



RioCan REIT Development Sustainability & Safety Policy
Version 1.1 – May 26, 2021

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INTRODUCTION

Sustainable development is a key driver of our vision to be among leaders in embedding sustainability practices in our business model. As a developer, owner and operator of a significant real estate portfolio, we have a responsibility to consider the sustainability impacts of our activities along with opportunities to improve. We integrate sustainability considerations throughout our development process to position our assets favourably for the future and build properties that retain their value over the long-term. In our process, we consider how we can create value for our stakeholders and foster innovation by collaborating across our value chain.

PROJECT STAGE COMMITMENTS

We want to systematically assess our activities at each stage of the development process and work with our partners to identify opportunities to implement sustainable practices. We commit to:

Across all development stages:

- Review our sustainability policy and priorities with our Joint Venture and development partners, and encourage our employees to embed sustainable practices across our development process
- Consider how social, resource, climate and technological trends will define sustainable properties in the future
- Improve the efficiency, adaptability, flexibility and resilience of our buildings to enhance the value of our developments

Stage 1 and 2: Viability and feasibility

- Identify project-specific opportunities to improve environmental and social outcomes
- Assess climate change risk and vulnerability during site design
- Integrate transit opportunities during site selection
- Model design options using lifecycle cost assessment in budget estimates
- Conduct an affordability review to evaluate if select units can be offered below market rent rates (e.g. affordable housing)

Stage 3: Approvals and design

- Set sustainability objectives and targets that align with RioCan's sustainability strategy for each project and communicate to all project stakeholders
- Hold community and stakeholder design workshops to ensure projects reflect emerging trends and customer demands
- Screen service providers, suppliers and contractors for sustainability competencies prior to engagement by including criteria in bid processes, evaluation and contracts
- Engage with development partners to encourage responsible employment practices along the supply chain
- Liaise with authorities to anticipate future building codes, standards and regulatory changes
- Evaluate and incorporate the following into building system design:
 - Alternative transportation including walking, cycling, public transit, and electric and autonomous vehicle use
 - Occupant health and wellness, and accessibility features
 - Climate resilience features, such as flood sensors, enhanced drainage and equipment protection measures
 - Smart technology and digital infrastructure

- Sub-metering to support energy and water efficiency
- Water harvesting systems to meet irrigation and flushing demands
- Measures to protect and enhance local biodiversity and natural habitat
- Develop an energy model to optimize efficiency and evaluate opportunities to drive innovation:
 - Net zero carbon opportunities
 - Current and future renewable energy generation opportunities
 - Integration with current and future district energy networks
 - Installation of energy storage and demand response control systems
- Pursue third-party building certifications (e.g. LEED), if appropriate

Stage 4: Construction

- Allocate responsibilities for measuring, reporting and auditing performance against sustainability objectives and targets
- Work with partners to encourage employment of local labour, including apprentice workers, to make a positive economic development impact and build skills in the community
- Procure materials that are locally-produced, non-toxic, recycled or have third party-sustainability certifications (e.g. Environmental Product Declarations, FSC, Energy Star, Ecologo) where feasible
- Specify building operations equipment, fixtures and appliances with highest efficiency specifications, based on cost benefit analysis
- Require that construction sites minimize nuisance in the community and meet or exceed all health and safety regulations
- Engage in responsible demolition and waste management practices to maximize diversion from landfill
- Limit potable water consumption during construction process where feasible
- Improve soil quality and avoid degradation during the construction process

Stage 5: Income producing

- Evaluate and report against sustainability objectives and targets to identify best practices and continuously improve our sustainable development process
- Include sustainability information in the tenant and operator handover package and fit out guidelines
- Engage with operations to standardize the commissioning process and provide training on building equipment and software
- Monitor and verify asset sustainability performance post-occupancy

HEALTH & SAFETY

The health and safety of all stakeholders – employees, contractors, sub-contractors, and other partners – is of utmost importance to RioCan. By following the proper health and safety protocols, we are continuing to enhance our awareness of overall health and safety performance while simultaneously reducing the number of incidents that occur across our portfolio.

RioCan relies on our many partners to help ensure timely and safe delivery of all of our development projects. Our supply chain is extensive and multi-tiered: some suppliers are contracted directly, while others are subcontracted by our leading general contractors (“GC”) and construction managers (“CM”). Incorporating ESG considerations into procurement and contracting decisions helps us understand the potential risks and impacts we have outside our direct operations. RioCan is committed to doing business in a safe and responsible manner. We understand that construction activities pose an increased risk at our development sites and may lead to events, such as injuries, and fatalities. We believe that all of our partners, including GCs and CMs, play an important role in ensuring health and safety risks are managed effectively during construction. Maintaining on-site health and safety records helps us to identify ways in which we can minimize these risks.

RioCan works with our GCs/CMs to ensure that: they follow the ESG requirements, have policies and procedures aligned with our objectives, and ensure proper implementation of RioCan’s sustainability policy for development. RioCan has the expectation of a zero injury rate for the Health and Safety programs on our development sites. As part of this process, GCs/CMs are responsible for the following:

- 1) Providing a healthy and safe working environment for employees, sub-contractors, and other partners, in accordance with applicable laws and best practices. This is accomplished by providing necessary training and access to related policies and procedures. This will ensure the competency of all employees in fulfilling their responsibilities.
- 2) Creating processes and procedures relating to health and safety, covering the following:
 - General H&S requirements onsite
 - Record keeping
 - Emergency preparedness plans
 - Inspections and audits
- 3) Establishing mechanisms to ensure health and safety objectives are achieved. This includes identifying, minimizing and preventing hazards, using trained employees, providing and maintaining safe equipment and tools.
- 4) Reporting requirements:
 - Each GC/CM is responsible for reporting their Health and Safety activities and outcomes. These reports are generated monthly, with quarterly summaries reviewed by VP, Development Construction.
 - Health and Safety is a standard topic addressed at regular (i.e. monthly) coordination and/or site meetings.
 - KPIs from our Development Sustainability Construction Requirements:
 - a. Number of New injuries.
 - b. Number of total injuries.
 - c. Injury rate (total number of instances of being injured arising from operations expressed as a percentage of total number of employees).

- d. Number of fatalities.
- e. Number of near misses.
- f. Lost day rate (Number of Reported Incidents x 200,000)/Productive Hours Worked)
- g. Severity rate. (Number of Lost Time Days x 200,000)/Productive Hours Works)

5) Conducting Audits and Inspections

- As part of the OHSAS 18001 standard and other applicable Health and Safety standards, RioCan requires all GCs/CMs to perform regular safety audits to ensure proper safety policies, programs, procedures, analysis and training are in place.

6) Governance (H&S Committee)

- RioCan maintains its Health and Safety Committee at a corporate level.
- The RioCan in-house H&S development committee includes VP - Development Construction, Manager - Building Resilience, Development Executive, Assistant Vice President, Health & Safety. The purpose of this Committee is to set Health and Safety targets, review KPIs, identify, and evaluate any potential risks.

7) RioCan expects GCs/CMs to have Health and Safety Representation at the site level that serves the following functions:

- to facilitate and maintain regular communication regarding Health and Safety issues and information. This information includes Health and Safety standards, processes and procedures, roles and responsibilities, prevention measures, near misses and incident reviews, key performance indicator trends, reporting and investigation obligations, inspections by relevant authorities, and both internal and external audit results
- Health and Safety meetings and trainings are held regularly as prescribed by the local jurisdiction.

APPLICABILITY

The Sustainable Development Policy is applied in conjunction with the RioCan REIT Sustainability Policy. It applies to all new development projects where we have a majority ownership stake and manage the property post development. For sustainable development areas where we do not articulate specific commitments, national and local law, regulations and standards apply.

RESPONSIBILITIES

The Vice President, Development is responsible for informing and educating development stakeholders about this policy and oversees its implementation and adherence. The Senior Vice President, Asset Management monitors progress to the strategic sustainable development plan. This policy also applies to our employees, development partners, general contractors, project advisors and sub-contractors contributing to our development projects.

VERSION HISTORY

Version	Date	Senior Executive Approval	Description
1.0	--	 Jennifer S. Goss (Jun 1, 2021 10:35 EDT)	Initial Release
1.1	2021-May-26	VP	Updates: Added Health & Safety section; Revised title of the policy and responsibilities