

# 2021 SUSTAINABILITY REPORT

MOVING FORWARD ON OUR COMMITMENTS



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*Details on our reporting methodology and references to the GRI and SASB standards can be found on page 22. All data is up to December 31, 2021 unless otherwise noted.*

# A YEAR OF PROGRESS



We're writing today as senior management of InterRent REIT, as unitholders and as members of the communities in which we are present. In our inaugural report, we shared our sustainability mindset and described how the management of environmental, social and governance (ESG) topics is truly woven in the fabric of our day to day. For us, sustainability continues to be a way to explain **how we work**, **how we act**, **how we perform**, and **how we grow**.

In our 2020 report, we brought you up to speed on our sustainability efforts to date and told you about our future plans. In our 2021 annual report we shared the many ways that we're leveraging technology and other innovative practices to advance our business. That forward momentum extends to our sustainability work. In this report, we are pleased to give an update on our sustainability activities through to December 31, 2021 and explain how we're moving forward on our commitments.

We have clear business aspirations to positively impact the environment and society while also providing long-term returns for our investors. As you go through this report, you'll see how we're advancing in bringing those aspirations to life. In the 'How we work' section on page 5, you'll learn about the recent enhancements we've made to our sustainability governance structure and policies, including the creation of our Diversity, Equity, and Inclusion (DEI) Operating Committee and our Vendor Code of Conduct. You'll read about the experiential stakeholder approach used for our 2021 annual report and see the progress on our social performance metrics in the 'How we act' section on page 6. Under 'How we perform' on page 10, we share the performance trend in our environmental metrics, as well as an update on our investigation into building certifications. On page 13, the 'How we grow' section shows how we're weaving innovation in our day to day through sustainability pilots spanning community car sharing to artificial intelligence.

In our last report, we committed to undertake key actions related to climate change and DEI over the next 2 years. Although just six months have passed since we made those pledges, we wanted to demonstrate to our stakeholders that we are moving forward on our commitments in a meaningful way. We encourage you to read through our progress on climate change on page 14 and our DEI journey on page 17.

Our inaugural sustainability report aimed to bring you up to speed, and our intent with this 2021 report is to share our progress. We want to remind you of our sustainability commitments and show how we are moving forward. Sometimes that momentum shines through in big and tangible ways, and sometimes it's the small, determined steps toward a shared goal that propel us forward. We invite you to move forward with us and enjoy the read!

# A YEAR OF PROGRESS



## MOVING FORWARD ON OUR COMMITMENTS

### CLIMATE

1. Conduct a baseline climate change risk assessment to identify our company and portfolio physical and transition risks and opportunities.
2. Establish science-based GHG emissions reduction target(s).
3. Voluntarily disclose climate-related initiatives and performance through the CDP's climate questionnaire.
4. Increase our Board of Trustee's knowledge on climate-related risks and opportunities through training.
5. Conduct climate scenario analysis to understand potential impacts on our business strategy.
6. Develop a systematic approach to incorporate climate change considerations into our acquisition due diligence process, capex program, and capital recycling decisions.

### DEI

1. Enhance the diversity of our workforce.
2. Equip our team with the knowledge, skills, and comfort to ensure that our DEI work is self-sustaining into the future.
3. Explore racial and gender pay equity analyses.
4. Ensure policies and practices are inclusive.

## 2021 SUSTAINABILITY HIGHLIGHTS

Completed LED lighting upgrades across  
**175**  
building floors

Investing in our team with nearly  
**\$50,000**  
spent on training

Hosted  
**124**  
investor meetings and four property tours

Submetered  
**553**  
suites for electricity

Hosted over  
**30**  
resident events that achieved a satisfaction rating >9/10

Replaced  
**1,513** **1,565** **725**  
toilets faucets shower heads  
with low-flow and energy-efficient fixtures

Raised over  
**\$1,000,000**  
from the Mike McCann Charity Golf Tournament for community partners

Introduced  
**Vendor Code of Conduct**

Invested  
**\$71 million**  
in value-enhancing initiatives across our portfolio



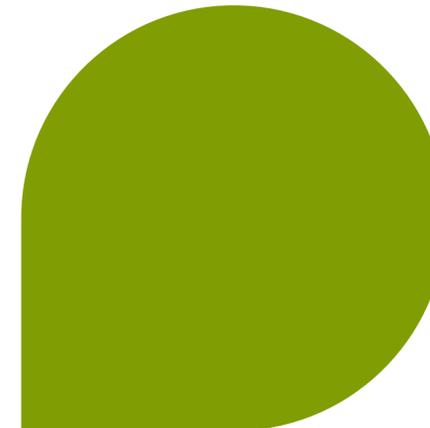
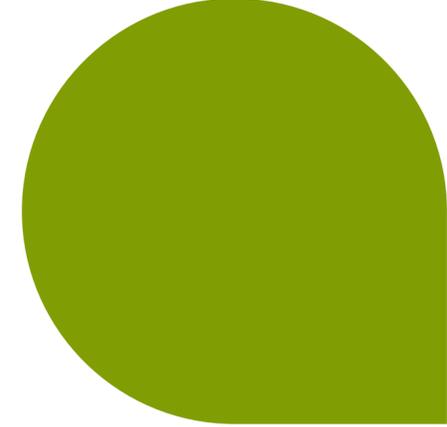
# WHO WE ARE

We are owners and property managers of homes for nearly 13,000 Canadian households and growing. Our diverse resident base includes students, families, young professionals, and seniors and we appreciate and respect that their needs and expectations are neither homogeneous nor static. We are a passionate group of individuals, nearly 500 strong. We work as a team and are encouraged to use our voices to share ideas and solutions to provide high quality customer care and to have a positive impact in our communities.

InterRent REIT focuses on multi-family properties and we are committed to improving Canada's housing stock. Our approach is to acquire properties that have been undermanaged so that we can apply our repositioning expertise to create beautiful, safe, and quality communities for our residents to call home, to extend the useful life of buildings that would otherwise be heading for demolition, and creating value for all stakeholders. Since 2010, we have invested nearly \$600 million to refurbish multi-family housing stock in Canada and we're nowhere near done.

We are headquartered in Ottawa and operate in Canada across four core regions – Greater

Toronto & Hamilton Area, Greater Montreal Area, National Capital Region, and Greater Vancouver Area. We like these regions because we see positive rental demand driven by immigration, students, and tech talent, against a backdrop of strong economic growth. As an institutional owner, our scale and balance sheet strength has allowed us to develop a true operating platform, with technology solutions supporting a culture of high-performing professionals driven to create an unsurpassed resident experience. We are well-positioned to keep delivering on our commitment to improve Canada's multi-family housing stock.



# WHO WE ARE



## GREATER VANCOUVER AREA (GVA)

- 19 Communities
- 809 Suites (at 100%)
- 0.7% Market Penetration
- 3.7% Vacancy
- 2.9% Cap Rate



## GREATER MONTREAL AREA (GMA)

- 24 Communities
- 2,956 Suites
- 0.5% Market Penetration
- 6.2% Vacancy
- 3.5% Cap Rate



## OTHER ONTARIO

- 16 Communities
- 2,002 Suites
- 2.7% Market Penetration
- 3.1% Vacancy
- 4.3% Cap Rate



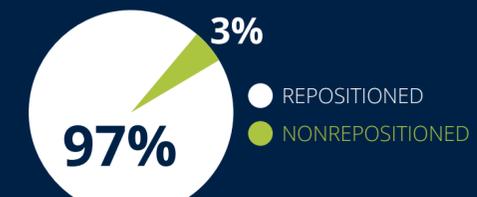
## GREATER TORONTO & HAMITON AREA (GTHA)

- 36 Communities
- 4,140 Suites
- 1.1% Market Penetration
- 3.5% Vacancy
- 3.7% Cap Rate



## NATIONAL CAPITAL REGION (NCR)

- 29 Communities
- 2,970 Suites
- 3.2% Market Penetration
- 4.8% Vacancy
- 4.2% Cap Rate



All data is up to December 31, 2021.



# HOW WE WORK

## SUSTAINABILITY OBJECTIVES

We think it's important for our stakeholders to be aware of our broad sustainability objectives to better understand how we're integrating ESG into our strategy.

**ENVIRONMENT** We are passionate about implementing sustainable projects and our objective is to pursue initiatives to reduce our environmental impacts. These initiatives benefit our residents, provide development opportunities for our teams and help to safeguard our environment through lower energy consumption, better water and waste management, and reduced GHG emissions.

**SOCIAL** Our objective is to offer an unsurpassed resident experience in a culture where we value our differences and where everyone feels included and heard, creating a strong sense of belonging. Our goal is to offer a learning environment that supports our team members in their personal development. We believe that dealing with people is the heart of any business, and this is especially true in the multi-family sector since our business impacts someone's home.

**GOVERNANCE** To maintain the confidence of investors and properly oversee the activities of

management, adopting and upholding high standards of governance practices are essential. Our governance system is built on corporate ethics, transparency, compliance, and discipline with the objective of providing timely, accurate, and complete disclosure of all material information to the public.

## HOLDING OURSELVES ACCOUNTABLE

In our first sustainability report, we explained how sustainability is embedded in how we work. We shared our Sustainability Policy, which guides how we think about environmental, social and governance (ESG) considerations, and we explained how we govern those considerations across the company.

The Nominations and Governance Committee of our Board of Trustees has ultimate accountability for sustainability considerations at InterRent REIT. This Committee is chaired by an independent trustee and, per the [Committee Charter](#), is entirely comprised of independent members. Our ESG Committee meets monthly and has a direct reporting line to the Chair of the Nominations and Governance Committee. ESG Committee meetings in 2021 were

well-attended and formal minutes were produced.

We formed our Diversity, Equity, and Inclusion (DEI) Committee in 2020, which reports directly to the CEO and meets on a biweekly basis. In 2021, we enhanced our sustainability governance structure by creating a DEI Operating Committee. This working group has representation from each function across the company to ensure full integration of DEI into day-to-day activities. You can learn more about our ongoing DEI work beginning on page 17, and for more information on committee memberships, please visit our [website](#).

We also enhanced our sustainability governance policies in 2021. We enhanced our Whistleblower Policy to facilitate anonymous and confidential reporting by phone or web form, and we introduced a Vendor Code of Conduct. This Code formalizes our expectation that every vendor with which we do business demonstrates a shared commitment to our core values of quality, integrity, respect, service excellence, and strong teams and communities.

We have highlighted some key disclosures below for easy reference and encourage you to review our most recent Management Information Circular and the [corporate governance section](#) of our website if you're curious about the broader governance structure of our business.

Click buttons below to learn more:

[Sustainability Policy](#)

[Vendor Code of Conduct](#)

[Whistleblower Policy](#)

[Diversity Policy](#)

[Code of Business Conduct and Ethics](#)

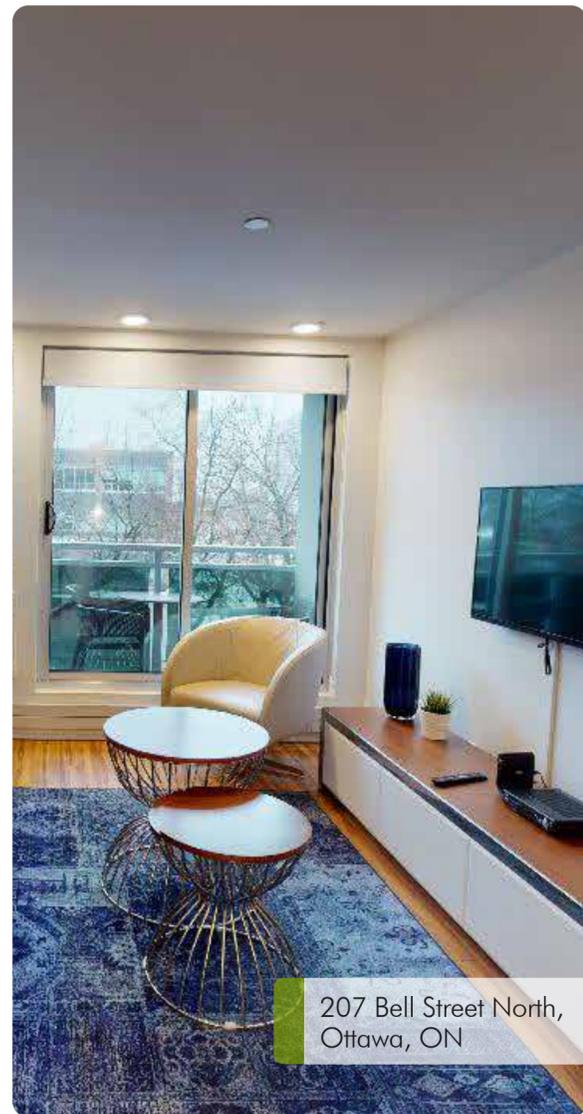
[Charter of the Board of Trustees](#)

# HOW WE ACT

We provide homes. That is a responsibility that we take very seriously, and it anchors our engagement efforts. Collaboration with all our stakeholders is important and helps validate and inform our sustainability strategy. These conversations helped us to determine the material social metrics for our business, including how to manage them and how to measure our performance.



## Resident Satisfaction



### Why does it matter?

Nearly 13,000 households in Canada call an InterRent community their home. Our residents are the reason we get out of bed in the morning and their satisfaction is paramount to our success.

### How do we manage it?

We participate in an annual large syndicated multi-family survey across the Canadian market to garner qualitative and quantitative feedback on resident preferences and rental trends. This survey is open to all our residents.

We also survey all residents after they move in and after a maintenance work order has been completed, and we proactively monitor our Google reviews and ratings.

### How did we perform?

2020	2021	Details
Satisfaction with current landlord:		This rating is based on responses to a large syndicated multi-family survey. * The rating scale was 1-10 in 2020, but expanded to 0-10 in 2021, which is why our result moved down slightly. Our residents continue to give us an average rating ahead of the overall market response.
73%	70% *	
Customer satisfaction: move-in		We are encouraged by a score >90% and have identified opportunities to refine our communication to prospective residents to enhance the customer experience journey.
95%	91%	
Customer satisfaction: maintenance survey		The slight dip relative to 2020 is primarily due to COVID-19 as we experienced occasional delays in actioning maintenance requests because team members were out sick or in isolation.
89%	87%	
Average Google rating:		At Le Mistral in Montreal, our Community Leasing Agent, Veronica, has helped to improve our Google rating from a low 3 at the start of 2021 to its current 4.1. She speaks four languages, knows her residents (and their pets) by name, and has a gift for making genuine human connections.
4.2	4.2	



# HOW WE ACT



## Employee Engagement

### Why does it matter?

Our team is the lifeblood of the company. We believe that an engaged team is energized, positive, and focused on delivering on our business strategy and is thereby intrinsically linked to achieving our sustainability objectives.

### How do we manage it?

We measure employee engagement through a formal employee engagement survey conducted by an independent third party every two years.

Our inaugural survey took place in November 2020 and our next one is planned for Q4 2022.

### How did we perform?

In 2020, we partnered with an independent third party to deliver our first formal employee engagement survey. The survey was open to all employees and we received an

**81%** RESPONSE RATE

Our results were benchmarked against companies of a similar size across various industries, resulting in a sample size of c.60,000 respondents.

This helped us contextualize our

OVERALL ENGAGEMENT SCORE OF **80%**

which outperformed our benchmark by 9 percentage

points. We have adopted a two-year survey cycle and will conduct our next employee engagement survey in 2022.

Since we were between formal survey years in 2021, we wanted to create an informal engagement opportunity. Our solution was to create an experiential annual report featuring personal stories and videos from Team members across the country to foster a sense of community and pride for our shared culture, values, and mission. We encourage you to read our 2021 annual report [here](#).



# HOW WE ACT

## Investor Engagement



### Why does it matter?

InterRent REIT's unit price has experienced substantial appreciation over the past decade, suggesting that our equity story is connecting with the market. It is crucial that we keep an ongoing and transparent dialogue with the investment community so that we retain the financial flexibility to execute on our business strategy.

### How do we manage it?

We manage investor engagement by hosting investor meetings, participating in industry conferences, and through participation in the annual GRESB Real Estate Assessment.

### How did we perform?

2020	2021	Details
Investor meetings:		In 2021, we also hosted investors on four property tours in our Greater Toronto & Hamilton Area and Greater Montreal Area regions. Throughout the year we shared our view on market fundamentals and life at InterRent as panelists during the RealREIT Conference, the Ottawa Real Estate Forum, and Concordia Real Estate Club's 2021 Conference.
125	124	
GRESB Real Estate Assessment Score:		We achieved a 25% improvement over our inaugural submission and earned a 'Green Star' rating in 2021.
48	60	



# HOW WE ACT

## Community Partnerships

### Why does it matter?

Supporting neighbourhoods and the communities where we operate is one of our core values. As an actor in the multi-family sector in Canada, we believe our role extends beyond the walls of our properties to the communities in which we operate. It is critical that the community organizations and agencies in our regions can count on us as a partner, both financially and with our time.

### How do we manage it?

Our key financial initiative toward managing our community relationships is our Mike McCann Charity Golf Tournament. In collaboration with CLV Group and our business partners, its fundraising efforts support a myriad of community partners each year.

We also offer all full-time permanent employees time off each year to participate in charitable events and activities that mean the most to them, by way of a paid volunteer day.

### How did we perform?

2020	2021	Details
Amount raised at charity golf tournament:		
-	\$1,047,925	We couldn't hold our charity golf tournament in 2020 due to the pandemic, but we raised nearly \$760,000 in 2019. Check out the Our Communities section of our <a href="#">annual report</a> to read about the organizations we partnered with in 2021.
Company volunteer hours:		
-	306	Most of our community partners had to put a pause on welcoming volunteers during COVID-19, which is why we don't have a comparative figure for 2020.

In 2021, the ~300-pound seasonal harvest at our rooftop garden at Appartements VIE in Montreal was donated on a weekly basis to our community partner, Chez Doris, to support their daily meal program.



# HOW WE PERFORM

One of our sustainability objectives is to pursue initiatives to safeguard our environment through lower energy consumption, better water and waste management, and reduced GHG emissions.

We began disclosing our environmental efforts in our first submission to the GRESB Real Estate Assessment in 2020 and we enhanced that disclosure by providing energy, water, and GHG emissions performance in our inaugural sustainability report last year. Since publication, we have improved collection and coverage on 2020 data and some figures have been restated as a result. We continue to track 100% of our portfolio on ENERGY STAR® Portfolio Manager®, an online performance management system, and we are participating in the GRESB Real Estate Assessment for the third time this spring.

In this report, we are sharing our 2021 energy, water, and GHG emissions performance and have included data coverage metrics for each. We are also moving forward on our waste management disclosure. In 2021, our waste data coverage improved from 12.4% to 16.4% as a percentage of total area, corresponding to 1,921 tonnes of non-hazardous waste split 89%/11% between landfill and recycling. It is a challenge to collect waste and recycling data in multi-family communities; however, this topic continues to be a focus for us. We currently receive waste and recycling data from our third-party collection services, and we will continue to explore how to increase our data coverage with municipalities to better understand and manage our waste streams.

In 2021, we acquired a 104-suite LEED Gold certified community in Vancouver, representing 0.8% of our year-end suite count, and we conducted an initial evaluation of green building certification opportunities across our portfolio. We have explored LEED, BOMA BEST, Certified Rental Building (CRB), ENERGY STAR, WELL and Fitwel certifications with varying degrees of suitability for existing multi-family communities. We recognize that green building certification is an important signal to stakeholders and have decided to take a deeper dive into BOMA BEST and CRB for applicability to our portfolio, alongside an evaluation of ENERGY STAR on a case-by-case basis. We look forward to sharing the results of our analysis by the end of 2022.



## MANAGEMENT OF RESIDENT SUSTAINABILITY IMPACTS

Our environmental management approach extends to resident sustainability impacts. Electrical submetering remains one of our largest conservation measures, with approximately 83% of the portfolio having submetering capabilities in place at the end of 2021 and plans to continue implementation at recently acquired properties. We completed our first water submetering pilot in late 2019 in Ottawa and have since gradually brought additional suites in that community onto our submetering program. We are exploring how to bring this new technology to additional sites across our portfolio in the coming years.

Submetering performance	2020	2021
Percentage of residents that are separately metered or submetered for grid electricity consumption	65.1%	71.3%
Percentage of residents that are separately metered or submetered for water withdrawals	0.3%	0.7%

# HOW WE PERFORM

## ENERGY MANAGEMENT

We continually search for ways to reduce energy consumption in our portfolio and increase the share of renewables in our energy mix. We believe this is our responsibility as a steward of our environment, but also because it makes good business sense. As part of our acquisition due diligence, and as we move suites through our repositioning process, we analyze in-suite energy sources and water fixtures alongside building infrastructure to see how we can reduce consumption and bring down operating costs, thereby creating a more environmentally sustainable portfolio that provides a higher yield. Our energy management and efficiency programs contributed to our 5% reduction in like-for-like energy consumption in 2021, despite continued COVID-19 work from home protocols.

Energy performance	2020	2021
Energy consumption data coverage as a percentage of total floor area <sup>1</sup>	82.7%	83.9%
Total energy consumed by portfolio area with data coverage (MWh)	175,045	211,803
Percentage grid electricity	100%	100%
Percentage renewable	0%	0%
Like-for-like percentage change in energy consumption for the portfolio area with data coverage	-4.9%	-5.0%
Energy intensity (kWh/sf)	18.1	19.0
Percentage of eligible portfolio that has an energy rating	68.0%	63.3%
Percentage of eligible portfolio that is certified to ENERGY STAR®	0%	0%

<sup>1</sup> In 2020, energy consumption reflects data for which InterRent received and paid bills and excluded any resident accounts that were separately metered. In 2021, data coverage improved as we moved closer toward collecting whole-building data.

## WATER MANAGEMENT

We are fortunate that our communities are not in regions with high water stress, but we recognize that water is a precious resource that must be managed. We install water-saving measures such as low flow toilets, shower heads and aerators as a standard specification across our portfolio, and our new standard unit turn finishes have WaterSense certified kitchen and bath fixtures, which surpass the 2015 National Plumbing Code requirements for flow rate. Our like-for-like water consumption remained stable in 2021. We investigate for leaks when we notice higher water usage at a community; however, not all residents were comfortable granting in-suite access during 2021 due to the ongoing pandemic. In 2022, we have already carried out several inspections that should result in lower water consumption and cost.

Our water consumption data coverage is lower than for other environmental metrics because 23% of our total floor area is in Quebec where water billing is captured as part of property taxes. We plan to investigate submetering some of the water lines in our Montreal communities to improve our ability to monitor consumption.

Water performance	2020	2021
Water withdrawal data coverage as a percentage of total floor area	74.6%	76.7%
Total water withdrawn by portfolio area with data coverage (m3)	878,761	1,064,300
Like-for-like percentage change in water withdrawn for the portfolio area with data coverage	+7.6%	+0.5%
Water intensity (m3/m2)	1.1	1.2

# HOW WE PERFORM



## EMISSIONS

We began tracking our emissions formally in 2020 as part of our inaugural GRESB submission with a view to take action to drive GHG reduction within our portfolio. In 2021, our like-for-like GHG emissions reduced by nearly 9% and our intensity improved to 2.1 kgCO<sub>2</sub>e/sf.

Last year we made a bold commitment to establish science-based GHG emissions target(s) and are currently advancing in the data collection required for the Science-based Targets Initiative (SBTi). We plan to submit our SBTi commitment letter in Q2 2022 and intend to submit our targets for approval by year-end 2022. We encourage you to read about our climate commitments beginning on page 14 to learn more about our ongoing work in this area.

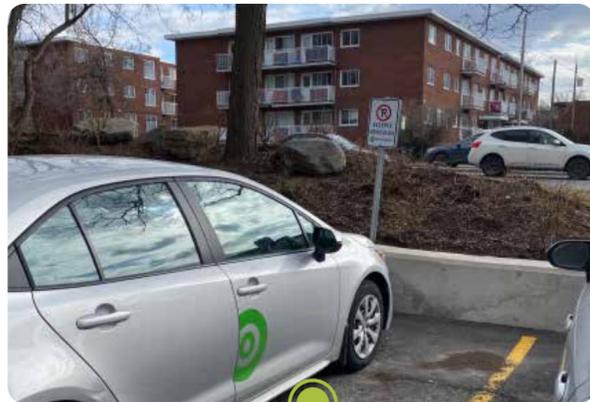
Emissions performance	2020	2021
GHG emissions data coverage as a percentage of total floor area <sup>1</sup>	82.7%	83.9%
Total GHG emissions by portfolio area with data coverage (tCO <sub>2</sub> e)	23,196	25,046
Scope 1 (tCO <sub>2</sub> e)	22,388	23,555
Scope 2 (tCO <sub>2</sub> e)	808	1,491
Like-for-like percentage change in GHG emissions for the portfolio area with data coverage	-7.2%	-8.7%
GHG emissions intensity (kgCO <sub>2</sub> e/sf)	2.3	2.1

<sup>1</sup> In 2020, emissions reflect data for which InterRent received and paid bills and excluded any resident accounts that were separately metered. In 2021, data coverage improved as we moved closer toward collecting whole-building data.



# HOW WE GROW

We love learning. For us, innovation is about a collective desire to constantly strive to find new ways to improve the way we serve our residents and engage with our various stakeholders. That means that our Team is constantly testing new technologies, rolling out social initiatives, and thinking of creative ways to reinvigorate our existing approaches. Great ideas spring up all over the company, and once we prove a concept, we look at how to scale it up across our portfolio.



## Bringing Communauto to our Montreal Communities

In 2021, we launched a partnership with car sharing company, Communauto, to offer dedicated parking spaces at five of our Montreal communities. This initiative gives our residents, employees, and neighbourhood Communauto members access to a fleet of hundreds of vehicles at their doorstep, which can be reserved up to a month in advance. Carsharing reduces the number of vehicles on the road, which decreases traffic congestion and CO2 emissions, and means less space required for parking and more opportunity for urban green spaces.

## Building Automation at Stoney Creek Towers

We partnered with Enbridge Gas to install building automation system (BAS) upgrades at five of our communities in Stoney Creek. The project generates over 41,700 m<sup>3</sup> in annual natural gas savings, an 18% reduction from pre-project levels, and has reduced at least 79,000 kg of CO<sub>2</sub>. This initiative has led to cost savings and enhanced building operational control for our facilities team, while ensuring continued resident comfort.



## Moving Forward with Artificial Intelligence

We have been gradually incorporating artificial intelligence (AI) into our building systems upgrades. Through practical experimentation on a weekly point-by-point basis, we have tested how different AI aspects respond, and we are now finalizing a template design to see how we can incorporate our learnings across all properties. We expect the full roll-out to be implemented by the beginning of next heating season, 2022/2023, allowing us to have better prediction and an even faster response time to changing weather conditions and fluctuating thermal loads of the building.

## Reduced Heating Load by 25% at Landmark Place

The four boilers at our community at 100 Main St. East in Hamilton originally used 8 million BTUs to heat the building. After analyzing four years of historical heating data, we replaced them with high efficiency boilers and adjusted controller settings to absolute levels with added sensors and eliminated 2 million BTUs of unnecessary consumption. The project reduced ongoing maintenance requirements and GHG emissions and has resulted in over \$8,500 of natural gas savings per year while still keeping residents cozy in -25° weather.



## Innovative waste management in the GTA

In 2021, we installed 11 EarthBins® across five GTA communities. These waste containers are installed partially below the surface, which reduces pests and odours, increases the amount of waste to be stored and reduces the frequency of overall pickups and related CO<sub>2</sub> emissions. This creative solution allows for a more aesthetic and compact design, which leads to optimization on the grounds and frees up space for other uses such as increased resident parking. EarthBin® containers are also recognized by crime prevention through environmental design (CPTED), which safeguards users and prevents illegal activity and dumping.

# MOVING FORWARD ON OUR CLIMATE COMMITMENTS

When we published our 2020 Sustainability Report in November 2021, we committed to undertaking six key climate actions by the end of 2023. We are pleased to share the progress we've made and outline our upcoming plans as we move forward on these commitments.

CLIMATE COMMITMENT	ANTICIPATED COMPLETION	CURRENT STATUS	PROGRESS UPDATE
1. Conduct a baseline climate change risk assessment to identify our company and portfolio physical and transition risks and opportunities.	Q3 2022	In progress and on track	<ul style="list-style-type: none"> <li>We are well-advanced in our physical climate risk and opportunity assessment and expect to finalize in Q3 2022.</li> <li>We will begin our transition climate risk and opportunity assessment in Q2 2022 and expect to finalize in Q3 2022.</li> </ul>
2. Establish science-based GHG emissions reduction target(s).	Q4 2022 (*)	In progress and on track	<ul style="list-style-type: none"> <li>We are advancing in the data collection required for the Science-based Targets Initiative (SBTi).</li> <li>We plan to submit our SBTi commitment letter in Q2 2022 and intend to submit our targets for approval by year-end 2022.</li> <li>We expect to receive feedback and/or approval from SBTi in early 2023.</li> <li>We will be better equipped to assess potential pathways to net zero following the completion of this work.</li> </ul>
3. Voluntarily disclose climate-related initiatives and performance through the CDP's climate questionnaire.	Q4 2022	In planning	<ul style="list-style-type: none"> <li>CDP's Online Response System opened mid-April 2022.</li> <li>In May 2022, we will begin preparing our response and expect to submit prior to the July 27, 2022 deadline.</li> </ul>
4. Increase our Board of Trustee's knowledge on climate-related risks and opportunities through training.	Q4 2023	Not started	<ul style="list-style-type: none"> <li>Our Board of Trustees will undergo formal climate education in 2023.</li> <li>In the interim, Board Trustees will continue to participate in informal training and awareness opportunities.</li> </ul>
5. Conduct climate scenario analysis to understand potential impacts on our business strategy.	Q4 2023	Not started	<ul style="list-style-type: none"> <li>Our intention is to conduct multi-horizon climate scenario analysis in 2023; however, this timeline is subject to finding an economically viable solution that is specific to the geographies in which we operate.</li> </ul>
6. Develop a systematic approach to incorporate climate change considerations into our acquisition due diligence process, capex program, and capital recycling decisions.	Q4 2023	Not started	<ul style="list-style-type: none"> <li>This component will leverage the learnings and outcomes of the preceding commitments.</li> <li>We expect to begin the integration process in Q1 2023 and intend to have a finalized approach in place by the end of 2023.</li> </ul>

\* We anticipate establishing science-based GHG emissions reduction target(s) by Q4 2022; however, receiving official SBTi approval for those targets may occur in early 2023.



# MOVING FORWARD ON OUR CLIMATE COMMITMENTS

We are using the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) to develop our climate-readiness roadmap. We believe this framework has become the global best practice for effective disclosures on climate-related risks and opportunities, and we intend to publish our first standalone TCFD report by the end of 2023.

In the interim, we will orient our stakeholder climate disclosures around its four pillars – governance, strategy, risk management, and metrics and targets - to provide transparency and decision-useful information on our climate change management practices.



## 1. GOVERNANCE

Our Board of Trustees has oversight of climate-related risks and opportunities through the Nominations and Governance Committee. The Board considers climate-related risks and opportunities through ongoing communication with the ESG Committee, which reports directly to the Chair of the Nominations and Governance Committee, and whose membership includes our President & CEO, CFO and COO. Formal reporting and consultation occur every six months, at a minimum.

We have made a public climate commitment to **‘increase our Board of Trustee’s knowledge on climate-related risks and opportunities through training’**, which has already begun in an informal way and will be formalized in 2023. We plan to extend this education to our senior leadership team so that we deepen our capacity and competence to effectively respond to climate-related risks and opportunities.

Our Senior Management is actively involved in assessing and managing climate-related risks and opportunities through membership on our ESG Committee, stakeholder engagement efforts, and in resource allocation decisions. In 2021, Senior Management created a new role, Director of Sustainability, to lead the development of our climate-readiness roadmap and subsequently approved the six climate commitments that are driving our foundational climate work.



# MOVING FORWARD ON OUR CLIMATE COMMITMENTS

## 2. STRATEGY

We have publicly committed to **'conduct a baseline climate change risk assessment to identify our company and portfolio physical and transition risks and opportunities'** with the goal of understanding the potential impact of such risks and opportunities on our organization and how we create value for our stakeholders. We intend to link risks with specific, quantified impacts over time and develop appropriate risk responses, considering our risk appetite and tolerances that will be further refined following this baseline assessment. Likewise, we plan to quantify and leverage climate-related opportunities.

We have further committed to **'conduct climate scenario analysis to understand potential impacts on our business strategy'**. Through this analysis, we hope to be able to explore how different scenarios could impact our portfolio, strategy, and financial planning.

The outcome of the above actions will enable us to fulfill our public commitment to **'develop a systematic approach to incorporate climate change considerations into our acquisition due diligence process, capex program, and capital recycling decisions'**.

## 3. RISK MANAGEMENT

We acknowledge the need to assess and respond to climate-related risks, although our current risk management practices do not explicitly capture climate-related risk or relate our business continuity processes and procedures to climate change per se. While incomplete at this time, the analysis is underway, and our mind is turned to how we can relate our risk responses, mitigations, and asset protection measures to climate drivers.

We are exploring processes for identifying, assessing, and managing climate-related risks, which will ultimately be integrated into our overall risk management approach. A crucial step toward this exploration is our public commitment to **'voluntarily disclose climate-related initiatives and performance through the CDP's climate questionnaire'**, which is planned for later this year.

As one example of identifying climate-related risks, in 2021, we identified nine properties, covering a gross floor area of 480,042 square feet, which are in a 100-year Global Flood Zone.

## 4. METRICS AND TARGETS

We monitor and publicly disclose our Scope 1 and 2 GHG emissions (refer to report section "How we perform" on page 12). We are also investigating the feasibility of assessing, disclosing, and influencing our Scope 3 GHG emissions.

We have publicly committed to **'establish science-based GHG emissions reduction target(s)'** and are on track to submit our targets for approval by the Science-Based Target Initiative (SBTi) by the end of 2022. Once clear, quantified targets are established, we will build a detailed pathway to increase organizational resilience to climate change threats with defined metrics to measure performance.

In 2021, we saw our like-for-like operational GHG emissions reduce by approximately 9%.

*As we execute on our climate-readiness roadmap, we will continue to engage with our stakeholders. We are keen to understand your perspectives and expectations, and we want you to hold us accountable as we move forward on our commitments.*

# MOVING FORWARD ON OUR DEI COMMITMENTS

## DEI OBJECTIVES

- Every individual we interact with is respected, valued and supported
- Team members can bring their whole self to work
- Team member differences are respected and supported
- Create an environment and support a culture where barriers are removed, and all team members have the opportunity to achieve their full potential based on merit
- Our company is to be as diverse as the communities we are serving

## DEI COMMITMENT #1 Enhance the diversity of our workforce

We started 2021 with strong feedback from our employees through the Employee Engagement survey conducted in November 2020. They told us that Diversity and Inclusion had an 87% favorable score which is 9% above the industry benchmark and is at high level the strongest driver of Engagement for our Team.

In our inaugural sustainability report, we committed to progressing in four key areas by the end of 2023 to advance on our corporate diversity, equity, and inclusion (DEI) objectives. 2021 was a critical year in moving forward on these commitments and evolving our culture where we value our differences and where everyone feels included and heard, creating a strong sense of belonging.

In our 2020 sustainability report, we shared the baseline representation of our employees as provided in responses to the voluntary self-identification questions in our Employee Engagement survey. We encourage you to visit the [DEI section](#) of our website to explore these results. We will conduct our next formal Employee Engagement survey in Q4 2022 and look forward to sharing how the diversity of our Team has evolved in our 2022 sustainability report.

We recognize that intersectionality – the interconnected nature of social categorizations such as race, class, and gender as they apply to a given individual or group, regarded as creating overlapping and interdependent systems of discrimination or disadvantage – carries material weight in defining the true make-up of our employee population. Following the results of our Employee Engagement survey, we made an internal commitment to increase female representation in leadership roles. In 2021, either through talent acquisition or promotion we have materially improved female representation in leadership roles and reached near parity (46%) at the start of 2022.

**What intersectionality means to us?**  
Intersectionality in our context includes understanding overlapping representation in roles: diversity in leadership roles, females in typical male roles and vice versa; access to opportunity to traditionally disadvantaged groups.



# MOVING FORWARD ON OUR DEI COMMITMENTS

As a signatory to the BlackNorth Initiative (BNI), we have committed to a hiring goal of at least 5% within our student workforce from the Black community, and in 2021, we put this goal front and centre as we prepared our 2022 summer student recruitment. In our postings and during campus events, we promoted our BNI commitment and encouraged candidates to self-disclose in the application process. We informed all leaders involved in the student recruitment process of our BNI commitment and the Talent Acquisition team conducted a DEI fundamentals training and awareness discussion to influence hiring managers. At the time of writing, our summer student recruitment is ongoing, and we are in line to meet our commitment. We look forward to disclosing the share of student workforce from the Black community in our 2022 sustainability report.

## DEI COMMITMENT #2

**Equip our team with the knowledge, skills, and comfort to ensure that our DEI work is self-sustaining into the future**

We have had a formal DEI Committee in place since mid-2020, which has been critical to establishing our corporate DEI objectives and framing out the four key areas that are driving our advancements to date. In 2021, we operationalized DEI within the company by creating a working group with representation from each function to ensure full integration of our commitments into day-to-day activities. The DEI Operating Committee prevents this work from being a side volunteer initiative and brings accountability by defining annual objectives at the functional level so that we can collectively advance our commitments. The members of this committee are not DEI experts, but they are leaders in their area of expertise with decision-making authority, and they have embraced the opportunity to learn and grow together.



# MOVING FORWARD ON OUR DEI COMMITMENTS

In 2021, we created the position of Chief Talent Officer as a demonstration of our commitment to re-evaluate and expand our talent strategies to support our ongoing growth. Once onboard, our new Chief Talent Officer set to work to laying the foundation for our awareness and education objectives of 2022. We also created a new role focused on our Employer Brand with a focus to expand representation in internal communications and talent acquisition. In Q4 2021, we launched our new Building Leader series, which creates self-awareness and a safe space for communication adapted to a diverse audience. Participants in this development program share our commitment to cascade these concepts to our 'first line contact' teams.

Throughout 2022, we will continue to focus on both the qualitative and quantitative dimensions of DEI. We believe that storytelling is an engaging way to build awareness and sharing personal stories has featured prominently in our DEI activities in 2021, and even more so into 2022. We are moving forward, as a Team, to ensure that our DEI work has accountability and is self-sustaining into the future.

## DEI COMMITMENT #3 Explore racial and gender pay equity analyses

We told you in our 2020 sustainability report that we are exploring racial and gender pay equity analyses so that, in the future, we can disclose the pay ratio and explain to you how we plan to address potential pay gaps. Although the bulk of this analysis is planned for 2023 and beyond, we took an important first step during 2021. During our 2022 budget process, we looked at base salaries for traditional 'female jobs' in our organization and made adjustments. We also made plans for further adjustments.

As with any analytical work, effective pay equity analysis requires good data, and we have plans in place to improve the quality and coverage of our diversity information so that we can fulfill this commitment. In Q2 2022, we are beginning to host employee focus discussions that will provide qualitative context, and in Q4 2022, our Employee Engagement survey will include intersectionality questions that will help to deepen the quantitative understanding of our employee base.



# MOVING FORWARD ON OUR DEI COMMITMENTS

## DEI COMMITMENT #4 Ensure policies and practices are inclusive

We are striving to change our system to lay the groundwork to create an inclusive environment where everyone who joins our team can bring their whole self to work. The intent of our DEI efforts is to create a virtuous circle of attracting and retaining diverse talent, with inclusivity and cultural safety at its core. We have started conducting policy and process reviews to advance this commitment, beginning with 'first line of contact' team members (e.g., talent acquisition and payroll).

Since our last sustainability report was published, these 'first contact' teams, along with the members of the DEI Operating Committee and all participants in our Building Leader series, are participating in DEI fundamentals awareness sessions with the assistance of training materials available through our Canadian Centre for Diversity and Inclusion (CCDI) Employer Partnership. One goal of our awareness and education program is to empower all team members to "catch in the moment" opportunities for improvement, so that even if a policy or process isn't slated for formal review until later in 2022 or 2023, we can make incremental enhancements in the interim.

|| We embrace the concept of the Platinum Rule - "Treat others as THEY wish to be treated".



As we execute and expand our DEI objectives, we will continue to engage with our internal and external stakeholders. We will maintain our learning culture, staying flexible, nimble and adaptive, valuing differences and multiple perspectives. We remain keen to understand your perspectives and expectations, and we want you to be with us as we move forward in our learning journey.

# MOVE FORWARD WITH US

Our goal in this report was to demonstrate how we're moving forward on the sustainability commitments we communicated to you in our inaugural report in 2020.

The topic of sustainability is extensive and complex in scope and constantly evolving. Therefore, our approach is dynamic and responsive. We invite you to engage with us, to share your ideas and perspectives, and to hold us accountable.



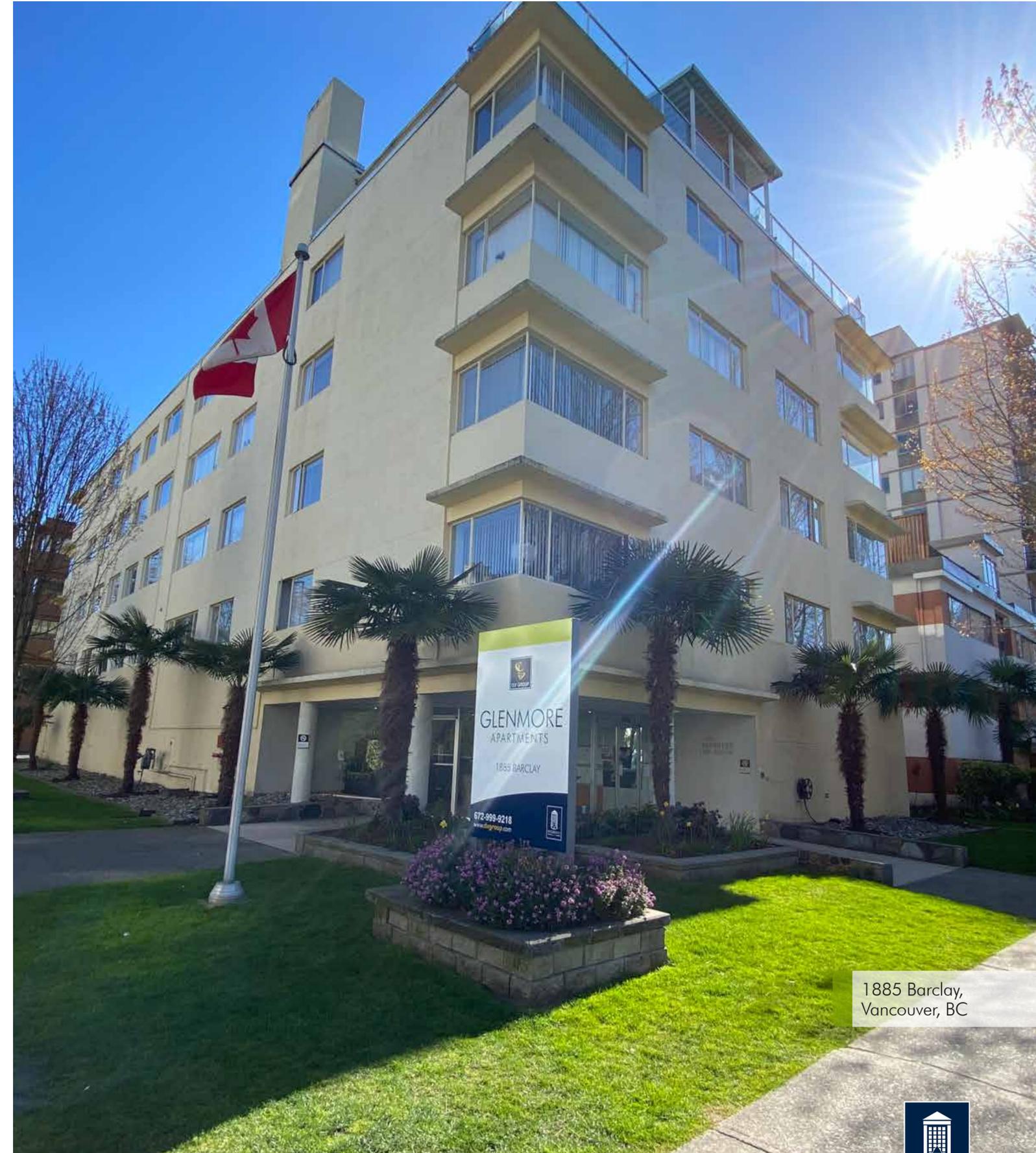
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# DISCLOSURE REFERENCES

*The content for this Sustainability Report was informed by the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Real Estate Standard. Reference to these standards are summarized in the following tables.*



# GRI INDEX



## ● GENERAL DISCLOSURE

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102-3	Location of headquarters	Who we are, p3
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## ● ENERGY

103	Management approach	Energy management, p11
302-1	Energy consumption within the organization	Energy management, p11
302-3	Energy intensity	Energy management, p11

## ● WATER AND EFFLUENTS

103	Management approach	Water management, p11
303-1	Interaction with water as a shared resource	Water management, p11
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## ● EMISSION

103	Management approach	Emissions, p12
305-1	Direct (Scope 1) GHG emissions	Emissions, p12
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## ● DIVERSITY AND EQUAL OPPORTUNITY

103	Management approach	Moving forward on our DEI Commitments, p17-20
405-1	Diversity of governance bodies and employees	DEI Commitment #1, p17

<https://www.interrentreit.com/sustainability/#diversity>

Refer to page 15 of our 2021 Management Information Circular for Board of Trustee diversity percentages

*Note of omission: we have not reported employee diversity percentages per employee category*

This material references Disclosures 102-1, 102-2, 102-3 and 102-14 from GRI 102: General Disclosures 2016.

This material references Disclosures 302-1 and 302-3 from GRI 302: Energy 2016, and Disclosures 103-1, 103-2, and 103-3 from GRI 103: Management Approach 2016.

This material references Disclosures 303-1 and 303-5 from GRI 303: Water and Effluents 2018, and Disclosures 103-1, 103-2, and 103-3 from GRI 103: Management Approach 2016.

This material references Disclosures 305-1, 305-2 and 305-4 from GRI 305: Emissions 2016, and Disclosures 103-1, 103-2, and 103-3 from GRI 103: Management Approach 2016.

This material references Disclosures 405-1 from GRI 405: Diversity and Equal Opportunity 2016, and Disclosures 103-1, 103-2, and 103-3 from GRI 103: Management Approach 2016.

# SASB INDEX

InterRent REIT does not have any standalone commercial properties. As such all activity metrics are for the Apartments property subsector and cover 100% of InterRent REIT's portfolio, regardless of ownership interest.

## ACTIVITY METRIC

	2020	2021	
IF-RE-000.A	Number of assets, by property subsector	94	124
IF-RE-000.B	Leasable floor area*, by property subsector (square feet)	11,349,680	12,990,400
IF-RE-000.B	Number of units, by property subsector	11,047	12,877
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	0%	0%
IF-RE-000.D	Average occupancy rate, by property subsector	93.7%	92.7%

\*Gross floor area

## ENERGY MANAGEMENT

IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Energy management, p11
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Energy management, p11
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Energy management, p11
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Energy management, p11
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Energy management, p11

## WATER MANAGEMENT

IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Water management, p11
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Water management, p11
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Water management, p11
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water management, p11

## MANAGEMENT OF TENANT SUSTAINABILITY IMPACTS

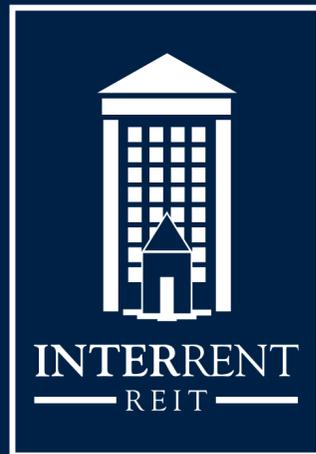
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	N/A - InterRent REIT had no new leases in 2020 or 2021 that contained such a clause
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Management of resident sustainability impacts, p10
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Management of resident sustainability impacts, p10

## CLIMATE CHANGE ADAPTATION

IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Risk management, p16
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Moving forward on our Climate commitments, p14-16



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**THANK YOU**

