HR REIT

2025

SUSTAINABILITY SUPPLEMENT

GRI and SASB Indicators

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1.0 INTRODUCTION

H&R REIT ("H&R") is publishing its eighth annual Corporate Responsibility (CR) report, reflecting 2025 performance.

H&R reports on select Global Reporting Initiative (GRI) indicators and Sustainability Accounting Standards Board (SASB) indicators. H&R also started reporting to GRESB in 2020, presenting their ESG performance for 2019 onward.

Brightly Software Canada (Brightly) tracked and reported on utility use and emissions for the majority of H&R's office properties between 2013 and 2025. In 2026, H&R has implemented Measurabl as its Energy Management Information System (EMIS) provider.

Greenhouse Gas (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. Utility consumption and GHG emissions have been restated for 2019 and 2024. Further details on the selected organizational boundaries, reporting scope, and historical year data restatements are outlined in the Appendix - 2025 GHG Emissions Reporting Methodology.

1.1 PERFORMANCE HIGHLIGHTS

1.9%

Reduction in market-based GHG emissions in 2025 vs. 2019 base year.

1.3%

Like-for-like reduction in water use from 2024-2025.

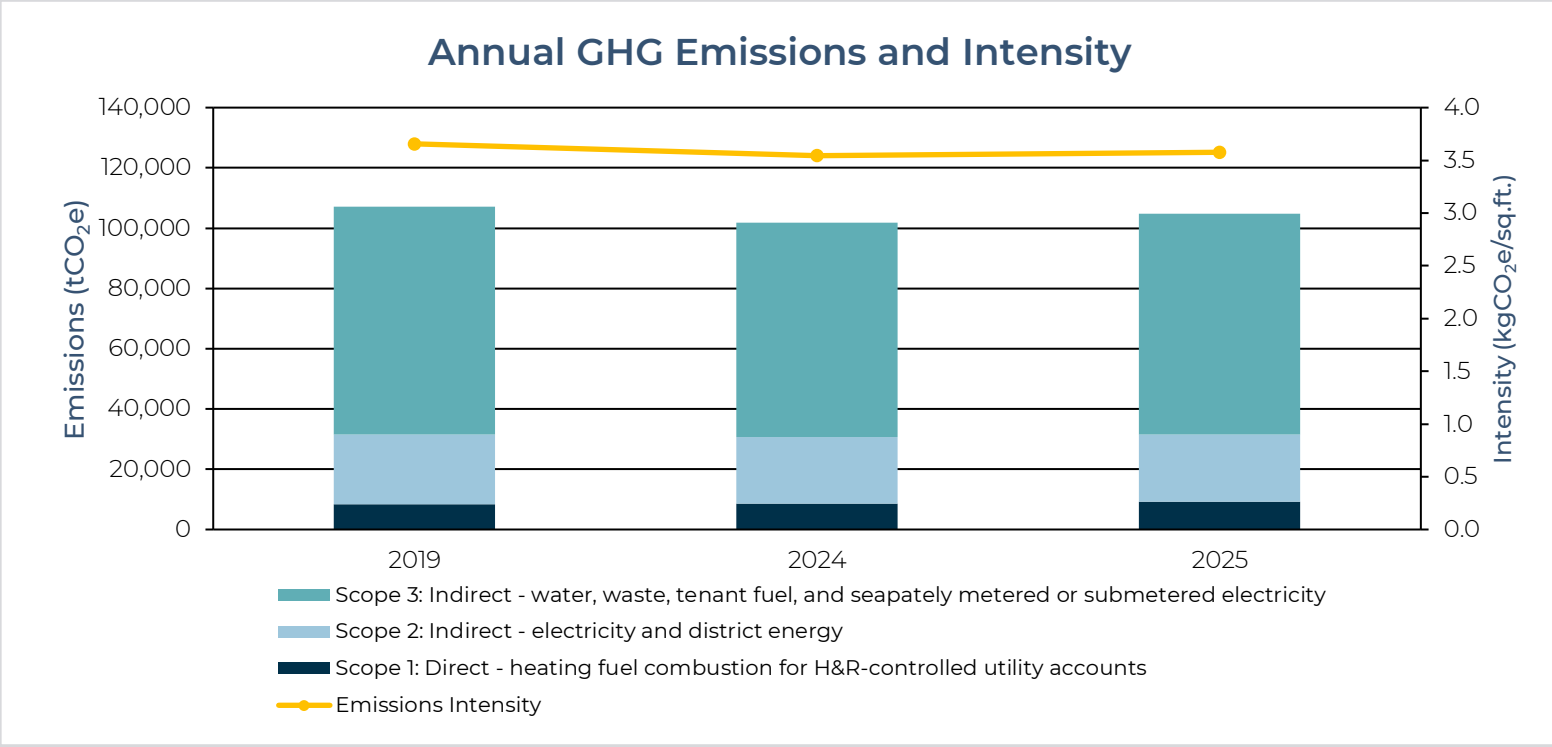
97.2%

Energy data coverage increased from 62% in 2019 to 97% in 2025.

1.0 INTRODUCTION

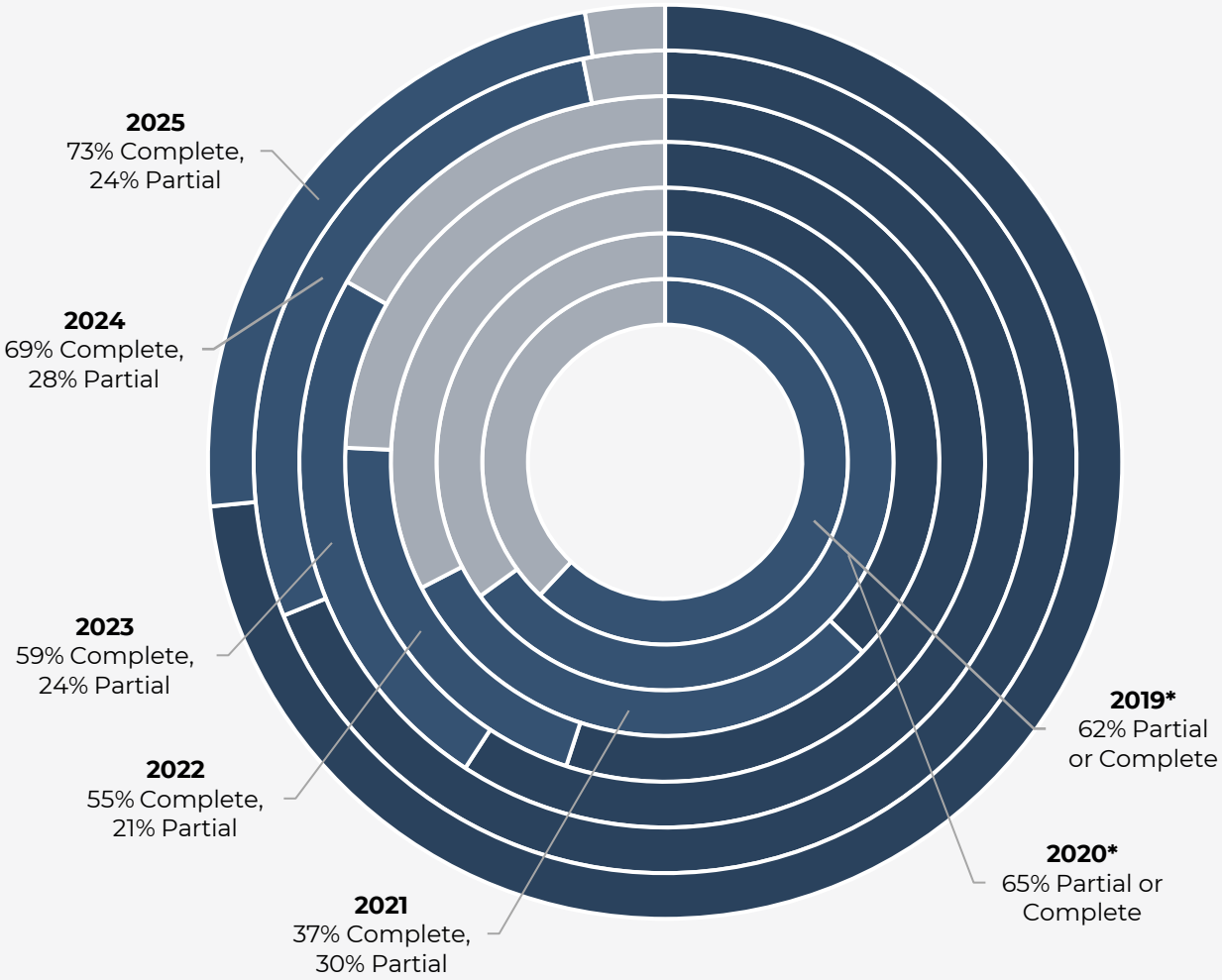
1.1.1 TOTAL ANNUAL GREENHOUSE GAS (GHG) EMISSIONS AND GHG INTENSITY

H&R reports greenhouse gas (GHG) emissions compared to a fixed base year of 2019, which is the first year H&R expanded its GHG inventory coverage to include retail, industrial, and residential properties in addition to major commercial office properties. The figure below illustrates H&R's annual GHG emissions in 2019, 2024, and 2025. 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, tenant natural gas, tenant propane, and electricity from separately metered or submetered tenant-controlled areas) emissions are included. A 1.9% reduction in market-based GHG emissions was achieved in 2025 in comparison to the base year.



The figure to the right illustrates H&R's expansion of energy data coverage from 2019 reporting to present. Since 2019, data coverage (partial or complete)[1] has increased from 62% of portfolio GLA to 97.2% of portfolio GLA in 2025, and the proportion of portfolio GLA with complete energy data coverage (all landlord and tenant-controlled energy) has increased from 37.2% in 2021 to 73.4% in 2025.

H&R Energy Data Coverage



*Reported prior to change in organizational boundary. See disclosure notes 2.2 (d) (iii) on p 16.

1. Complete or partial, as per SASB. SASB standard describes that "Floor area is considered to have complete energy consumption data coverage when the entity obtains energy consumption data (for example, energy types and amounts consumed) for all types of energy consumed in the relevant floor area during the reporting period, regardless of when such data was obtained.".

1.1.2 CDP

H&R did not participate in CDP reporting in 2025. In 2024 CDP reporting, H&R received a C score, matching the global, North America regional, and Activity Group averages. This reflects disclosure practices and engagement in climate-related reporting in line with industry peers.

1.1.3 GRESB

H&R continues to build its ESG program each year, and targets GRESB performance improvement through strengthening internal processes and policies and expanding reporting data coverage. In the 2025 submission, H&R performed in line with peers in Reporting, Energy, and GHG categories, and ahead of peers in Water and Building Certifications categories.

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.

For 2025, H&R is reporting using selected Standards with a GRI-refenced 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 has ownership interests in a North American portfolio comprised of high-quality residential, industrial, office and retail properties totaling approximately 21.2 million square feet as at December 31, 2025.

GRI 102-3 Location of headquarters:

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

1.4 DISCLOSURES – GRI

GRI 102-5 Ownership and legal form:

H&R REIT (TSX: HR.UN) is one of Canada's largest real estate investment trusts with total assets of approximately $9.1 billion as of December 31, 2025.

GRI 102-7 Scale of the organization:

i. Total number of employees: 432 (as of December 31, 2025)

ii. Total number of operations: H&R's 2025 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 2025 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 2025 Annual Report, Management's Discussion and Analysis: Liabilities and Unitholders' Equity

v. Quantity of products or services provided: H&R's 2025 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) (until 2024)

GRESB (formerly the Global Real Estate Sustainability Benchmark)

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 presents GHG emissions for 2019, 2024 and 2025. Net market-based emissions account for the purchase of Renewable Energy Credits (RECs), Carbon Offsets and use residual mix emission factors, where available, while location-based emissions do not. Emissions data for the historical years has been restated according to the policy outlined in Section 4.0 of Appendix - 2025 GHG Emissions Reporting Methodology.

Table 1: GHG Emissions for 2025 and Restated Historical Years by Scope

Year	Emissions (tCO_2e)						Emissions Intensity ($kgCO_2e$/sq.ft.)
	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Total Location-based	Net Market-based	Location-Based
Base Year 2019	8,724	23,247	23,357	75,689	107,220	107,330	3.66
2024	8,624	21,963	22,284	71,332	101,929	102,250	3.54
2025	9,264	22,304	22,694	73,296	104,864	105,254	3.58
Change (2025 vs. 2024)	640	341	410	1,965	2,945	3,015	0.03
% Change	**7.4%**	**1.6%**	**1.8%**	**2.8%**	**2.9%**	**2.9%**	**0.9%**

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

The following table summarizes H&R's GHG emissions for the period of January 1, 2025, to December 31, 2025.

Table 2: 2025 GHG Emissions by Asset Class and Scope

Asset Class	GHG Emissions (tCO_2e)					
	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Total Location-based	Net Market-based
Office	6,775	7,441	7,441	11,756	25,972	25,972
Residential (Apartments)	744	12,753	13,117	12,376	25,874	26,237
Retail	0	1,275	1,301	6,810	8,085	8,112
Industrial	1,745	835	835	42,353	44,933	44,933
Total	**9,264**	**22,304**	**22,694**	**73,296**	**104,864**	**105,254**

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

The following table summarizes H&R's emissions intensity for 2025.

Table 3: 2025 Emissions Intensity by Asset Class and Scope

Asset Class	Intensity (tCO_2e/1,000 sq.ft.)						
	Effective GLA (sq.ft.)	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Total Location-based	Net Market-based
Office	5,057,700	1.3	1.5	1.5	2.3	5.1	5.1
Residential (Apartments)	9,185,692	0.1	1.4	1.4	1.3	2.8	2.9
Retail	2,089,696	0.0	0.6	0.6	3.3	3.9	3.9
Industrial	12,986,895	0.1	0.1	0.1	3.3	3.5	3.5
Total	**30,956,775**	**0.3**	**0.8**	**0.8**	**2.5**	**3.6**	**3.6**

Ref: GRI 305-4

The table below summarizes emissions by portfolio segment and scope.

Table 4: 2025 GHG Emissions by Portfolio Segment and Scope

Portfolio Segment	GHG Emissions (tCO_2e)					
	Scope 1	Scope 2 Location-based	Scope 2 Market-based	Scope 3	Total Location-based	Net Market-based
Canada	7,873	6,295	6,295	52,058	66,856	66,856
US	1,391	15,379	15,769	21,215	37,984	38,374
Total	**9,264**	**22,304**	**22,694**	**73,273**	**104,840**	**105,230**

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

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

Table 5: 2025 Scope 3 GHG Emissions by Asset Class and Category

Asset Class	Scope 3 GHG Emissions (tCO_2e)						
	*Category 13			*Category 1	*Category 5		Total
	Tenant Electricity	Tenant Gas	Tenant Total	Water	Landfill	Recycling / Compost	
Office	10,743	722	11,465	66	184	41	11,756
Residential (Apartments)	5,872	2,927	8,799	552	2,967	59	12,376
Retail	2,043	4,720	6,763	13	32	2	6,810
Industrial	13,737	28,317	42,055	29	68	202	42,353
TOTAL	**32,396**	**36,686**	**69,082**	**660**	**3,250**	**304**	**73,296**

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

*Category 13: Downstream Leased Assets

Category 1: Purchased Goods and Services

Category 5: Waste Generated in Operations

2.1.1 YEAR-OVER-YEAR PERFORMANCE

The following table summarizes the like-for-like percentage change in GHG emissions for H&R's portfolio of properties. The comparison only includes properties owned throughout the period from January 1st, 2024 – December 31st, 2025. The comparison excludes properties developed in 2024 or 2025. It also excludes properties which began demolition in 2024 or 2025 for redevelopment.

Overall GHG emissions in 2025 were 2% higher in comparison to 2024. The largest contributions to this increase were a 14% increase in scope 1 fuel use and a 7% increase in tenant fuel use, driven in large part by colder winter weather. Scope 3 waste generation emissions (where tracked) decreased year-over-year.

Table 6: Like-for-like Percentage Change in GHG Emissions by Asset Class and Scope

Asset Class	Included Effective GLA (sq.ft.)	2024 Emissions (tCO_2e)			2025 Emissions (tCO_2e)			Difference
		Scope 1	Scope 2 Location-based	Scope 3	Scope 1	Scope 2 Location-based	Scope 3	
Office	4,898,626	6,163	7,596	12,113	6,772	7,162	11,745	-0.7%
Residential (Apartments)	8,532,365	608	11,925	12,518	742	12,130	12,254	0.3%
Retail	1,937,263	0	1,278	6,149	0	1,275	6,262	1.5%
Industrial	11,771,065	1,317	614	39,956	1,745	835	41,339	4.9%
TOTAL	**27,139,319**	**8,087**	**21,414**	**70,737**	**9,259**	**21,401**	**71,600**	**2.0%**

Ref: IF-RE-130a.3. See disclosure notes in section 2.3, p. 17.

2.2 DISCLOSURES 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_2 equivalent.

i. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent.

ii. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.

iii. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent.

iv. Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent.

- **See Table 2.**
- **See Section 2 of Appendix - 2025 GHG Emissions Reporting Methodology for further details on the selected operational boundaries.**
- **Renewable Energy Credits (RECs) were purchased for 100% of 2019 electricity use at 26 Wellington and accounted for in the reported market-based Scope 2 emissions.**
- **No RECs were purchased for 2020 – 2025.**
- **No carbon offsets were purchased for 2019, 2024, or 2025.**
- **See Section 6 of Appendix - 2025 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 CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.

- **CO_2, CH_4 and N_2O are included in the reported emissions.**

c) Biogenic CO_2 emissions in metric tons of CO2 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;

- In 2019, H&R expanded the boundary of its annual energy and GHG data collection and reporting and began collecting utility data for the entire portfolio wherever H&R had control over utility use and / or was able to access the data.

ii. Emissions in the base year;

- See Table 1.

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

- Property acquisitions and divestments by H&R.
- Adjustments for acquisitions / divestments are treated using the 'Same-year, Pro-rata'[2] approach, meaning that buildings only owned for a portion of the reporting year (2025) 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 2025.
- 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.
- Beginning in 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 based on equity share of partially owned properties. Beginning in the 2023 reporting period, H&R updated their base year to be 2019. A rolling base year was used previously.

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 - 2025 GHG Emissions Reporting Methodology.

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

- See Section 2.0 of Appendix - 2025 GHG Emissions Reporting Methodology.
- GHG emissions for the 2019-2025 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 - 2025 GHG Emissions Reporting Methodology, Section 7.0, 8.0 and 2.1, respectively.

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

- 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).
- GHG emissions calculations are completed by a third-party consultant, Muirhead Energy and Carbon Solutions. The consultant used data available from Brightly Software, H&R's Energy Management Information System (EMIS) provider until end of 2025, and Measurabl, H&R's current EMIS provider.

GRI 305-4: GHG Emission Intensity

a) GHG emissions intensity ratio for the organization.

- See Table 3.

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.

- CO_2, CH_4 and N_2O are included in the reported emissions.

2.3 DISCLOSURES 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 6; while IF-RE-130a.3 refers to energy, H&R has reported GHG emissions here using the same guidance.
- Like-for-like percentage change in energy is reported for properties with full or partial data coverage (whole building or base building coverage) for both 2025 and 2024, and excludes properties that were not owned and operational for the full period from January 1st, 2024 to December 31st 2025. 92.6% of 2025 portfolio gross leasable area was included in the like-for-like comparison.

3.0 ENERGY USE

3.1 DISCLOSURES

The following table presents H&R's energy consumption and intensity for 2019, 2024 and 2025. Energy consumption from all utility types has been converted from consumption units to equivalent kilowatt-hours (ekWh). Data for the historical years has been restated according to the policy outlined in Section 4.0 of Appendix - 2025 GHG Emissions Reporting Methodology.

Table 7: Energy Use for 2025 and Restated Historical Years

Year	Effective GLA (sq.ft.)	Energy Use (ekWh)	Energy Use Intensity (ekWh/sq.ft.)
Base Year 2019	26,448,591	572,827,067	21.7
2024	28,756,631	552,265,971	19.2
2025	29,319,983	564,900,564	19.3

Ref: GRI 302-1, 302-3

The following table summarizes the portfolio's energy use for 2025.

Table 8: 2025 Energy Use by Asset Class and Utility Type

Asset Class	Effective GLA (sq.ft.)	Energy Use (ekWh)				
		Electricity	Natural Gas	Steam	Propane	Total
Office	5,057,700	83,250,620	41,087,802	1,171,443	0	125,509,865
Residential (Apartments)	9,185,692	55,403,058	20,312,950	0	8,286	75,724,293
Retail	2,089,696	36,843,716	26,064,169	0	0	62,907,886
Industrial	12,986,895	135,466,639	165,291,881	0	0	300,758,520
TOTAL	**29,319,983**	**310,964,032**	**252,756,802**	**1,171,443**	**8,286**	**564,900,564**

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

The following table summarizes the portfolio's energy use intensity for 2025. All electricity purchases were grid electricity, and no renewables were procured via RECs or Power Purchase Agreements.

Table 9: 2025 Energy Use Intensity by Asset Class and Utility Type

Asset Class	Effective GLA (sq.ft.)	Intensity (ekWh/sq.ft.)				
		Electricity	Natural Gas	Steam	Propane	Total
Office	5,057,700	16.5	8.1	0.2	0.0	24.8
Residential (Apartments)	9,185,692	6.0	2.2	0.0	0.0	8.2
Retail	2,089,696	17.6	12.5	0.0	0.0	30.1
Industrial	12,986,895	10.4	12.7	0.0	0.0	23.2
TOTAL	**29,319,983**	**10.6**	**8.6**	**0.0**	**0.0**	**19.3**

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 10: Energy Data Coverage by Asset Class

Asset Class	Data Coverage (% of GLA)		
	*H&R –Paid Accounts	Partial or Complete	Complete
Office	100.0%	100.0%	100.0%
Residential (Apartments)	100.0%	100.0%	43.5%
Retail	100.0%	99.6%	70.9%
Industrial	100.0%	93.7%	88.6%
TOTAL	**100.0%**	**97.2%**	**73.4%**

Ref: IF-RE-130a.1

*H&R paid accounts include all areas of H&R-owned properties where H&R has operational control, along with some tenant-controlled areas where utility service is downstream of a bulk meter paid by H&R as the landlord.

3.1.1 YEAR-OVER-YEAR PERFORMANCE

Table 11 presents the like-for-like change in total energy use and intensity for H&R's portfolio of properties. The comparison only includes properties owned throughout the period from January 1st, 2024 – December 31st, 2025. The comparison excludes properties developed in 2024 or 2025. It also excludes properties which began demolition in 2024 or 2025 for redevelopment.

H&R's like-for-like energy use in 2025 increased by 1.7% in comparison to 2024.

Table 11: Like-for-like Percentage Change in Energy and Intensity by Asset Class

Asset Class	Included Effective GLA (sq.ft.)	2024		2025		Difference
		Energy (ekWh)	Intensity (ekWh/sq.ft.)	Energy (ekWh)	Intensity (ekWh/sq.ft.)	
Office	4,898,626	127,183,552	26.0	123,389,394	25.2	-3.0%
Residential (Apartments)	8,532,365	70,241,180	8.2	73,848,384	8.7	5.1%
Retail	1,937,263	59,792,159	30.9	60,380,692	31.2	1.0%
Industrial	11,771,065	285,426,446	24.2	294,291,465	25.0	3.1%
TOTAL	**27,139,319**	**542,643,338**	**20.0**	**551,909,935**	**20.3**	**1.7%**

Ref: IF-RE-130a.3. See disclosure notes in section 3.3, p. 24.

3.2 DISCLOSURES 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 8; 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 Section 3.1; no renewable energy credits were purchased for 2025.

c) In joules, watt-hours or multiples, the total:
   i. electricity consumption
   ii. heating consumption
   iii. cooling consumption
   iv. steam consumption
      - See Table 8; 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 between 2019 and 2025.

e) Total energy consumption within the organization, in joules or multiples.
   - See Table 8; 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 Appendix - 2025 GHG Emissions Reporting Methodology.**

302-3 Energy intensity

a) Energy intensity ratio for the organization.
   - **See Table 9.**

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 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 DISCLOSURES NOTES – SASB

IF-RE-130a.1.

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

- See Table 10.
- See Section 7.0 of Appendix - 2025 GHG Emissions Reporting Methodology for details about utility data sources.
- H&R may take control of vacant-unit retail, residential or industrial utility accounts intermittently. Except in the case of some single-tenant industrial properties with extended vacancies, due to the short-term nature of H&R's control over these utilities, consumption is generally considered immaterial. For properties reporting to mandatory energy benchmarking programs and properties where utility use was captured via manual meter readings through Brightly's Meter Reader Mobile application through 2025, consumption associated with vacant spaces is captured and reported within aggregated 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.
- At properties where tenants have operational control and are not required to report to mandatory energy benchmarking programs, data is proprietary to tenants. At these properties, data coverage is only reported if tenants have voluntarily provided data to H&R.

IF-RE-130a.2.

2) Total energy consumed by portfolio area with data coverage,
   - See Table 10.

3) Percentage grid electricity, and
   - See Section 3.1.

4) percentage renewable, by property subsector
   - See Section 3.1; no Renewable Energy Credits were purchased for 2025.

IF-RE-130a.3.

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

- See Table 11; like-for-like percentage change in energy is reported for properties with full or partial data coverage (whole building or base building coverage) for both 2025 and 2024, and excludes properties that were not owned and operational for the full period from January 1st, 2024 to December 31st 2025. 92.6% of 2025 portfolio gross leasable area was included in the like-for-like comparison.

4.0 WATER USE

4.1 DISCLOSURES

The following table presents the portfolio's water consumption and intensity for 2019, 2024 and 2025. Data for the historical years has been restated according to the policy outlined in Section 4.0 of Appendix - 2025 GHG Emissions Reporting Methodology.

Table 12: Water Use for 2024 and Restated Historical Years

Year	Effective GLA (sq.ft.)	Water Use (m^3)	Water Use Intensity (m^3/1,000)
Base Year 2019	26,448,591	1,904,847	72.0
2024	28,756,631	2,148,301	74.7
2025	29,319,983	2,147,890	73.3

Ref: GRE 303-3, IF-RE-140a.1, IF-RE-140a.2

The following table summarizes H&R's water use and data coverage for 2025.

Table 13: 2025 Water Use and Data Coverage by Asset Class

Asset Class	Effective GLA (sq.ft.)	Water Use (m^3)	Intensity (m^3/1,000 sq.ft.)	Data Coverage		
				*H&R-Paid Accounts	Partial or Complete	Complete
Office	5,057,700	242,606	48.0	100%	91.4%	91.4%
Residential (Apartments)	9,185,692	1,391,938	151.5	100%	96.7%	96.7%
Retail	2,089,696	88,223	42.2	100%	90.7%	62.5%
Industrial	12,986,895	425,535	32.8	100%	89.2%	87.8%
TOTAL	**29,319,983**	**2,148,301**	**73.3**	**100%**	**92.0%**	**89.4%**

Ref: GRE 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 2024 and 2025. The comparison only includes properties owned throughout the period from January 1st, 2024 – December 31st, 2025. The comparison excludes properties developed in 2024 or 2025. It also excludes properties which were being demolished in 2024-2025 for redevelopment.

The overall water consumption has decreased by 1.3% in 2025 relative to 2024.

Table 14: Like-for-like Percentage Change in Water and Intensity by Asset Class

Asset Class	Included Effective GLA (sq.ft.)	2024		2025		Difference
		Water Use (m^3)	Intensity (L / sq.ft.)	Water Use (m^3)	Intensity (L / sq.ft.)	
Office	4,461,469	231,321	51.8	229,860	51.5	-0.6%
Residential (Apartments)	8,532,365	1,386,558	162.5	1,486,357	174.2	7.2%
Retail	1,749,888	87,611	50.1	88,469	50.6	1.0%
Industrial	11,249,071	417,867	37.1	290,340	25.8	-30.5%
TOTAL	**25,992,793**	**2,123,356**	**81.7**	**2,095,026**	**80.6**	**-1.3%**

Ref: IF-RE-140a.3. See disclosure notes in section 4.3, p. 29.

4.2 DISCLOSURES 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 13; 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 (≤1,000 mg/L Total Dissolved Solids);
      - **See Table 13.**
   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 DISCLOSURES NOTES – SASB

IF-RE-140a.1.

Water withdrawal data coverage as a percentage of:
(5) Total floor area
   - See Table 13.
   - See Disclosure notes for IF-RE-130a.1.
   - See Section 5.1 of Appendix - 2025 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 13.

IF-RE-140a.3.

Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector.
   - **See Table 14; like-for-like change in water use is reported for properties with full or partial data coverage (whole building or base building coverage) for both 2025 and 2024, and excludes properties that were not owned and operational for the full period from January 1st, 2024 to December 31st 2025. 88.7% of 2025 portfolio gross leasable area was included in the like-for-like comparison.**

5.0 WASTE DATA

5.1 DISCLOSURES

The following table summarizes the portfolio's landfill waste generation in 2019, 2024 and 2025. 2021 is the first year for which H&R has compiled and reported on waste data. Data for 2019 was unavailable and was therefore estimated. Data for the historical years has been restated according to the policy outlined in Section 4.0 of Appendix - 2025 GHG Emissions Reporting Methodology.

Table 15: Waste Generation for 2025 and Restated Historical Years

Year	Portfolio Effective GLA (sq.ft.)	Effective GLA with Waste Data Coverage (sq.ft.)	Landfill Waste (kg)	Intensity (kg/sq.ft.)
Base Year 2019	26,448,591	8,780,899	5,569,649	0.634
2024	28,756,631	8,869,929	6,301,783	0.710
2025	29,319,983	9,150,806	5,083,232	0.555

Ref: GRI 306-3

The following table summarizes waste generation (including both landfilled and diverted waste) in 2025 at properties wherever H&R manages waste collection and is able to access diversion reports. Since data is generally only available for properties with landlord-managed waste, hazardous waste generation at tenant-controlled facilities, including industrial assets, is not tracked.

Table 16: 2025 Waste Generation by Asset Class

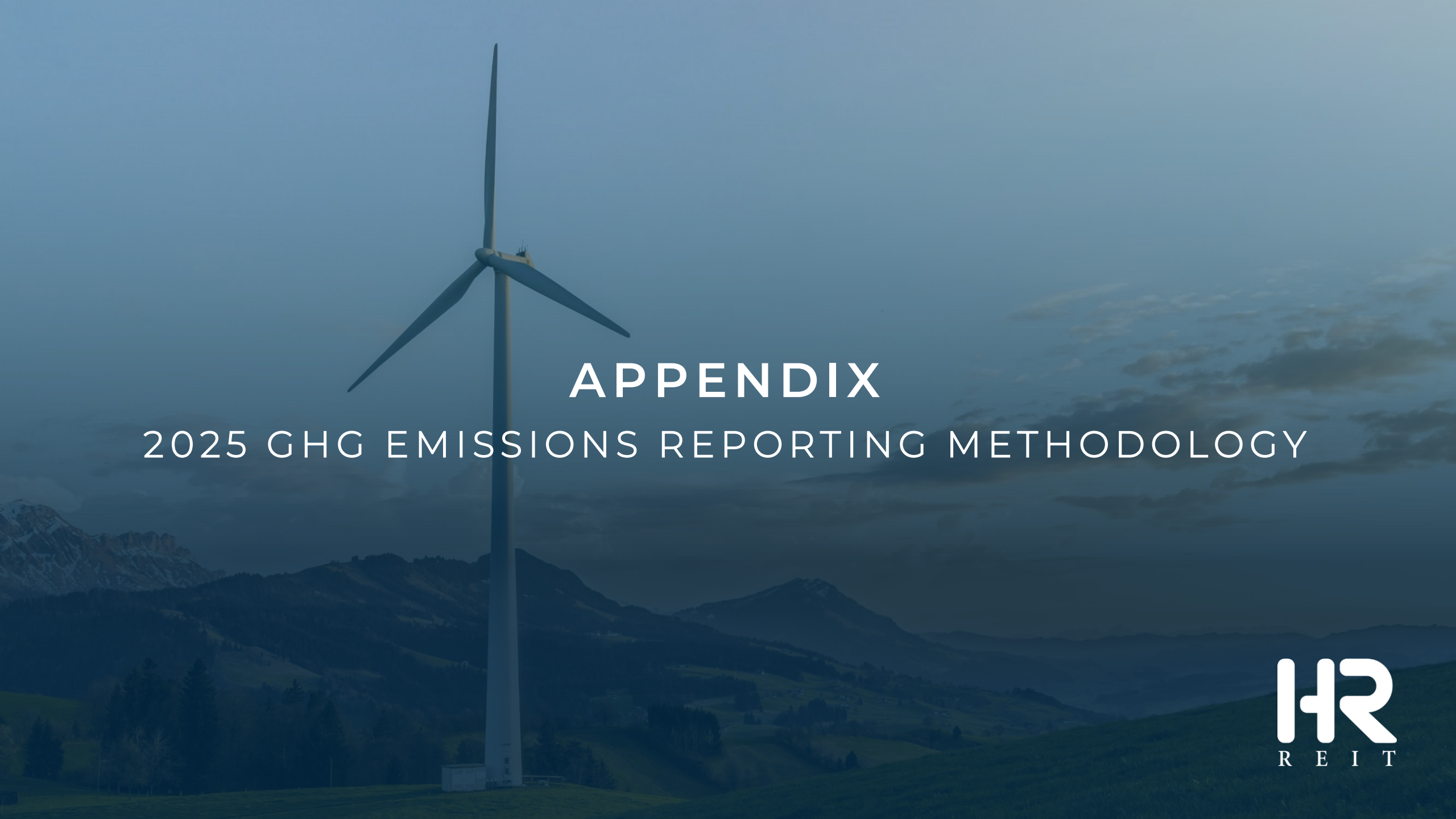
Asset Class	Effective GLA (sq.ft.)	Hazardous Waste (kg)	Non-Hazardous Waste (kg)	Intensity (kg/sq.ft.)
Office	3,078,365	370	698,605	0.23
Residential (Apartments)	5,446,375	0	5,201,900	0.96
Retail	170,126	0	71,573	0.42
Industrial	455,940	0	2,448,175	5.37
TOTAL	**9,150,806**	**370**	**8,420,252**	**0.92**

Ref: GRI 306-3

5.2 DISCLOSURES 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 16.**
b) Contextual information necessary to understand the data and how the data has been compiled.
    - **See Section 5.2 of Appendix - 2025 GHG Emissions Reporting for details on the waste generation data collection and reporting.**



APPENDIX

2025 GHG EMISSIONS REPORTING METHODOLOGY

HR REIT

1.0 BACKGROUND

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

Muirhead Energy and Carbon Solutions 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 2025 emission reporting year (January 1, 2025 – December 31, 2025), in accordance with the GHG Protocol. There are 147 H&R-owned properties included in the report, 144 of which have complete or partial utility data available for 2025 via Brightly, H&R's Energy Management Information System (EMIS) provider through 2025, or Measurabl, H&R's EMIS provider beginning in 2026. For 3 properties, utility data is unavailable for reporting. Emissions for these 3 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[3] 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).*

3. Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard (World Resources Institute, 2011)

2.1 CONTINUED

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. 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 under Scope 3.
- Where whole-building data is available through 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 under 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 under 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 Standard:

- Category 1 (purchased goods and services) 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. It includes consumption for submeters linked to vacant tenant spaces.

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 SF_6 emissions from electricity transmission infrastructure), upstream transportation and distribution of purchased products, 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 3 properties in the portfolio are not tracked and not included in calculations. The waste data for 117 properties was not accessible to H&R and was excluded from the calculations.

As of December 31st, 2025, H&R held 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 did not have operational control over these properties.

4.0 COMPARISON TO HISTORICAL YEARS

For comparative purposes, H&R reports GHG emissions relative to a 2019 base year. GHG emissions for 2025 are also included as comparatives.

4.1 BASE YEAR RECALCULATION POLICY

Energy and emissions are recalculated for the base 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'[4] approach, meaning that buildings only owned for a portion of the reporting year (2025) 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 2025.

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. H&R is reporting emissions using the latest available NIR. The 2026 NIR, used in the preparation of this emission report, contains annual electricity emission factors reflecting the electricity generation mix in each year from 1990-2024. The 2024 grid emission factors are used to report 2024-2025 emissions.

USA

The US Environmental Protection Agency (EPA) periodically publishes the Emissions & Generation Resource Integrated Database (eGRID), specifying electricity emission factors. H&R is reporting emissions using the latest eGRID data available. The 2023 values from eGRID 2023, published in 2025, are used to report 2024-2025 emissions. The eGRID2019 factors published in 2021 are used to report 2019 emissions. Residual mix data from Green-e is used for market-based reporting.

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

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.

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 for waste are calculated using the average-data method, following the guidelines of the GHG Protocol. Emissions are reported for materials sent to landfill, recycling, and composting 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 emissions reporting.

6.1 RENEWABLE ENERGY CREDITS

RECs represent the rights to the environmental benefits from generating electricity from renewable sources. 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 2015, the World Resource Institute published the GHG Protocol Scope 2 Guidance[5], defining two approaches to emissions reporting and specifying that emissions should be reported using both approaches (dual reporting).

- 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 accounting for the impacts of purchased 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.

5. GHG Protocol Scope 2 Guidance – An amendment to the GHG Protocol Corporate Standard (World Resources Institute, 2015)

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: RECs were purchased for 100% of 2019 electricity use at 26 Wellington. No REC purchases were made affecting 2024 - 2025 emissions.
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 available[6]. 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 CO_2 equivalent' (tCO_2e) and are not related to electricity purchased or consumed at a property. Offsets are subtracted from the total emissions to report net emissions. There were no offsets purchased for 2019, 2024, or 2025.

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. Green-e has published Residual Mix Emission Rates for North America, however these factors correspond to NERC Regions which are not consistent the more regionally specific and widely accepted provincial factors from Environment Canada. As such, the provincial factors have been used in place of Residual Mix factors for the purposes of this report.

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 consumption data 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 were 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, often through direct integration with ENERGY STAR Portfolio Manager.

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 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 either a linear regression of available utility data and actual weather data, or by assuming monthly consumption to be equal to recent historical periods with available data.

8.2 INCOMPLETE MRM READING DATA

With manual meter readings, H&R 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 2025, some data must be estimated. Consumption is estimated based on a seasonally weighted average of available historical consumption.

8.3 MISSING WASTE DATA

H&R compiled and reported on waste data for properties wherever H&R manages waste collection and was able to access diversion reports in 2025. 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 of the time of reporting.

9.1 CANADA

Emission factors for electricity, natural gas, and propane are sourced from Environment and Climate Change Canada's National Inventory Report (NIR). The factors used are 2019 and 2024 values from National Inventory Report 1990–2024: greenhouse gas sources and sinks in Canada, published in 2026.

The emission factors applied for water are based on the electricity emission factors from the NIR, along with assumed energy intensities of upstream pumping and treatment of water from Maas (2009)[7].

Emission factors for steam are obtained from the supplier.

The emission factors for waste are sourced from the US EPA's 2025 Emission Factors Hub.

7. Greenhouse Gas and Energy Co-Benefits of Water Conservation (Maas, 2009)

9.1.1 ELECTRICITY

The following table summarizes the electricity emission factors used for 2025 reporting.

Emission Factors - Canada

Province	Emission Factor (gCO_2e/kWh)	
	2019	2024 – 2025
AB	628.9	334.8
BC	20.1	16.7
MB	1.2	2.7
NS	686.7	585.9
ON	26.2	64.9
QC	1.2	2.1
SK	671.0	541.8

9.1.2 HEATING FUELS

The emission factors for natural gas provided in Annex 6 of Part 2 of the 2025 NIR differ by province and indicate changes in emissions intensity over time related to the concentration of complex hydrocarbons in marketable natural gas. The emission factors for natural gas used for 2025 reporting are summarized below.

Natural Gas Emission Factors

Province	Emission Factor (gCO_2e/m^3)
	2019-2025
AB	1,972.3
BC	1,976.7
MB	1,925.4
ON	1,931.1
QC	1,936.2
SK	1,930.2

The emission factors for propane used for 2025 reporting are summarized below.

Propane Emission Factors

Province	Emission Factor (gCO_2e/L)
	2019-2025
QC	1,505.6

9.1.3 WATER

The emission factors for water used for 2025 reporting are summarized below.

Water Emission Factors

Province	Emission Factor (gCO_2e/m^3)	
	2019	2024-2025
AB	802.5	427.2
BC	25.6	21.3
MB	1.5	3.4
NS	876.3	747.7
ON	33.5	82.8
QC	1.6	2.7
SK	856.2	691.4

9.1.4 STEAM

The emission factors for steam used for 2025 reporting are summarized below.

Steam Emission Factors

Province	Emission Factor (gCO_2e/lb)		
	2019	2024	2025
ON	74.9	69.6	67.6

9.1.5 WASTE

The emission factors from the US Environmental Protection Agency (EPA)[8] are used for 2025 reporting[9]. The emission factors for reported waste streams are summarized below.

Waste Emission Factors

Emission Factor (gCO_2e/kg)	
2019-2025	
Paper - Mixed - Recycled	77.2
Beverage Containers (aluminum, glass, plastic) - Recycled	99.2
Mixed Recyclables - Recycled	99.2
Cardboard/Corrugated Containers - Recycled	121.3
Food/Food Scraps - Composted	121.3
Wood - Recycled	99.2
Paper - Copy Paper - Recycled	33.1
Batteries - Recycled	22.0
Electronics - Recycled	22.0
Compostable - Mixed/Other - Composted	143.3
Waste - Landfill	639.3
Paper - Mixed - Recycled	77.2

8. 2025 GHG Emission Factors Hub, United Stated Environmental Protection Agency, January 2025. epa.gov/climateleadership/ghg-emission-factors-hub

9. Prior to 2024 reporting, emission factors used were derived internally by Brightly Software using a First Order Decay (FOD) model, incorporating region-specific inputs from Canada's National Inventory Reports, and emissions associated with only landfill waste were reported

9.2 US

Electricity emission factors are regionally specific. The US 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 2024-2025 emissions are the 2023 values from eGRID2023, published in 2025.

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 ENERGY STAR Portfolio Manager Technical Reference, GHG Emissions (August 2024).

9.2.1 ELECTRICITY

The following table provides the electricity emission factors used for properties in the United States.

Electricity Emission Factors

eGRID Region	Electricity Location-based Emission Factor (gCO_2e/kWh)		Electricity Market-based Emission Factor (gCO_2e/kWh)	
	2019	2024 – 2025	2019	2024 – 2025
CAMX	206.5	195.0	210.3	197.0
ERCT	395.7	334.1	422.4	373.7
FRCC	392.1	356.0	395.0	363.4
NYCW	251.8	392.7	251.8	392.7
RMPA	567.2	472.9	582.0	483.5
SRSO	441.8	383.7	444.8	387.9
SRVC	308.1	270.5	309.4	273.0

9.2.2 NATURAL GAS

Emission factors applied for natural gas in the United States are summarized below.

Natural Gas Emission Factors

Utility Type	eGRID Region	2019-2024	Unit of Measure	Source
Natural Gas	All	1,928.1	gCO_2e/m^3	ENERGY STAR Portfolio Manager Technical Reference: Greenhouse Gas Emissions (August 2024), Figure 3

9.2.3 WATER

Emission factors applied for water in the United States are summarized below.

Water Emission Factors

eGRID Region	Water Emission Factor (gCO_2e/m^3)	
	2019	2024 – 2025
CAMX	1,104.8	1,043.4
ERCT	379.9	320.8
FRCC	376.5	341.7
NYCW	241.7	377.0
RMPA	544.6	454.0
SRSO	424.1	368.4
SRVC	295.7	259.7

9.3 GLOBAL WARMING POTENTIAL

The source of Global Warming Potentials is the IPCC's Fifth Assessment Report—Errata (IPCC 2014). The 5th Assessment Report has been used for consistency with the Canada's National Inventory Report 1990 – 2024: Greenhouse Gas Sources and Sinks in Canada.

9.4 ENERGY CONVERSION FACTORS

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

- Natural gas: ENERGY STAR Portfolio Technical Reference: Thermal Energy Conversions
- Steam: ENERGY STAR Portfolio Technical Reference: Thermal Energy Conversions
- Enwave Deep Lake Water Cooling: Enwave 2025 Emissions Stakeholder Letter

10. The original source (https://natural-resources.canada.ca/maps-tools-and-publications/publications/energy-publications/energy-efficiency-publications/step-1-calculate-your-energy-costs-and-consumption/step-1-calculate-your-energy-costs-and-consumption/6561#archived) is now archived. Steam conversion factor is currently being reviewed and migrated to an active online technical reference.

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_20
CO_2e	carbon dioxide equivalent
gCO_2e	grams of carbon dioxide equivalent
tCO_2e	metric tons of carbon dioxide equivalent
tCO_2e /1,000ft^2	metric tons of carbon dioxide equivalent per 1,000 square feet of Effective GL

APPENDIX

TCFD DISCLOSURES

1.0 TCFD DISCLOSURES

Governance	Strategy	Risk Management	Metrics and Targets
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
The Board oversees climate related risks and opportunities through the REIT's Compensation, Environmental, Social & Governance and Nominating Committee (the "CESG&N Committee"), currently comprised of three Board members. The CESG&N Committee is responsible for ESG oversight at the REIT level over the REIT's ESG practices, including thorough review of the REIT's policies, and managing the REIT's environmental goals. The CESG&N committee meets quarterly, and ESG is a primary topic. The Board is made aware of the ESG performance and on-going risks and opportunities through the Corporate Responsibility Report, and the GRESB, ISS, and other benchmarking scores. The progress, submission, publication, and next steps resulting from these initiatives are consistently reviewed by the CESG&N Committee. For the industrial component of the portfolio, the sustainability officer updates an "environmental issues log" on a quarterly basis and presents it to the senior leadership team. For the remainder of the portfolio, the sustainability officer completes a quarterly statement, addressed to the senior leadership, regarding environmental issues.	H&R REIT has aligned its definition of short- and long-term time horizons for climate-related risks and opportunities to 2030 and 2050, respectively. H&R has determined that the risk it faces in the realm of transition and physical risks within these time frames are similar to its peers. The REIT's CESG&N Committee is responsible for ESG oversight at the REIT level, including climate-related risks and opportunities. H&R may become subject to transition risks as a result of the process of shifting to a low-carbon economy, influenced by new and emerging climate-related public policies and regulations, technologies, stakeholder expectations and legal developments. Compliance with more stringent environmental laws and regulations could have an adverse effect on the REIT's business, financial condition or results of operations. Working with our insurers, H&R has a thorough systematic process for identifying actionable and inherent risks including, but not limited to, extreme precipitation, wind, temperature, drought, and sea level rise. This process allows H&R to understand and protect the business against the financial impact of climate change on the business.	In 2024, H&R REIT engaged our insurers to provide a Climate Resilience Tracker to identify and assess physical climate risks on 54 properties, covering 46% of the GFA, which addressed the following Representative Concentration Pathway scenarios: Low (RCP 2.6), and high (RCP 8.5) for both the short- and long-term time horizons, 2030 and 2050, respectively. This Climate Resilience Tracker helps us identify and manage event-driven climate risks across five key physical climate perils: extreme precipitation, wind, temperature, drought, and sea level rise. The analysis provided on the impact of Total Insurance Value, Property Damage, and Business Interruption allows us to prioritize initiatives and mitigation actions to protect the REIT against climate-related risks. This proactive approach enhances our business resilience as part of H&R REIT's insurance renewal process. Transition risks associated with the transition to a lower-carbon global economy are discussed and prioritized by the sustainability committee, in particular, our target setting and potential policy changes. The Audit Committee is responsible for managing risk to the REIT as it relates to, among other things, ESG and climate-change.	H&R uses a variety of metrics to assess our ESG risks and opportunities. Scope 1, Scope 2, and Scope 3 location-based and market-based GHG emissions and emissions intensity are reported using the 'Operational Control' approach, as defined by the GHG Protocol. H&R also discloses our utility consumption, including water, along with our waste production where access to waste diversion reports is available. Up to 2022, these metrics have been available in each Sustainability Report with a rolling base year. Starting in 2023, these metrics are available in comparison to our fixed base year of 2019. H&R also uses internal metrics to track property-level and portfolio-level utility consumption and GHG emissions on a monthly basis in order to identify areas of opportunity. In 2023, H&R also began utilizing FM Global's Climate Resilience Tracker to understand our total insured property value that is exposed to certain physical risks in the short- and long-term time horizons (2030 and 2050).
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
The Board is supported by the Vice President of Sustainability and Special Project for whom ESG is the core responsibility, as well as through H&R REIT's external consulting teams, and ESG task force comprised of members of the Board of Directors, senior management, fund/portfolio managers, asset managers, ESG portfolio managers, dedicated staff on ESG issues, and external managers and service providers. The Vice President of Sustainability & Special Projects reviews the current status of climate-related risks and opportunities including but not limited to climate risk, energy and GHG performance, benchmarking scores, and current and future projects. A quarterly sustainability meeting is conducted with the ESG task force and the CESG&N Committee to review these topics and foster continuous improvement of the REIT's sustainability performance.	Physical climate risks may result in damage to the REIT's investment and development properties, decreased property values and reduced rental revenue. Climate change, to the extent it causes changes in weather patterns, could have effects on the REIT's business by increasing the cost to recover and repair the REIT's investment and development properties, by increasing property insurance costs to insure an investment property against natural disasters and severe weather events and/or by increasing energy costs at the REIT's investment properties. As a result, the consequences of natural disasters, severe weather and climate change could increase H&R's costs and reduce H&R's cash flow. Evolving stakeholder expectations and H&R's efforts and ability to manage these issues, provide updates on them, and carry out its environmental and sustainability practices and initiatives presents numerous operational, regulatory, reputational, financial, legal, and other risks, any of which may be outside of H&R's control or could have a material adverse impact on H&R's business. H&R's failure or perceived failure to maintain its environmental and sustainability practices or comply with emerging regulations that meet evolving regulatory or stakeholder expectations could harm H&R's reputation and expose H&R to increased scrutiny from the investment community and enforcement authorities.	To manage and prioritize climate-related risks, in 2023, H&R developed our Environmental Management System to formalize our strategic approach towards ESG and provide a structure for our planning and implementation of ESG measures. Through the development of our EMS, we created a materiality matrix to prioritize our sustainability commitments and goals found in our sustainability policy based on both their impact to the environment and society, as well as their importance to stakeholders to integrate into our overall risk management. In order to further manage transition risks, H&R is continuously improving building performance using internal teams and external consultants to identify opportunities to make operational improvements to existing equipment, as well as understand and apply for incentive programs, and as equipment reaches end-of-life, we aim to increase equipment efficiency and align with industry best practices. H&R also utilizes several platforms to visualize building and portfolio performance and identify areas for improvement. As at December 31, 2025, 73% of H&R's Office Portfolio is actively tracked on ENERGY STAR® Portfolio Manager, and 100% of H&R's Lantower Residential Division is actively tracked on ENERGY STAR® Portfolio Manager. As of December 31, 2025, 61% of H&R's Office portfolio (based on net rentable area) was LEED, BOMA Best and/or ENERGY STAR Certified. H&R also tracks partial and complete utility data for 97% of its portfolio and can view utility consumption as well as GHG emissions at the property-, or portfolio level to identify outliers, and year-over-year changes regarding utility consumption, GHG emissions, waste production.	H&R has publicly disclosed our GHG emissions for Scope 1, Scope 2, and Scope 3 emissions in our annual Sustainability Supplement since 2020. Our GHG emissions for the reporting year 2025 can be found in the Sustainability Supplement on pages 9-14.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.
	In order to plan for the future, H&R REIT's insurer's have provided a Climate Change Impact Report assessing the REIT's resilience to five physical risks: extreme precipitation, wind, temperature, drought, and sea level rise based on three different Representative Concentration Pathways: Low (RCP 2.6), and High (RCP 8.5). This report is based on site visits conducted in addition to predictive analytics to identify the Total Insurance Value, Property Damage, and Business Interruption for exposed properties in order to prioritize facilities and plan to maximize resilience to climate exposure. Based on this analysis, the physical risks with potential to affect the largest amount of property value in the short-term (2030) are wind, temperature, and sea level rise. Wind has the ability to damage rooftop equipment, as well as the building envelope, increased temperatures have the potential to damage outdoor equipment, increase utility costs due to cooling demand, and cause potential power outages, and sea level rise has the ability to cause costal flooding. In the long-term (2050), drought also has the ability to impact the REIT's assets through the potential for wildfires, a reduction in available water, and/or increased operational risks.	H&R manages climate-related risks through several complementary approaches. H&R REIT manages and transfers climate related risk primarily through its insurance policies which are underwritten on a 500-year event level as well as through its lease agreements and vendor contracts. H&R REIT also actively engages in risk mitigation efforts by utilizing materials like hurricane rated glass and flood barriers/gates. H&R incorporates environmental and climate-risk elements into its due diligence process prior to acquiring a property prior to acquiring a property, obtains and/or peer reviews Phase I Environmental Site Assessment reports conducted by independent and experienced consultants, and if recommended, undertakes further remedial action and monitoring. H&R also submits to several benchmarking and reporting programs including GRESB, ISS, and S&P Global. These programs allow H&R to understand their performance with respect to their peers, identify gaps and opportunities in their overall ESG programs, and create roadmaps to develop actions plans for the following year(s).	H&R is in the process of setting energy reduction goals from their base year of 2019, and is currently in discussions about target scope, timeline, and magnitude.

External Review of Performance Data Letter

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

In 2026, Muirhead Energy and Carbon Solutions was retained by H&R REIT to support 2025 Sustainability Reporting, including review of annual energy, GHG, water, and waste metrics for its portfolio of properties.

The review included analysis of year-over-year variances in energy, water, and waste data, checking select performance indicator data vs. underlying documentation, and identifying any anomalies and potential errors to H&R and its data partner, Measurabl.

Muirhead Energy and Carbon Solutions is not aware of any errors in the energy, GHG, or water performance data that will be included in its 2025 Sustainability Report, or in the 2025 asset-level performance indicator data comprising its GRESB submission.

Dan Muirhead
Muirhead Energy and Carbon Solutions
Toronto, Canada
July 31, 2026

GROWING IN SUSTAINABILITY

THIS PRESENTATION HAS BEEN FORMATTED FOR SCREENS.
PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING.