



QUALITY AND GROWTH

ESG REPORT
2022





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About this Report

This 2022 ESG Report (“Report”) covers RioCan’s environmental, social and governance (“ESG”) performance for the 2021 calendar year. It encompasses retail and mixed-use assets owned during 2021, including those owned for part of the year.

This Report, along with the Supplement to the 2022 ESG Report (“Supplement”), has been prepared in accordance with Global Reporting Initiative (“GRI”) Standards: Core Option (2016). Together, the Report and the Supplement include indicators from the Sustainability Accounting Standards Board (“SASB”) Real Estate sub-sector, as well as recommended disclosures from the Task Force on Climate-related Financial Disclosures (“TCFD”).

The Supplement focuses on management’s approach to our ESG program and material indicators for performance. It also includes content indexes for the GRI, SASB and TCFD.

Environmental data, including energy usage, water consumption, waste output and greenhouse gas (“GHG”) emissions for assets, has been verified externally by Quinn+Partners Inc. to a limited level of assurance.

Questions about this Report?

Visit RioCan’s [website](#)

Email Ridhima Nayyar, Director, Sustainability: rnayyar@riocan.com

For more information about RioCan and for governance-related disclosures:

Visit RioCan’s [website](#)
Read our [Supplement, Annual Report, Management Information Circular](#) and [Annual Information Form](#).

This Report and the accompanying [Supplement](#) (the “Documents”) contain forward-looking statements, including statements concerning our objectives, our strategies to achieve those objectives, as well as statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, performance or expectations that are not historical facts. Such statements reflect RioCan’s current beliefs and are based on information currently available to us. Although the forward-looking information contained in the Documents is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with the forward-looking information. For more information on the risks, uncertainties and assumptions that could cause the Trust’s actual results to differ from current expectations, refer to the “Risks and Uncertainties” section in RioCan’s most recent Annual Information Form.

2021 ESG HIGHLIGHTS

Embedding ESG best practices in everything we do

ENVIRONMENTAL



Climate management

Developed climate strategy, held climate training workshop, and assessed risks and opportunities



Achieved highest rating in GRESB

5-Star rating in the 2021 Real Estate Assessment; First among Canadian peers in public disclosures; Regional sector leader in Development Assessment



120+ BOMA BEST certified buildings

Representing over 60% of our GLA*



2021 Green Lease Leader

Earned the Silver Level designation

SOCIAL



Top 100 Employers

Recognized as one of Greater Toronto's Top 100 Employers



Top decile for employee engagement

Achieved top decile in 2021 for employee engagement among similar-sized companies



Employee development

Accelerated investment in our employees and introduced a director level role dedicated to talent development across RioCan



DEI initiatives

Published the Trust's inaugural DEI policy, launched a DEI scholarship program, conducted a DEI employee survey, and organized events to raise employee awareness about DEI issues

GOVERNANCE



Upgraded ESG Rating

Achieved an upgraded ESG Rating from MSCI** and a "Prime" ESG Corporate rating status from ISS***



Linked ESG objectives

Updated Performance Management Program to link ESG objectives to corporate compensation



TCFD commitment

Formally committed to support the TCFD recommendations



Climate Committee

Established a Climate Committee to embed climate objectives across the business

* At 100% interest for commercial portfolio.

** Morgan Stanley Capital International ("MSCI") is a leading provider of decision support tools and services for the global investment community.

*** Institutional Shareholder Services ("ISS") is a leading provider of corporate governance and responsible investment solutions.

LETTER FROM OUR PRESIDENT AND CEO

Welcome to our fourth annual ESG Report

Throughout 2021, RioCan was driven by steadfast optimism. Instead of being caught on the downside of the global pandemic, we chose to convert this ongoing challenge into a unique opportunity to strengthen our risk management approach – in particular, our climate and other ESG topic-related practices such as diversity, equity and inclusion (“DEI”), and employee development.

In 2021, we took major steps to strengthen our climate management practices. In addition to comprehensively assessing climate risks and opportunities, we established a Climate Committee and developed a climate strategy. RioCan’s climate strategy supports responsible growth by embedding climate tools, accountabilities and initiatives such as resilience and net zero criteria, enhancing governance and disclosures, meeting evolving stakeholder expectations, and protecting asset value.

One powerful indicator of our commitment to sustainability is the fact that we have now linked corporate compensation to ESG measures.

RioCan has also made a substantial investment in developing our existing talent. We recognize that training and educational initiatives are instrumental in ensuring our people are as effective as possible in their current positions, and also prepared for future advancement within the company.

Finally, we advanced our efforts in DEI by publishing our DEI policy, launching a DEI scholarship program, and conducting a series of events to advance DEI within the workplace and in the communities we serve.

We continued to refine our strategy for long-term growth by building on our foundational strengths to enhance value across our business. Moving forward, we are dedicated to building on this momentum and delivering our bottom-line commitment to increase total unitholder returns. We plan to achieve this

“2021 highlighted the need for continuous and ongoing progress on ESG initiatives.”

by adhering to RioCan’s strategic pillars: **Reimagine Retail, Intelligently Diversify, Enhance Customer Centricity and Grow Responsibly.**

For us, our Grow Responsibly pillar supports and underpins our other three pillars. It means enhancing our ESG leadership and our long-standing principle of prudent and intentional capital management. To do this, we are developing an updated ESG strategy that will reflect evolving societal trends and stakeholder priorities.

We understand that the notion of growing responsibly is a work in progress and that this is typical of the evolving ESG landscape. However, we are confident RioCan can achieve this objective by continuing to be vigilant, accountable and transparent throughout all our operations.

Despite it having been a year of navigating obstacles, we are proud to have earned a 5-star GRESB rating for the second consecutive year, demonstrating that RioCan is resilient, that we have an incredibly talented team, and that we continue to build on a strong ESG foundation. More than ever, however, 2021 highlighted the need for continuous and ongoing progress on ESG initiatives. As RioCan is an industry leader in ESG, 2021 was all about charting our course in the transition to a low-carbon economy and more equitable world.

Jonathan Gitlin

President and Chief Executive Officer
RioCan Real Estate Investment Trust



Jonathan Gitlin
President and Chief Executive Officer

ABOUT **RIOCAN**

RioCan is one of Canada's largest REITs

RioCan owns, manages and develops retail-focused, increasingly mixed-use properties located in prime, high-density, transit-oriented areas where Canadians want to shop, live and work.

As of December 31, 2021, our portfolio consisted of 207 properties with an aggregate net leasable area of approximately 36.4 million square feet. This includes retail, office and residential rental properties, as well as 13 properties under development.

Benefiting from a resilient portfolio

RioCan's portfolio is focused where the majority of Canadians live: Vancouver, Edmonton, Calgary, the Greater Toronto Area, Ottawa and Montreal. In fact, over 90% of our total annualized contractual gross rent is generated from these six main metropolitan areas.

To reflect the impact of the pandemic on indoor communal spaces, we have successfully decreased our exposure to enclosed centres. These assets now represent only 9.3% of our total annualized contractual gross rent.

RioCan has a resilient and defensive mix of tenants that keep in lockstep with the new realities of consumer spending patterns, drive repeat visits and, in turn, retain and attract other strong tenants. Focused on stability and high-quality income, RioCan has established a resilient tenant mix of necessity-based and value-oriented goods and services, such as grocery and pharmacy stores and specialty retailers.

\$13.9B

Enterprise value

207

Number of properties

96.8%

Commercial Committed Occupancy

Strategic Canadian major market positioning



Property mix by revenue

Grocery-Anchored Centre (54.1%)

Mixed-Use/Urban (22.1%)

Open-Air Centre (14.5%)

Enclosed Centre (9.3%)

¹ Income-producing properties at RioCan's interest.

² Percentage of annualized contractual gross rent.

OUR STRATEGY

Evolving our strategy

RioCan prioritizes sustainability in decisions made at all stages of an asset's life cycle. As one of the Canadian real estate leaders in ESG, RioCan continues to build on and further embed sustainability practices across our organization, through our culture, and in everything we do. We have a clear focus on risk mitigation, measurable progress, and enhancing the communities we serve.

As we go to press with this report in 2022, we are in the process of updating our ESG strategy. Our revised strategy will help in addressing emerging ESG trends and drivers while incorporating evolving materiality topics.

We are updating our strategy because it is the right and responsible thing to do, both for our business and the communities where we operate. By permanently adopting ESG strategies, and by extending responsibility for ESG to all RioCan employees, we will support sustainable growth and generate long-term value. We look forward to sharing our new ESG strategy in next year's report.

We have a clear ambition: Provide strong total unitholder returns

RioCan's strategy will further embed ESG across all facets of our business to enhance our organization and our physical assets, and support delivering long-term unitholder value.

RioCan's strategy is based on four pillars:

- **Reimagine Retail:** We will continue to actively evolve our retail tenant mix, shape our portfolio with higher return initiatives, and strategically invest in properties that enhance their Same Property Net Operating Income ("SPNOI") potential.
- **Intelligently Diversify:** We will sensibly diversify our asset base, income sources and overall tenant mix.
- **Enhance Customer Centricism:** We will continue to seek to understand and meet the needs of our tenants and our partners.
- **Grow Responsibly:** We will focus on enhancing our culture, our ESG leadership and our long-standing principle of prudent and intentional capital management.

Our position on ESG

We have aligned our environmental, social and governance objectives to specific United Nations Sustainable Development Goals ("UN SDGs").

Established in 2015, the [UN SDGs](#) are a set of 17 goals with clearly defined metrics to measure the real-world impact of investments on pressing sustainability issues relating to global economic, social and environmental development.

ENVIRONMENTAL	UN SDG	RIOCAN OBJECTIVES
	UN SDG 12: Responsible Consumption and Production	<ol style="list-style-type: none"> 1. Reduce GHG emissions, energy and water consumption in our new and existing buildings. 2. Establish a series of interim emission and energy reduction goals. 3. Improve waste diversion at all sites. 4. Continue to develop and acquire sites in transit-oriented neighbourhoods. 5. Expand assessment of physical and transitional climate risks, opportunities and impacts for all assets in line with the TCFD recommendations.
	UN SDG 13: Climate Action	
SOCIAL	UN SDG	RIOCAN OBJECTIVES
	UN SDG 3: Good Health and Well-Being	<ol style="list-style-type: none"> 1. Establish programs to actively develop new pools of talent, increase retention and integrate diversity into recruitment. 2. Provide employees with regular ESG training, organize mentorship programs and conduct gender pay gap assessments. 3. Continue to support our tenants and visitors by designing inclusive places that contribute to a pleasant experience at our centres. 4. Contribute to our communities by creating jobs, investing in education, and launching economic and social growth initiatives. 5. Continue to organize community events that promote the well-being of our tenants and communities in which we operate.
	UN SDG 5: Gender Equality	
	UN SDG 8: Decent Work and Economic Growth	
	UN SDG 10: Reduced Inequalities	
GOVERNANCE	UN SDG	RIOCAN OBJECTIVES
	UN SDG 9: Industry, Innovation and Infrastructure	<ol style="list-style-type: none"> 1. Enhance ESG and climate change-related disclosures in alignment with leading disclosure standards. 2. Maintain an open dialogue and feedback loop through our Board investor outreach program. 3. Strive for best management practices through certifications and awards. 4. Execute green bond initiatives and related green bond reports. 5. Embed ESG considerations within RioCan's purchasing, contracting and procurement processes.
	UN SDG 11: Sustainable Cities and Communities	

WHAT MATTERS MOST

Material ESG topics: Listening to our stakeholders

Material ESG topics are those environmental, social and governance topics that are most important to RioCan and our stakeholders.

Our first materiality matrix was established in 2018 and resulted from a thorough stakeholder engagement process. The comprehensive consultation included RioCan's executive and management teams as well as a number of external stakeholders, including tenants, suppliers, general contractors, joint venture partners, institutional investors and municipal development planners.

In 2022, we are refreshing our materiality matrix to capture evolving priorities and emerging ESG topics. As part of the process, RioCan is engaging key stakeholders to collect feedback on our existing ESG program and get their input on what they believe are RioCan's ESG risks and opportunities. This will help us prioritize and assess the ESG topics we manage moving forward.

We know that our stakeholders value the opportunity to regularly contribute their opinions and insights. We have also learned that our stakeholders are placing increasing importance on topics such as diversity, climate change, net zero criteria, risk management and transparency. We will share further insight on our renewed list of material topics in next year's report.

For our materiality matrix, please see the [Supplement](#).



RioCan is updating its materiality matrix and strategy in 2022.

Material ESG topics

ENVIRONMENT

- GHG emissions
- Sustainable building design and construction
- Land contamination
- Resource efficiency
- Climate change risks and adaptation

SOCIAL

- Tenant relationships
- Employee education, skills and training
- Community partnerships
- Health, wellness and safety
- Diversity, equity and inclusion

GOVERNANCE

- Board and corporate governance, including composition and compensation
- Regulatory compliance and emerging regulations
- Financial performance
- Business ethics, corruption and bribery
- Responsible contracting and procurement



Bathurst College Centre
Toronto, Ontario

ESG GOVERNANCE

Our commitment to ESG excellence relies on strong oversight and accountability

RioCan relies on a collaborative team to manage its ESG program. Our SVP, General Counsel and Corporate Secretary, oversees the program, ensuring ESG initiatives are prioritized and properly resourced across the company.

At the Board level, the dedicated Nominating, Environmental, Social and Governance Committee (“NESGC”) – previously known as the Nominating and Governance Committee – oversees the Trust’s strategy, policies and practices with respect to all ESG matters, including those related to climate change.

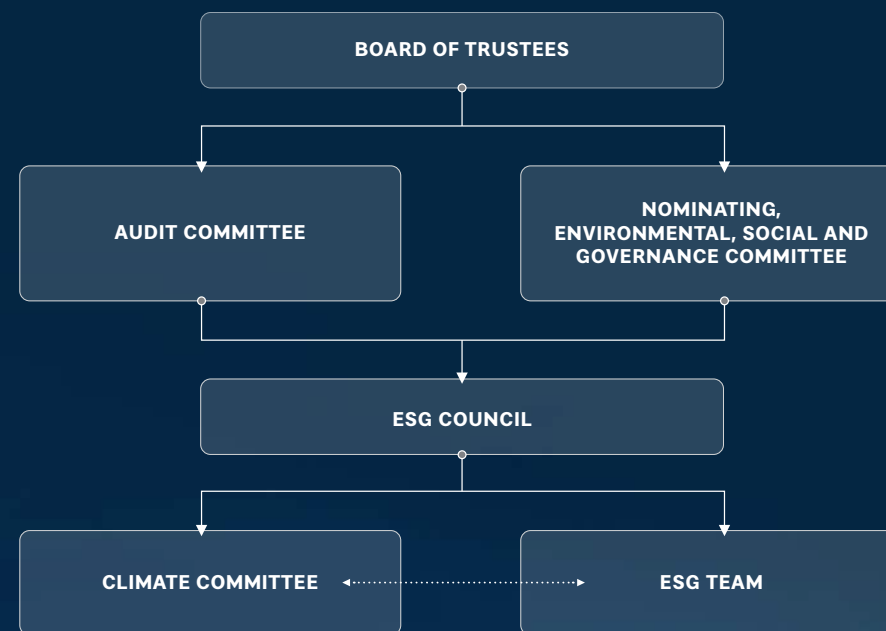
The ESG Council is composed of a cross-functional executive and organizational leadership team that oversees ESG strategy and implementation and drives performance improvements.


Council members sponsor and provide guidance on ESG initiatives within the organization and enable performance measurement.

Climate Committee

In 2021, RioCan established a cross-functional Climate Committee, which consists of subject matter experts from all related business functions. Chaired by the SVP, General Counsel and Corporate Secretary, this committee is mandated to embed climate considerations within our organizational objectives. The committee will ensure that our priorities, input and achievement towards both long- and short-term climate-related goals are fully aligned.

For information on our climate approach, please see the [Climate Change and Carbon Emissions](#) section.



 5th & THIRD East Village
Calgary, Alberta

ESG Governance (continued)

Commitment and responsibility extend to the entire organization

ESG success and progress are the responsibility of our entire organization. Starting in 2021, every employee is required to adopt a rigorous and ongoing commitment towards embedding ESG best practices throughout our business. This will allow RioCan to drive long-term resilience and value for our company, partners, unitholders, and the communities in which we operate.

As a leader in the property development and management industry, we take our responsibility to address ESG issues very seriously. Our overarching goal is to maintain this ESG leadership position by implementing new initiatives, establishing Key Performance Indicators (“KPIs”) to monitor overall progress, and driving continuous cultural improvement throughout our organization. In this respect, we view collaboration across our industry as the key to success.

Collaboration is essential

Across our organization, our people are putting in an incredible effort to entrench ESG in every aspect of our business. Key to RioCan’s continued progress in these areas is the growing emphasis on metrics related to non-financial matters – that is, environmental and social topics.

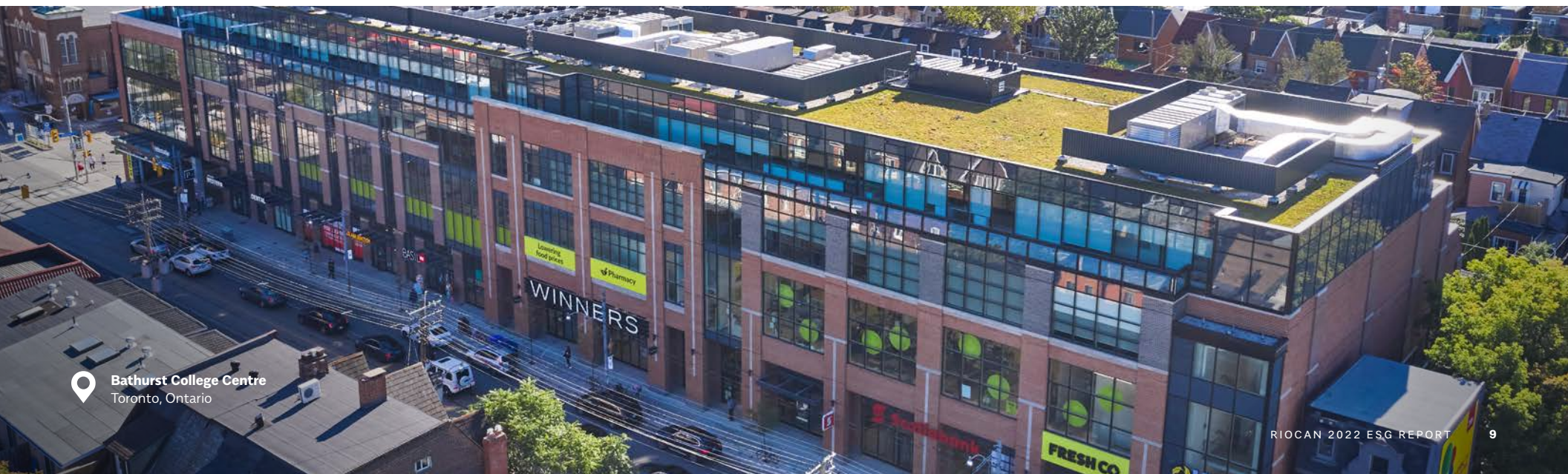
For example, our **Operations team** has played an integral role in successfully delivering multiple ESG initiatives, including executing RioCan’s first-ever tenant survey, certifying sites under the BOMA BEST program, conducting ESG training and assessments, and implementing LED retrofit projects.

The **Developments team** has published a Sustainability Development Policy and Framework that promotes cooperation and partnerships. Now, all design charrettes include a discussion focused on sustainability goals and a long-term vision for future developments.

Our **People team** collaborated with the ESG team to ensure that RioCan’s corporate ESG objectives and performance are now embedded in every employee’s Impact Scorecard and part of employee year-end performance targets. Starting in 2022, ESG results will be a determinant of each individual’s annual bonus. These moves reflect the growing importance of individual contribution to and responsibility for the company’s overall ESG performance.

Also, our **Leasing and Legal teams** continue to help us advocate for green lease clauses. Adopting green lease clauses helps in improving resource efficiency and maintaining green building certifications at our sites.

For more information on how we are linking bonuses to ESG, please see the section on 2021 Compensation Decisions in our [Management Information Circular](#).



Bathurst College Centre
Toronto, Ontario

CLIMATE CHANGE AND **CARBON EMISSIONS**

We know a key element in advancing our ESG strategy is to raise our climate ambition. This requires developing a climate strategy, building internal climate competencies and aligning with leading reporting frameworks. In 2021, we took several steps to advance our climate ambition.



Build competencies and knowledge: To build internal competencies and knowledge of climate change management and disclosure, we organized climate training sessions with the members of the Climate Committee. Topics included:

- Emerging national and municipal policies and regulations, tenant, investor, and business emission reduction commitments
- Emerging trends related to climate disclosures, such as mandatory TCFD reporting for listed companies
- Environmental, technological and regulatory trends affecting the viability of net zero buildings and companies
- Best practices for implementing climate resiliency measures at the asset level

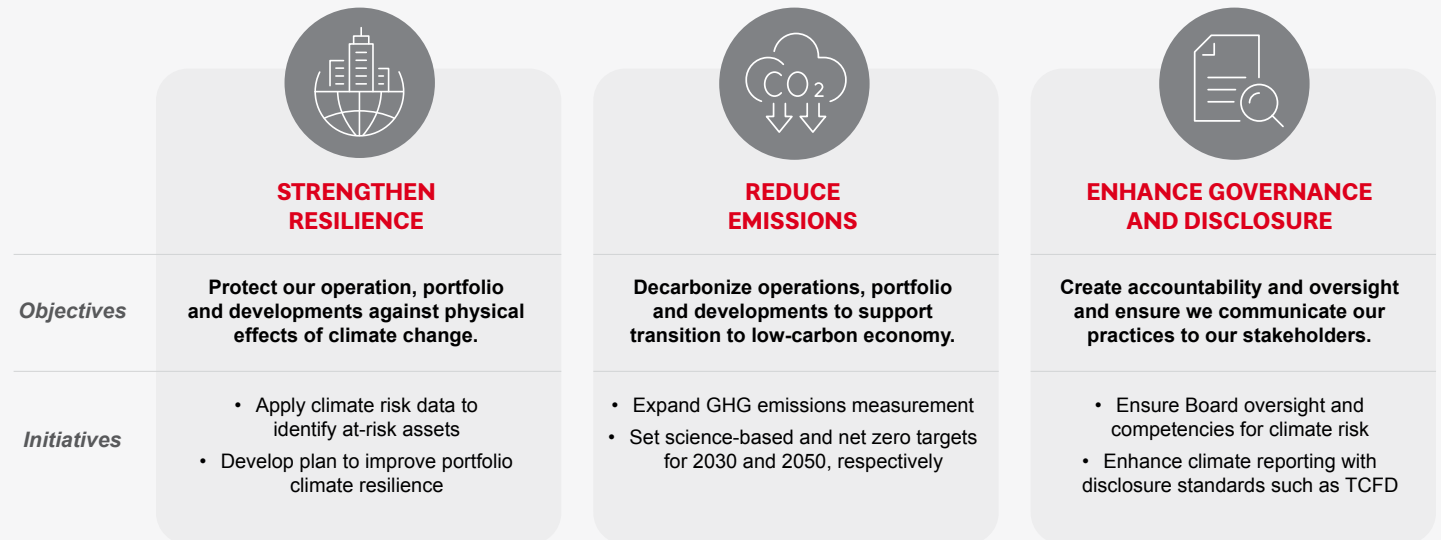
Assess climate risks and opportunities: To advance climate management at RioCan, we conducted a workshop to identify climate-related risks, opportunities and associated business implications.

For information on our climate-related metrics, please see the [Supplement](#) and [2021 Annual Report](#).

RioCan commits to climate






Our climate strategy supports responsible growth by integrating climate initiatives across our organization.

RioCan's approach involves building resilience and net zero criteria into our tools, accountabilities and decision-making – from asset management operations to developments, investments, procurement and leasing processes. This will enable us to protect asset value, enhance governance and disclosures, and meet evolving stakeholder expectations.



Climate Change and Carbon Emissions (continued)

Climate risks, impacts and opportunities

A. RISKS		POTENTIAL IMPACTS
1. PHYSICAL RISKS		
	Risks from shifts in climate patterns and extreme weather events such as flash and urban floods, extreme storms and winds, and extreme heat.	<ul style="list-style-type: none"> • Damaged assets from extreme weather events • Lower insurability due to more frequent weather events • Higher operational costs from increased heating/cooling loads • Reduced tenant profitability leading to reduced rent/occupancy • Developments not designed to meet changing climate conditions • Reductions in value of low-resilience assets; potential for stranded assets
2. POLICY AND LEGAL RISKS		
	Risks from policies and legislation that target climate change mitigation or enforce adaptation such as carbon pricing mechanisms, energy/water efficiency requirements and enhanced reporting obligations.	<ul style="list-style-type: none"> • Higher utility and operational costs from grid decarbonization • Stranded assets that are unable to meet performance requirements • More expensive development materials from higher carbon price • Changes to development/retrofit requirements to align with evolving performance standards
3. TECHNOLOGY RISKS		
	Risks arising from the need to replace old systems, disruptions to parts of the economic system from technology obsolescence, and additional costs associated with new technologies.	<ul style="list-style-type: none"> • Natural gas heating becomes obsolete and requires asset upgrades • Increased capital required to integrate emerging technologies into assets • Incremental costs to upgrade assets in line with net zero requirements • Incremental costs to build net zero (ready) assets
4. MARKET AND REPUTATION RISKS		
	Risks from shifts in supply and demand of products and services; changing consumer preferences and stakeholder perceptions and feedback as climate-related risks and opportunities are increasingly considered.	<ul style="list-style-type: none"> • Increased resources required to manage climate risks and to report to ESG standards • Limited access to capital if not fulfilling investor climate expectations • Increased cost of capital to finance properties and secure debentures
B. OPPORTUNITIES		POTENTIAL IMPACTS
	Opportunities arising from the transition to a low-carbon economy and adapting to changes in the physical climate such as enhanced resilience of portfolio and investment in renewables to reduce costs and generate revenue.	<ul style="list-style-type: none"> • Protect asset value: assess portfolio exposure to climate change and implement resilience features and processes • Reduce insurance costs: demonstrate proactive risk management practices • Generate revenue and reduce costs: evaluate opportunities to integrate renewable energy into operations • Reduced cost of capital: evaluate additional sustainability bond or linked loan frameworks • Reduce operational costs and stranded assets: build and retrofit above evolving performance standards (e.g., Toronto new builds to be net zero by 2030) • Strengthen risk management: build competency and oversight at Board and senior management levels and integrate climate risk considerations across business units • Maintain ESG and climate leadership status: advance and disclose strong climate risk management practices • Increase access to capital and generate revenue: develop net zero plan to meet evolving regulations and tenant and investor expectations • Leverage scale: implement portfolio-wide measures to advance community resilience and transition

RESOURCE **EFFICIENCY**

Resource efficiency means operational cost savings for our business, tenants and the overall industry

The global real estate industry is a huge consumer of energy and water and a major producer of waste. In fact, 40% of all global carbon dioxide emissions come from real estate. With an endless need to continue exploring different ways to achieve resource efficiency, resource management is therefore a crucial focus area for RioCan.

Oscar Sort, the recycling robot

Oscar Sort is a new artificial intelligence (“AI”) powered system aimed at diverting waste from oceans and landfills. The Oscar Sort waste-management system helps visitors recycle their items properly at the point of disposal. The initiative was unveiled at Burlington Centre in 2021 and was a collaboration between RioCan’s ESG and Operations teams. This initiative reflects our strong partnership with KingSett Capital, who supported the program through KingSett’s Innovation Award.

Three centralized zero-touch stations gamify recycling and boost diversion to the right bin. As visitors approach the stations, an AI powered camera automatically identifies recycling from trash – and tells users whether it belongs in the compost bin, recycling bin or landfill stream bin. The camera can even differentiate between multiple items and prioritize which ones to instruct users about first. This robotic system complements Burlington Centre’s current in-place recycling programs as well as the organic waste collection for back-of-house food court tenants.

In addition to introducing Oscar Sort, Burlington Centre was also proud to provide a **Zero Waste Zone** and **Zero Waste Drive-Thru**. Burlington Centre’s Zero Waste Zone provides a convenient depot for recyclable items not accepted by municipal/regional household waste collectors. It works by offering a series of single purpose recyclable bins for everyday items such as candy and snack wrappers, PPE, Brita filters, and plastic cards, like old library cards or membership cards, that have fallen out of use.

To help the community eliminate clutter from their homes and offices, we are partnering with Burlington Green to continue the successful Zero Waste Drive-Thru pop-up events. These contact-free events invite people living in the community to visit the Burlington Centre parking lot, where volunteers gladly accept a wide variety of items to be properly recycled.

Collectively, these efforts at our Burlington Centre help the community divert waste from landfills by educating the public on the importance of properly sorting material at the point of disposal.

Future plans

As our company continues to grow, we are also providing the necessary education for our employees, contractors, suppliers and partners to make more sustainable investment decisions. These include finding opportunities to improve waste diversion, incorporate electrification, and phase out the use of fossil fuels.

For information about our resource efficiency targets and metrics, see the [Supplement](#).

 **Pivot**
Toronto, Ontario



SUSTAINABLE **DEVELOPMENT**

Developing efficient and resilient assets is important to RioCan's business

Buildings have a significant, long-lasting impact on communities and the environment, so we know we must develop them with the future in mind.

Integrating sustainability into the design, development and construction of all our buildings allows RioCan to collaborate with our supply chain to minimize negative impacts while also delivering the kinds of healthy, resource-efficient, transit-oriented properties our tenants are demanding.

Building complete communities: Toronto's QA Masterplan

Queen & Ashbridge ("QA") Masterplan is a new mixed-use project at Queen Street East and Coxwell Avenue in Toronto that RioCan is developing in a 50/50 partnership with Context and in collaboration with the City of Toronto and Toronto Community Housing Corporation ("TCHC").

QA Masterplan will contribute to the revitalization of this neighbourhood and will provide different housing types, from condominiums to affordable rental units, to address different levels of housing affordability.

QA Masterplan is aligned with our ESG goals and builds on RioCan's history of investing in the communities we serve. The project allows RioCan to support the City of Toronto's Community Economic Development Initiative through a \$100,000 scholarship fund for TCHC tenants, a \$250,000 economic and social development fund, and a minimum of \$500,000 dedicated for job creation opportunities.



\$100,000

Scholarship fund for TCHC tenants



\$250,000

Economic and social development fund



\$500,000+

Dedicated for job creation opportunities

Future plans

We understand that achieving climate goals requires innovative thinking and strategic partnerships to reduce carbon emissions more quickly and at a greater scale. To that end, we are taking steps to accelerate our capacity to design and develop sites that are climate resilient and low carbon and that are prepared for the upcoming introduction of municipal net zero regulations.



Verge™
Etobicoke, Ontario



HEALTH, WELL-BEING **AND SAFETY**

We believe we have a responsibility to create healthy and productive spaces that appeal to tenants, employees and consumers. Most importantly, we are committed to ensuring that our employees, tenants, contractors and the public-at-large are safe and healthy.

The WELL Health-Safety Rating

In 2021, Yonge Eglinton Centre achieved the **WELL Health-Safety Rating** through the International WELL Building Institute (“IWBI”). The WELL Health-Safety Rating is an evidence-based, third-party verified rating for new and existing building and space types focusing on operational policies, maintenance protocols, and stakeholder engagement. It also includes emergency plans to address the post-COVID-19 environment now and into the future.

The WELL Health-Safety Rating was designed to empower owners and operators across large and small businesses alike to take the steps necessary to prioritize the health and safety of their staff, visitors and stakeholders.

A safe and comfortable return to the office

Throughout the COVID-19 pandemic, RioCan made the health and safety of our employees our top priority. When it came to returning to the office, we knew the transition might feel challenging for some of our employees.

We took several measures to ensure that our employees felt safe and supported. We mapped out a gradual approach, including plenty of flexibility options and accommodations where necessary, and we also established a new dedicated inbox (returntooffice@riocan.com) for employees to pose questions or raise any concerns about their return to the office environment.

Future plans

We will continue to put the health and wellness of our employees, tenants and customers first. As part of this, we will continue to make sure our people have the adequate resources to protect themselves and all their stakeholders.

Moving ahead, we plan to continue taking measures to achieve the WELL Health-Safety Rating at our other enclosed and mixed-use properties.

For more information about our health and safety metrics, see the [Supplement](#).



The Well
Toronto, Ontario

TENANT **RELATIONSHIPS**

Tenants are the foundation of a commercial real estate company's business. Indeed, our success is dependent on strong relationships with current and prospective tenants.

Tenant survey

One of the most important ways we can differentiate ourselves from our competition is by optimizing service delivery and improving tenant satisfaction. High tenant satisfaction ultimately results in enhanced retention, higher occupancy rates, rent/SPNOI growth and improved asset positioning.

Starting in 2018, we have engaged directly with our tenants through regular surveys. The latest survey to measure tenant satisfaction was conducted in Q3 2021 by a third-party provider. The 2021 edition expanded the surveyed population to include a subset of tenants from 150+ sites across RioCan's entire portfolio.



We received a 36% response rate and an overall property management satisfaction score of 3.99 out of 5. We are now working on an action plan to improve in the areas that are most important to our tenants.

Future plans

To further support our tenants, RioCan will be adding call centre services that will be available 24/7 to all tenants and provide property management and leasing support. Additionally, we plan to expand the existing sustainability guide to include ways to further collaborate with RioCan on the ESG front.

Actioning feedback



Among the feedback we received from tenants was that some of our centres would benefit from a facelift.

This led us to carry out property level audits and establish property standards as part of RioCan's overall design standards. Our first action was to create a program to improve the exterior look of various sites.

This program represents a commitment to increase the average spend by 150% over the next five years to improve the on-site experience for our patrons, tenants and communities while creating a more consistent look and feel to our centres.



Our tenants also reported that they would appreciate faster responses to their requests.

This led to the introduction of a new 24/7 service called **RioCan Connect**, as well as the **RioCan Service Level Commitment Agreement**.

Furthermore, we have created a **Proactive Management Communication** process that includes reaching out to tenants on a more frequent basis to inquire about their business and get feedback on how we are performing as property managers. We have also established a tenant focus group to allow us to connect with tenants, solicit feedback and enquire about any operational issues their businesses may be facing.

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Our vision: To be one of Canada's best workplaces

Competition for good talent is fierce in today's marketplace and in order to attract and retain employees, we need a strong vision, an engaged workforce and best-in-class practices. In the midst of a pandemic, when many organizations are scaling back on employee engagement initiatives, RioCan is more focused than ever on employee engagement and development.

Continuing to enhance our culture – Employee survey

A strong, motivated and engaged talent pool is the key to delivering the rapid innovation and diversification that is required today. A strong corporate culture is the foundation of a united, productive workforce.

In October 2021, we conducted our Employee Engagement Survey, achieving an outstanding employee response rate of 96%. We are extremely appreciative that nearly every employee in our organization took the time to provide us with candid feedback, allowing us to identify areas of strength and opportunity.

Our overall engagement score was 87%, which represents a 6% increase over the 2020 results and places RioCan in the top 10% of similar-sized companies. Among the notable strengths emphasized in the survey were that our employees feel connected to our organizational vision, are satisfied with overall communication, and have a real sense of teamwork within our company. The survey also confirmed that we have made significant progress in each of the focus areas identified in our 2020 survey.

Results

- Exceptional response rate: 96%
- High overall engagement score: 87%
- Improvement over 2020 in virtually every key engagement score

To ensure we continue to enhance satisfaction and respond to employee feedback, our 2022 engagement initiatives include the following:

Flexible work

- For the duration of 2022, employees who can perform their tasks remotely will be able to work from home up to two days a week
- We will maintain flexible work hours (start and end times) for employees on the days they are in the office

Taking care of ourselves and each other

- RioCan Cares Day – office closure on Thursday, June 30
- Office closure at noon each Friday before long weekends in the summer
- Three additional sick days (for the duration of the pandemic) for employees who are required to be on site to perform their jobs
- Habitat for Humanity partnership with five team build days across the country

Performance feedback and growth

- Enhanced Impact Scorecards for all employees
- Learning opportunities to include on-demand training for all employees, and small group coaching for people leaders
- Establishment of career paths with clarified skills, requirements, and opportunities for vertical and lateral movement

Diversity, equity and inclusion

- Expanded DEI training
- Incorporation of DEI behaviours and expectations into RioCan Impact Scorecards
- Creation of a pipeline of diverse talent through scholarships, mentorship and internships



96% of employees responded to our Employee Engagement Survey.

Our overall engagement score was 87%.

We recorded an improvement over 2020 in virtually every key engagement score.

Employee Engagement and Development (continued)

Launched talent pilot program

RioCan is committed to developing and, more specifically, empowering our employees. As part of our ongoing commitment to a culture of excellence, we launched a talent pilot program to create robust and comprehensive talent solutions for all our employees.

With a small group of employees, we tested and evaluated a variety of talent development tools and approaches and used participant feedback to determine which tools were most effective. As well, participants went through various assessments to gain insights into their leadership style, after which a leadership development plan was individually designed and tailored to their needs and career aspirations.

The tools we tested for potential use across RioCan included:

- A leadership capabilities model of expected behaviours from entry level to senior leadership
- Leadership assessments to determine existing qualities that can positively impact everyday performance
- 360-degree feedback evaluation driven by RioCan's new leadership expectations
- One-on-one assessment debriefs
- Leadership development plan creation with guidance on mentoring opportunities, external coaching, internal/external exposure, and career pathing

The goal of this pilot program is to provide RioCan with a practical approach and best-in-class tools to continue to develop our people and advance their careers.

Other learning opportunities**Mentoring**

RioCanMentors offers networking and growth opportunities aligned with employees' career goals. Mentorship provides learning opportunities for both the mentee and mentor, and allows for the exchange of ideas across the organization.

RioCan learning-on-demand courses

Employees can access a number of online courses to enhance their knowledge and understanding of RioCan's new leadership expectations. Courses are refreshed every six months.

Continuing education and professional association membership opportunities

All full-time permanent employees receive financial assistance towards continuing education and/or membership fees to a professional association.

Future plans

RioCan will continue to invest in talent and engagement practices that target key areas of opportunity to enhance our employees' professional experience.

We will be implementing enhanced Impact Scorecards for all employees as well as learning opportunities, like on-demand training and small group coaching. We also plan to establish career modelling with clear skills, job requirements and pathways for vertical and lateral movement.

**Talent and Culture Roadmap**

RioCan's first Talent and Culture Roadmap was developed in November 2020, with the objective of entrenching our culture at RioCan by wrapping related initiatives in the context of a corporate culture strategy.

Through this, we formalized a consistent approach based on the pillars of values, performance and leadership criteria. These initiatives are tailored to:

- Entrench behaviours that drive results and thrive on change
- Retain and develop high performers
- Attract top talent

The Roadmap was developed with the goal of driving an understanding of leadership development and strengthening measures and processes to ensure adherence at every stage of the employee experience, including:

- Hiring practices
- Onboarding
- Rewards and recognition programs
- Performance management
- Communications

DIVERSITY, EQUITY **AND INCLUSION**

Fostering diversity across our organization

RioCan brings together smart, talented people from diverse backgrounds and creates spaces where everyone can prosper. People are at the core of who we are, and we respect the fact that every individual has taken a unique path to get here.

RioCan is committed to creating an environment where all employees are valued, included and empowered to do their best work. We greatly value different voices and perspectives and appreciate that unique backgrounds and identities only make our organization stronger.

We aim to promote diversity in everything we do – from designing our buildings and attracting tenants, to hiring employees. We believe that a diverse and inclusive organization fosters innovation and makes a positive impact, not just on our bottom line but in society at large.

Partnership to extend employment equity solutions

As a way to ensure the diversity of our workforce, RioCan announced our partnership with [Equitek Employment Equity Solutions](#). Equitek Employment Equity Solutions provides a diverse and inclusive outreach strategy for organizations seeking to make their employment opportunities available to qualified job seekers from underrepresented demographics across Canada. We are thrilled about what Equitek will do for us by extending the reach of our job postings to hundreds of non-profit organizations that specifically cater to historically underrepresented groups. RioCan's employer page on Equitek's website can be found [here](#).

Truth and Reconciliation

In recognition of the National Day for Truth and Reconciliation on September 30, RioCan hosted a talk with special guest Chief Dr. Robert Joseph, O.B.C., O.C. As the Ambassador for [Reconciliation Canada](#) and a member of the National Assembly of First Nations Elders Council – as well as being a residential school survivor – Chief Joseph shared his remarkable journey and discussed what we can do to support reconciliation. We deeply appreciated Chief Joseph's honesty about his remarkable journey and his call-to-action to learn about Canada's history, our relationships with Indigenous peoples, and how we can move forward to support reconciliation.

"I am a human being; I deserve to love myself and be loved and not be judged for the colour of my skin."

Chief Dr. Robert Joseph, Reconciliation Canada



Diversity, Equity and Inclusion (continued)

Diversity, equity and inclusion survey

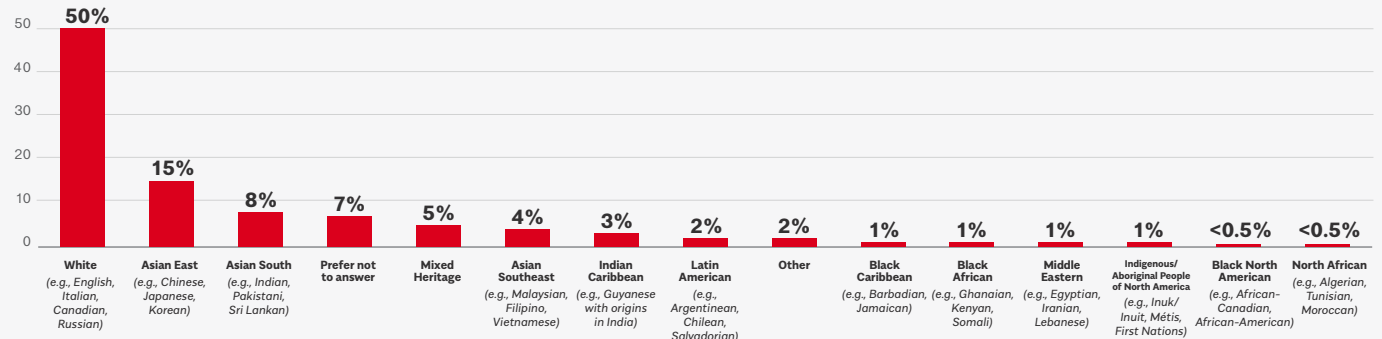
In 2021, RioCan conducted our first internal DEI survey. With an exceptional response rate of 87%, this survey provided us with better visibility into RioCan’s areas of opportunity, while also helping the DEI Council formulate priorities for our organization.

The survey questions were divided into two categories: demographics and sentiment. The demographics category allowed us to view RioCan on the basis of traditional census segments such as racial and ethnic background, gender identity and sexual orientation. The sentiment category captured employees’ perceptions of diversity, equity and inclusion at RioCan.

Future plans

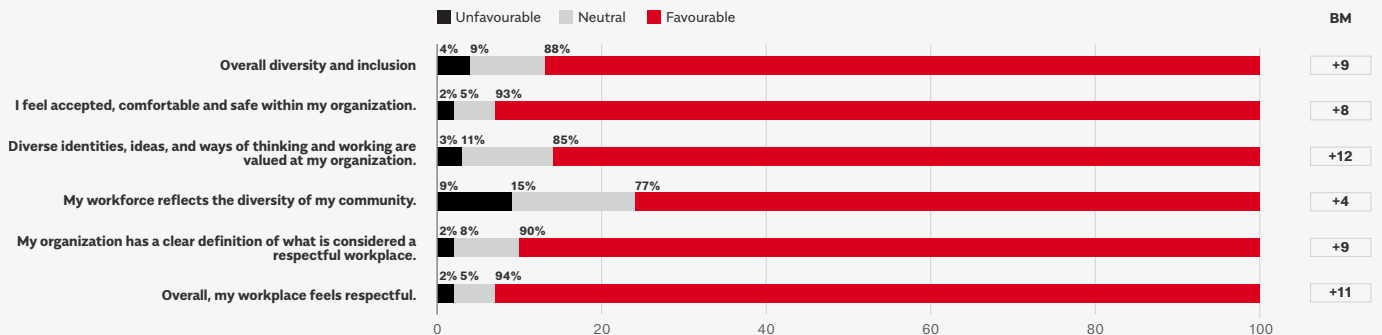
- Expand RioCan’s DEI training, incorporate DEI behaviours and expectations into RioCan’s Impact Scorecards.
- Continue to develop an action plan in response to the 2021 DEI survey results.

Racial or ethnic identity



Data is rounded to the nearest whole number.

Diversity and inclusion (benchmark items)



Data is rounded to the nearest whole number.

Based on the DEI survey, the following areas of opportunity and action plans were identified and mapped out:

SENTIMENT	ACTIONS
Our workforce reflects the diversity of my community.	<ul style="list-style-type: none"> • Establish DEI Champions within each department to embed DEI in the business • Introduce opportunity for self-identification and begin tracking trends in the organization
This organization does a good job of attracting, developing and retaining people with diverse backgrounds.	<ul style="list-style-type: none"> • People and Culture team to establish new recruitment processes, review policies, enhance the summer program and partner with external organizations to develop pipeline of talent
I feel comfortable discussing issues with my manager regarding race, nationality, gender, age, sexual orientation, religion, values, etc.	<ul style="list-style-type: none"> • Conduct company-wide training, including training for people leaders on various DEI topics

COMMUNITY PARTNERSHIPS

RioCan aspires to contribute positively to our communities

RioCan understands that running a real estate business is about more than bricks and mortar. As a large real estate company, rooted in Canada's major urban markets, RioCan is committed to supporting the communities where we operate. Doing so not only enhances these communities – it also improves the social and economic well-being of our employees, our tenants and the public.

Ongoing partnership with Habitat for Humanity

RioCan plays an important role in the communities where we invest, develop and operate. Since 2013, 133 RioCan employees have participated in Habitat Build Days with Habitat GTA; collectively, they have contributed 1,455 volunteer hours. RioCan employees share a deep commitment to corporate citizenship and giving back to our communities, and we look forward to continuing to participate in Build Days with Habitat for Humanity.

Food for everyone

Lawrence Allen Centre was proud to support a local community organization by providing an efficient location for the food bank to store its supplies and serve the community.

Lawrence Allen Centre partnered up with North York Harvest Food Bank in order to help local families in need. From April to August 2021, North York Harvest Food Bank used the Lawrence Allen Centre parking lot to host its Community Food Space initiative. The Community Food Space program allowed North York Harvest to store and access food and distribute care packages to those in need.

Support the pink

Since 2015, Tanger Outlets Ottawa has joined forces with The Ottawa Hospital Rose Ages Breast Health Centre to boost the sales of Pink Cards to raise money for patients and their families. Through its participation in the program, Tanger Outlets Ottawa has donated more than \$110,000 to the health centre, which provides support to people in the Ottawa region impacted by breast cancer. The donations raised over the last six years have established Tanger Outlets as a benefactor level supporter.

In recognition of the contribution, The Ottawa Hospital Rose Ages Breast Health Centre has named an exam room in honour of Tanger Outlets Ottawa.

Lunch On Us

International Nurses Day recognizes the essential and undervalued role nurses play in saving lives. Too often, we forget what so many healthcare workers do every day to keep us safe and healthy. So, on May 12, 2021, our enclosed shopping centres across Canada honoured nurses with our Lunch On Us program. Partnering with our retailers, we delivered lunches, gift cards and care packages to local hospitals and vaccination clinics as a small way to show that RioCan cares.

Future plans

Our future community partnership strategy will include measuring the social impact of our assets and community commitments so we can become a net-positive business.

Yonge Eglinton Centre
Toronto, Ontario

\$54M+

Total salaries and benefits incurred

\$214M+

Total property taxes incurred in communities where we operate





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