Asset Class	Effective GLA (sq.ft.)	Hazardous Waste (tonne)	Non-Hazardous Waste (tonne)	Intensity (kg/1000sq.ft.)
Office	4,481,793	0	308	68.7
Residential (Apartments)	0	0	0	0.0
Retail (Shopping Centres, Regional Malls)	76,980	0	47	610.5
Other Retail	217,328	0	19	87.4
Industrial	507,148	0	30	59.2
TOTAL	5,283,249	0	404	76.5

Ref: GRI 306-3

Disclosure Notes – GRI

306-3 Waste generated

- a) Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
 - See Table 13.
- b) Contextual information necessary to understand the data and how the data has been compiled.
 - See Section 5.2 of Appendix – 2022 GHG Emissions Reporting for details on the waste generation data collection and reporting.

A large white wind turbine stands on a grassy hill in the foreground. The background features rolling green hills and distant, rugged mountains under a blue sky with scattered clouds. The entire image has a dark blue overlay.

APPENDIX

2022 GHG EMISSIONS REPORTING METHODOLOGY

1.0 Background

H&R tracks utility use across their portfolio, including office, retail, residential and industrial assets.

Brightly has been engaged by H&R to inventory and summarize energy use, water use, waste generation, and GHG emissions for their portfolio.

This document summarizes the methodology used to calculate the greenhouse gas (GHG) emissions reported by H&R for the 2022 emission reporting year (January 1, 2022 – December 31, 2022). There are 184 H&R-owned properties included in the report, 17 of which are tracked on H&R Utility Tracker. 126 properties are not tracked on H&R Utility Tracker but utility data is available on an annual basis for reporting. The remaining 41 properties are not tracked by Brightly, and utility data is unavailable for reporting. Emissions for the not tracked properties have not been estimated.

2.0 Organizational Boundaries

Organizational boundaries define the approach to determining ownership or control over the energy and emissions reported for the property portfolio.

The operational control approach has been selected for the purposes of reporting H&R's emissions, defined as follows in the GHG Protocol:

A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.... Under the operational control approach, a company accounts for 100% of emissions from operations over which it or one of its subsidiaries has operational control.

Under this approach, H&R reports emissions for properties and operations where H&R or their agents, i.e., the property managers, are responsible for managing utility consumption. In cases where H&R has partial ownership of a property where it is deemed to have operational control, emissions are reported for the entire property/operation.

2.1 Determining Responsibility for Emissions

Per the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for reporting emissions from leased assets, the responsibility for emissions associated with leased assets depends on the economic substance of the lease (capital or operating) and the choice of organizational boundary approach (financial control, equity share, or operational control). Under the operational control approach, emissions associated with an operating lease are categorized as follows:

Lessor does not have operational control, therefore emissions associated with fuel combustion and use of purchased electricity are scope 3 (Downstream leased assets).

Some companies may be able to demonstrate that they do have operational control over an asset leased to another company under an operating lease, especially when operational control is not perceived by the lessee.

2.1 Continued

In this case, the lessor may report emissions from fuel combustion as scope 1 and emissions from the use of purchased electricity as scope 2 as long as the decision is disclosed and justified in the public report.

For the purposes of H&R's emissions reporting, where tenant-controlled utility data is available, the associated emissions are reported under Scope 3. Scope classification of emissions under H&R's operational control are generally treated as follows:

Office

- Fuel, steam and electricity use (not submetered) is reported under Scope 1/2, unless the usage of tenant-controlled spaces can be explicitly dissociated from emissions of other areas (e.g., via submetering).
- Where tenant submetering exists, electricity use is reported as Scope 3.
- Where whole-building data is available through mandatory energy benchmarking programs, the portion of consumption that relates to tenant in-suite use is separated and reported under Scope 3.

Residential

- Fuel and electricity use associated with base-building consumption and common areas managed by H&R is reported under Scope 1/2.

- Directly metered in-suite tenant use (e.g., fuels and electricity billed directly to tenants) is considered Scope 3.

Enclosed Retail

- Fuel and electricity use associated with base-building consumption and common areas managed by H&R is reported as Scope 1/2.
- Directly metered in-suite tenant use (e.g., fuels and electricity billed directly to tenants) is considered Scope 3.
- Where whole-building data is available through mandatory energy benchmarking programs, the portion of consumption that relates to tenant in-suite use is separated and reported under Scope 3.

Other Retail & Industrial

- Fuel and electricity use associated with common areas and exterior lighting managed by H&R is reported as Scope 1/2.
- Directly metered in-suite tenant use (e.g., fuels and electricity billed directly to tenants) is considered Scope 3.
- Where whole-building data is available through mandatory energy benchmarking programs, the portion of consumption that relates to tenant in-suite use is separated and reported under Scope 3.



3.0 Operational Boundaries

Operational boundaries define the parts of the operation, or 'activities', for which emissions will be reported. Emissions are reported for energy consumed across H&R's portfolio in Canada and the United States. Scope 1, 2 and 3 emissions resulting from the operation of properties are reported.

3.1 Scope 1 Emissions

Scope 1 emissions are direct emissions that originate at H&R's properties. These include natural gas combustion for space heating, water heating and, in some cases, cooking.

3.2 Scope 2 Emissions

Scope 2 emissions are indirect emissions from purchased electricity and steam that is consumed at properties but generated elsewhere.

3.3 Scope 3 Emissions

Scope 3 emissions are reported for three categories of Scope 3 emissions, as defined by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard⁴:

- Category 4 (upstream transportation and distribution) emissions related to water use,
- Category 5 (waste generated in operations),
- Category 13 (downstream leased assets) for separately metered or submetered tenant-controlled areas where H&R does not have operational control.

3.4 Exclusions

Of the relevant emissions applicable to H&R's property portfolio, fugitive emissions from refrigerants, diesel fuel used for back-up generation, and gasoline for fleet vehicle use are excluded.

Scope 3 emissions from purchased goods and services, life-cycle fuel- and energy-related activities (including SF6 emissions from electricity transmission infrastructure), upstream transportation and distribution of purchased products (apart from water), and downstream wastewater treatment are not reported as reliable data cannot currently be obtained.

Properties under development/redevelopment in the reporting year are excluded. Emissions for 41 properties in the portfolio are not tracked and not included in calculations.

H&R holds a 33.1% interest in ECHO Realty LP, a privately held real estate and development company. Emissions from utility consumption in ECHO's properties are excluded as H&R does not have operational control over their properties.

4.0 Comparison to Historical Years

For comparative purposes, H&R reports GHG emissions relative to the previous year. For this report, the Base Year will be 2021.

4.1 Base Year Recalculation Policy

Energy and emissions are recalculated for the Base Year and each historical year, in keeping with the GHG Protocol, to account for the following factors:

1. Property acquisitions and divestments by H&R.
2. Properties or accounts owned in the base year, but previously excluded from scope.
3. Corrections to historical data based on availability of more accurate information.
4. Updates to published emissions factors.
5. Changes to reporting methodology.

In cases where historical data is not available, historical consumption is estimated based on the best data available. The base year is not recalculated to account for new property developments or demolitions. Adjustments for acquisitions / divestments are treated using the 'Same-year, Pro-rata'⁵ approach, meaning that buildings only owned for a portion of the reporting year (2022) are included in all historical years for the same period.



5. Base year recalculation methodologies for structural changes - Appendix E to the GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition (World Resources Institute, 2005)

Utility use, waste, emissions, and 'effective' gross leasable area are all adjusted proportionately for the period of ownership in 2022.

4.2 Treatment of Scope 2 Emission Factors In Historical Years

Canada

Electricity emission factors vary over time as the generation mix throughout Canada changes. Environment Canada publishes a 'National Inventory Report' (NIR) each year. The 2022 NIR, used in the preparation of this emission report, contains annual electricity emission factors reflecting the electricity generation mix in each year from 2000 - 2020.

Since the emission factor based on 2020 electricity generation mix is the most recent available data in the 2022 NIR, it was used to report emissions for the period of 2021 and 2022.

USA

The US Environmental Protection Agency (EPA) periodically publishes the Emissions & Generation Resource Integrated Database (eGRID), specifying electricity emission factors. The 2020 values from eGRID2020, published in 2022, are used to report 2021 and 2022 emissions. Residual mix data from Green-e is used for market-based reporting.

5.0 Treatment of Water and Waste

5.1 Water Consumption

Water consumption is reported using the same application of organizational boundaries (Section 2.0) and base year recalculation approach (Section 4.1) used for reporting energy consumption and emissions. 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.

5.2 Waste Generation

H&R has provided waste hauler reports or invoices detailing waste weights at properties where direct access to this information is available. Emissions are reported for waste sent to landfill according to the GHG Protocol. No emissions are reported for materials sent to recycled, composting, or waste-to-energy facilities. The data collected and provided by H&R was reported as received, with missing months estimated based on available data from the applicable property.

6.0 Renewable Energy Credits and Carbon Offsets

Renewable Energy Credits (RECs) and Carbon Offsets are two distinct mechanisms used to reduce GHG emissions. This section details how each is handled with respect to emission reporting.

6.1 Renewable Energy Credits

RECs represent the rights to the environmental benefits from generating electricity from renewable sources. RECs have been purchased for some properties in the H&R portfolio in historical years. For example, RECs were purchased in 2021 for Park Place, which was divested in December 2021. No REC purchases were made affecting 2021 or 2022 emissions for reporting year 2022. To be consistent with historical reporting, emissions are reported using both the Location-Based and the Market-based Approach, as discussed below.

Market-based Approach vs. Location-based Approach

In January 2015, the World Resource Institute published the GHG Protocol Scope 2 Guidance⁶, defining two approaches to emission reporting and specifying that emissions should be reported using both approaches (dual reporting), effective as of the 2015 reporting year.

- The location-based approach reflects the average emissions intensity of grids on which energy consumption occurs and does not account for REC purchases or any other contractual instruments.
- The market-based approach reflects the emissions from electricity that H&R properties have chosen to purchase via contractual instruments. This approach does account for REC purchases. Where available, residual mix emission factors are used to report Scope 2 emissions at properties which did not procure renewable energy via RECs.

6.1 Continued

In light of this guidance, both location- based and market- based emissions are reported for H&R's portfolio. Base Year and historical year market-based emissions have been calculated based on the GHG Scope 2 Guidance, as per the Base Year Recalculation Policy detailed in Section 4.1.

Market-based emissions calculations

Market-based emissions are calculated as follows, in accordance to the GHG Protocol Scope 2 Guidance:

1. Electricity consumption at a property for which RECs are purchased is reported as having zero emissions, given that all RECs reported are from 100% renewable generation sources. Note: no H&R properties purchased RECs in 2021 or 2022.
2. For all other electricity consumed at a property, emissions are calculated using the appropriate regional emission factor. Residual-mix emission factors are used where available⁷. Please note: the residual-mix emission factors for the United States are higher than the corresponding location-based emission factors.

6.2 Carbon Offsets

Carbon Offsets, or Verified Emissions Reductions, are direct reductions in GHG emissions that can be purchased to 'offset' property emissions. Unlike RECs, Carbon Offsets are purchased in units of 'tons of CO₂ equivalent' (tCO₂e) and are not related to electricity purchased or consumed at a property. Offsets are subtracted from the total emissions to report net emissions. Carbon offsets were purchased and retired as part of green building certifications at 145 Wellington and 320 Front in 2022, and as part of green building certifications at 145 Wellington, 320 Front, and 25 Sheppard Avenue West in 2021.

7.0 Utility Data Sources

The primary activity data for calculation of GHG emissions for H&R's real estate portfolio is building utility consumption, i.e. heating fuel (natural gas or propane), electricity, and water use. Reported utility data is retrieved in one of three ways:

1. Utility consumption (heating fuel, electricity, and water) billed by utility vendors. Utility consumption is retrieved directly from utility bills or from utility vendor data portals. Generally, utility bill data availability is limited to landlord-paid utility accounts however H&R was able to obtain utility bill copies for some tenant-paid utility accounts as well.
2. Manual meter readings through Brightly's Meter Reader Mobile (MRM) application. Periodic meter readings for utility accounts not paid by H&R are made using the MRM application, supported by a timestamped photograph of the meter.
3. Aggregated whole-building utility consumption data made available through a mandatory or voluntary government benchmarking program, received directly from the utility vendor or a government agency.

8.0 Utility Data Estimation and Data Quality

Where building utility data has not been retrieved by one of the sources described in section 7.0, it is be estimated. Details on the methodology used to estimate data are outlined below

8.1 Missing Utility Bills

Best efforts are made to collect actual utility consumption from utility bills or utility meters for all properties/accounts. Where verifiable utility data is not available, 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.

8.2 Incomplete MRM Reading Data

With manual meter readings, Brightly can calculate consumption starting from the first uploaded meter reading through until the latest meter reading uploaded. If the first meter reading available was after the beginning of the reporting period, or the latest meter reading was before the end of 2022, some data must be estimated. Consumption is estimated based on a seasonally weighted average of historical consumption.



8.3 Missing Waste Data

H&R started compiling and reporting on waste data for properties wherever H&R manages waste collection and was able to access diversion reports in 2022. Waste data is estimated at properties where waste is tracked but partial data is missing within the reporting period. Missing data is calculated based on an average of available data.

9.0 Emission Factors, Global Warming Potential, And Conversion Factor

The following sections detail the emission factors used for Canada and the US along with the source for each factor, the source for Global Warming Potential rates, as well as the sources for conversion factors used. The NIR and eGRID sources used are the latest available as at the end of the reporting period (December 31, 2022).

9.1 Canada

Emission factors for electricity, natural gas, and propane are sourced from Environment and Climate Change Canada's National Inventory Report. The factors used are 2020 values from Canada's National Inventory Report 1990 – 2020: Greenhouse Gas Sources and Sinks in Canada, published in 2022.

The emission factors applied for water are based on the electricity emission factors from the source above, along with assumed energy intensities of upstream pumping and treatment of water from Maas (2009)⁸.

Emission factors for steam are obtained from the supplier.

Where available, emission factors for steam are obtained from the supplier. Otherwise, the emission factor for Canadian Steam is obtained from ENERGY STAR Portfolio Manager's Technical Reference for Greenhouse Gas Emissions.

The emission factors for waste are sourced from the region-specific data from National Inventory Report 1990-2018: Greenhouse Gas Sources and Sinks in Canada (Environment and Climate Change Canada, 2020). The methodology is based on 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 5: Waste (IPCC, 2006).

The following table summarizes the emissions factors used in calculations.

9.1 Continued

The following table summarizes the emissions factors and the sources for each province.

Emission Factors - Canada

Province	Electricity	Natural Gas	Propane	Water	Steam	Landfilled Waste
	gCO ₂ e/kWh	gCO ₂ e/m ³	gCO ₂ e/L	gCO ₂ e/m ³	gCO ₂ e/lb	gCO ₂ e/kg
AB	590.0	1973.4	-	752.8	-	2210.8
BC	7.3	1977.4	-	9.3	-	1821.7
MB	1.1	1926.4	-	1.4	-	-
NS	670.0	-	-	854.9	-	1467.0
ON	25.0	1932.4	-	31.9	76.6	2055.0
QC	1.5	1937.4	1547.8	1.9	-	2100.0

9.2 US

Electricity emission factors are regionally specific. The US Environmental Protection Agency (EPA) periodically publishes the Emissions & Generation Resource Integrated Database (eGRID). eGRID assigns electricity emission factors to 'eGRID subregions', based on the generation resource mix. The factors used for reporting are the 2020 values from eGRID2020, published in 2022.

Emission factors for water are region specific as well, since they are partially based on the pumping energy used to deliver water to the properties. The emission factors applied to water are based on eGRID electricity emission factors along with assumed energy intensities of upstream pumping and treatment of water, from the following sources.

- Energy consumption for water use cycles in different countries: A review. Applied Energy 178 (Wakeel et al., 2016)
- Greenhouse Gas and Energy Co-Benefits of Water Conservation (Maas, 2009)

Emission factors applied for natural gas, in the United States, are sourced from AP 42, Fifth Edition, Volume I, Chapter 14: Natural Gas Combustion.

9.2 Continued

The following table summarizes emission factors used in calculations.

2021 – 2022 Emission Factors - US

dGRID Region	Electricity Location-Based	Electricity Market-Based	Natural Gas	Water
	gCO ₂ e/kWh	gCO ₂ e/kWh	gCO ₂ e/m ³	gCO ₂ e/m ³
AZNM	385.6	386.4	1931.4	370.2
CAMX	233.8	239.3	1931.4	1250.9
ERCT	372.9	412.4	1931.4	358.0
FRCC	380.2	382.5	1931.4	365.0
NYCW	288.5	288.5	1931.4	276.9
RMPA	5224	533.1	1931.4	501.5
SRVC	284.1	285.9	1931.4	272.7

9.3 Global Warming Potential

The source of Global Warming Potentials is the IPCC's Fourth Assessment Report—Errata (IPCC 2012). The 4th Assessment Report has been used for consistency with the Canada's National Inventory Report 1990 – 2020: Greenhouse Gas Sources and Sinks in Canada.

9.4 Conversion Factor

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, 2022)
- Enwave Deep Lake Water Cooling: EPL Study for Enwave Corporation (EPL, 2022)



10.0 Glossary of Terms

Base Year	the earliest year selected for inclusion in reporting for comparative purposes, as per Section 4.0 of the Appendix.
Effective GLA	gross leasable area, prorated for the period of ownership in the reporting year. Note that for GRESB/SASB reporting, the GLA is not prorated, as per GRESB reporting rules.
kWh	kilowatt-hours of electricity
ekWh	equivalent kilowatt-hours (all energy types)
ekWh/ft ²	equivalent kilowatt-hours per square foot of Effective GLA
GHG	greenhouse gases, for the purposes of this report: CO ₂ , CH ₄ , N ₂ O
CO ₂ e	carbon dioxide equivalent
gCO ₂ e	grams of carbon dioxide equivalent
tCO ₂ e	metric tons of carbon dioxide equivalent
tCO ₂ e /1,000ft ²	metric tons of carbon dioxide equivalent per 1,000 square feet of Effective GL

INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT



To Management of H&R REIT LP ('H&R REIT' or the 'Entity'),

We have undertaken a limited assurance engagement on selected indicators of H&R REIT, included in H&R REIT's 2022 Sustainability Supplement (the "Report") ("subject matter information") and as described below, for the year-ended December 31, 2022.

Subject Matter Information	Results	Applicable Criteria
Scope 1 Greenhouse Gas (GHG) Emissions	10,650 tCO ₂ e	<p>Internally developed measurement methods based on:</p> <ul style="list-style-type: none"> • The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) • The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard • The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard • The Standards can be found online.
Scope 2 Location-based GHG Emissions	15,305 tCO ₂ e	
Scope 2 Market-based GHG Emissions	15,427 tCO ₂ e	
Scope 3 GHG Emissions - Category 4 Upstream transportation and distribution	461 tCO ₂ e	
Scope 3 GHG Emissions - Category 5 Waste generated in operations	828 tCO ₂ e	
Scope 3 GHG Emissions - Category 13 Downstream leased assets	51,560 tCO ₂ e	
Carbon offsets	869 tCO ₂ e	H&R REIT's own internal definitions and guidelines

INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT



Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria (the "applicable criteria").

There are no mandatory requirements for the preparation or presentation of the subject matter information. As such, the Entity has applied the applicable criteria, which is presented on pages 30 to 42 of the Report. Management is responsible for the development of such criteria.

Management is responsible for determining the appropriateness of the use of the applicable criteria.

Management is also responsible for determining the Entity's objectives in respect of sustainability performance and reporting, including the identification of stakeholders and material issues.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

PRACTITIONER'S RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the subject matter information based on evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information and CSAE 3410, Assurance Engagements on Greenhouse Gas Statements. These standards require that we plan and perform our engagement to obtain limited assurance about whether based on the procedures performed and evidence obtained, any matter(s) has come to our attention to cause us to believe that the subject matter information is materially misstated.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, it is not a guarantee that a limited assurance engagement conducted in accordance with this standard will always detect a matter that causes the practitioner to believe that the subject matter information is materially misstated.

INDEPENDENT PRACTITIONERS' LIMITED

ASSURANCE REPORT



PRACTITIONER'S RESPONSIBILITIES, CONT'D.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

Our engagement included: assessing the appropriateness of the subject matter information, the suitability of the criteria used by the Entity in preparing the subject matter information in the circumstances of the engagement and evaluating the appropriateness of the: methods, policies and procedures, and models used in the preparation of the subject matter information and the reasonableness of estimates made by the Entity.

Our engagement included, amongst others, the following procedures: making inquiries, primarily of persons responsible for the preparation of performance information for the subject matter information, and applying analytical and other evidence gathering procedures, as appropriate.

The engagement was conducted by a multidisciplinary team which included professionals with suitable skills and experience in both assurance and in the applicable subject matter, including environmental, social and governance aspects.

PRACTITIONER'S INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

INDEPENDENT PRACTITIONERS' LIMITED ASSURANCE REPORT



SIGNIFICANT INHERENT LIMITATIONS

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time, and it is important to read the Entity's reporting methodology available within the Report.

CONCLUSION

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the Entity's subject matter information for the year-ended, December 31, 2022, is not prepared and presented, in all material respects, in accordance with the applicable criteria.

SPECIFIC PURPOSE OF SUBJECT MATTER INFORMATION

The subject matter information has been prepared and presented in accordance with the applicable criteria and as a result may not be suitable for another purpose.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

October 11, 2023



GROWING IN SUSTAINABILITY