



2020

SUSTAINABILITY REPORT

BRINGING YOU UP TO SPEED





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**Details on our reporting methodology and references to the GRI and SASB standards can be found on page 26. All data is up to December 31, 2020 unless otherwise noted.*



Sustainability isn't a side business; it's truly woven in the fabric of our day to day.



WHO SHOULD READ THIS?

We're writing today as senior management of InterRent REIT, as unitholders and as members of the communities in which we operate. Going back a decade, our sustainability efforts focused on green initiatives to improve operating efficiency, developing community partnerships, and fostering a high-performing and family-like culture. These three topics remain core to culture and beliefs as our thoughts around sustainability have continued to grow and evolve alongside our business.

We have clear business aspirations to positively impact the environment and society while also providing long-term returns for our investors. Today, we don't think of sustainability as a set of initiatives or targets, although that's certainly an important component, but rather as a way to explain **how we work, how we act, how we perform, and how we grow.** We don't think of sustainability or the management of environmental, social and governance (ESG) topics as a standalone department or a side business; it's truly woven in the fabric of our day to day. While we are convinced that approach is the best way to serve our stakeholders, we recognize that we haven't spent enough time sharing our sustainability story.

In 2020, we participated in the GRESB Real Estate Assessment (GRESB) for the first

time. We did so because we recognized that investors expect robust ESG data to monitor their investments and because we wanted a third-party perspective on our ESG strengths and opportunities, on which we could build our future. Our 2020 submission resulted in a score of 48, which represented a "line in the sand" to assess our current ESG strengths and opportunities. We are pleased to see our 2021 score increase 25% to 60, earning a GRESB "Green Star" rating and signaling strong ESG performance. Always pushing to be better, our teams have already identified target improvement areas to keep the positive momentum going for our 2022 submission.

With this inaugural sustainability report, we want to bring you up to speed on our efforts, which means celebrating our successes, but also acknowledging where we have work to



GRESB REAL ESTATE ASSESSMENT



2020 RESULTS

48



2021 RESULTS

60

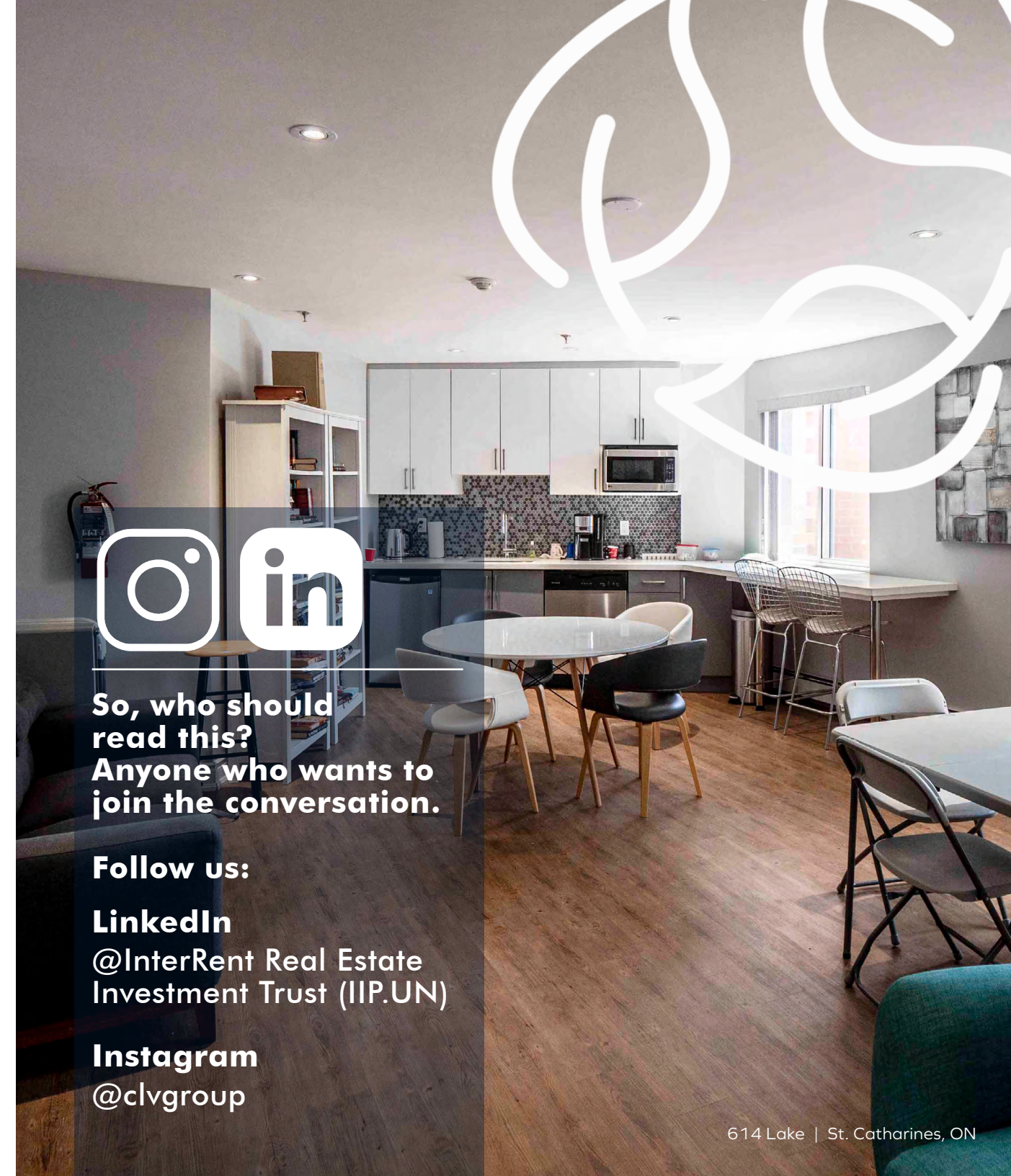
do. This first report captures our sustainability activities through to September 30, 2021, and we look forward to sharing annual updates with you going forward.



So, who should read this?
Anyone who wants to join the conversation.

Follow us:
LinkedIn
@InterRent Real Estate Investment Trust (IIP.UN)

Instagram
@clvgroup





WHAT'S ON YOUR MIND?

Prior to publishing this report, we reached out to you, our valued stakeholders, to find out what was on your mind when it comes to all things ESG. We invited you to answer poll questions, to tell us what sustainability means to you in your own words, and to join the conversation. And you came through!



Over a 24-hour period, you flooded our Instagram account with your votes and ideas, giving us insight into how you feel about sustainability topics and trends that we are wrestling with. Your comments and votes helped to shape the content of this report and will feed into our future plans.

We asked whether public companies in Canada should set diversity targets and 75% of you said Yes. We love that you want to see us move the needle on diversity and inclusion because we want that too! Pop down to our section on page 24 to read about our plans and how we're thinking about targets.

We also asked about climate change. You told us the best way to fight it is through education and awareness (37%), beating out government regulation (27%), corporate net zero commitments (19%), and investment in climate tech (17%).

You also told us that you'd rather a public company invest in supporting local charities over climate change mitigation, although the



60/40 split suggests that both are important to you. We tackle these topics in the "How we act" section on page 14 and in our discussion around climate change on page 22.


Two thirds of you think renovating and extending the life of a building is a green alternative to erecting a new building. We agree, which is why we've spent more than \$500 million on refurbishing individual suites and our communities over the past decade, thereby extending the benefit of the embodied carbon in those structures, while also loading up on energy-saving measures and fixtures. Although we are primarily an operational real estate company, we do also

2/3
THINK RENOVATING AN
OLDBUILDING TO
NEW STANDARDS
IS MORE SUSTAINABLE



THE BEST WAY TO FIGHT CLIMATE CHANGE

 **37%** **vs** **19%** 
THINK **THINK**
EDUCATION **CORPORATE NET ZERO**
& AWARENESS **COMMITMENTS**

 **MORE THAN**
\$500
MILLION
ON REFURBISHING
INDIVIDUAL SUITES


support measures to increase the housing supply in Canada through select development projects, which we pursue using sustainable building practices and materials.

And finally, the electric vehicle wave has gone mainstream with 56% of you responding that you plan to buy/lease an EV in the next three years. Sounds like we've got our marching orders to take the learnings from our pilot programs and start our own electrification wave across our communities.

We asked what sustainability means to you, and your comments set the stage beautifully for the pages to follow. We hope you enjoy the read!

“Planning for the future by using the resources we have today.”
“Saving the planet!”
“Responsibility”
“Working to leave the world in a better place, however slightly.”

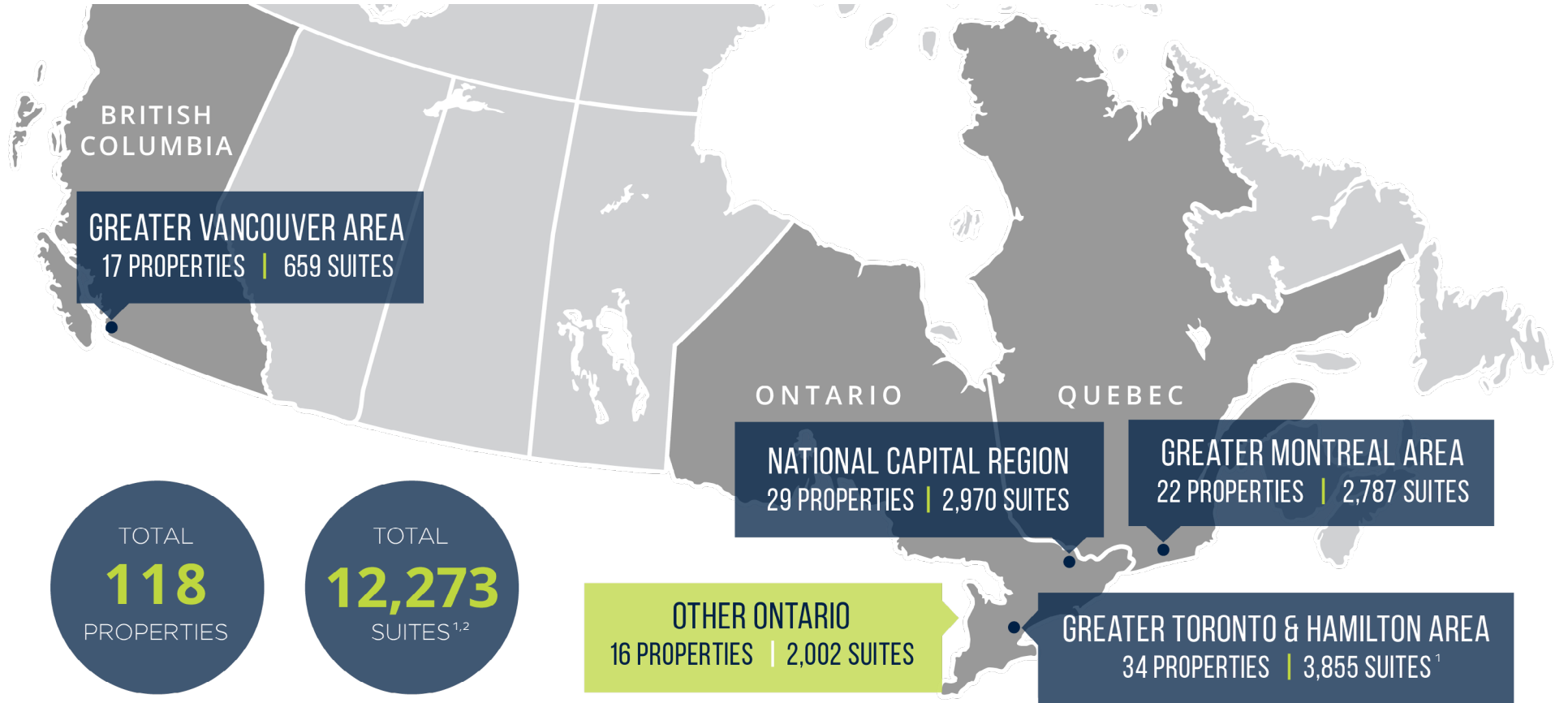
IN THE NEXT THREE YEARS

56% 
PLAN TO BUY OR LEASE
AN ELECTRIC VEHICLE





WHAT DO YOU NEED TO KNOW ABOUT US?



TOTAL
118
PROPERTIES

TOTAL
12,273
SUITES^{1,2}

NUMBERS AS OF SEPTEMBER 30, 2021

¹ Includes 100% of 94-suite community in Mississauga of which InterRent's ownership interest is 50%.
² Includes 100% of Vancouver portfolio of which InterRent's ownership interest is 50%.



La Tour Lafontaine | Montréal, QC



WHO WE ARE

We are owners and property managers of homes for more than 12,000 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, who 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's property management was externalized to CLV Group in September 2009 in conjunction with a change of control at the REIT. In February 2018, InterRent entered into an agreement with CLV Group to internalize the property management function by acquiring CLV Group's REIT-related property management business.

Today, InterRent REIT focuses exclusively 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 to create value for our Unitholders. Since 2020, we have invested more than \$500 million to refurbish multi-family housing stock in Canada and we're nowhere near done.

We are headquartered in Ottawa and operate in 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.

IMPROVING CANADA'S HOUSING STOCK WITH MORE THAN
\$500 MILLION
 IN BUILDING REFINISHMENTS



SUSTAINABILITY HIGHLIGHTS



HOSTED VIRTUAL ACTIVITIES IN 2020 THAT ENGAGED MORE THAN **2,200 RESIDENTS**



1/3 of our team members are unitholders through our **DEFERRED UNIT PLAN**

ALMOST **100%** OF OUR COMMUNITIES HAVE **HIGH EFFICIENCY BOILERS**

80% OVERALL

ENGAGEMENT SCORE ON FIRST EMPLOYEE ENGAGEMENT SURVEY



NEARLY **1/3**

of our communities have programmable wi-fi or energy saving thermostats



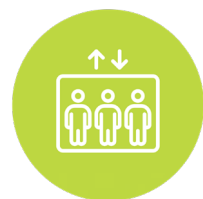
RAISED NEARLY **\$760,000** in the 2019 Mike McCann Memorial Charity Golf Tournament to support community partners in Ontario & Quebec

DONATED OVER **\$50,000**

to various food banks in Ontario & Quebec in the name of each new resident who leased a home with us in December 2020



MORE THAN **90%** OF OUR SUITES HAVE **LOW-FLOW TOILETS** AND **MAJORITY** OF OUR PORTFOLIO HAS **WATER-SAVING FIXTURES**



OVER **90%** OF OUR COMMUNITIES HAVE FULLY MODERNIZED **ELEVATORS**



100% OF EMPLOYEES RECEIVED ESG-SPECIFIC TRAINING IN 2020



OUR TEAM MADE WELLNESS CALLS TO MORE THAN **10,000** RESIDENTS IN 2020

82% OF EMPLOYEES RECEIVED **PROFESSIONAL TRAINING** IN 2020



INVESTING IN OUR TEAM WITH NEARLY **\$600,000** SPENT ON TRAINING, PROFESSIONAL DESIGNATIONS, AND MEMBERSHIPS SINCE 2015

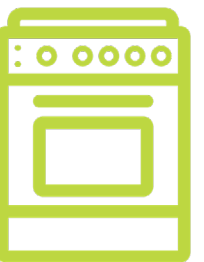
REDUCED **5%** LIKE-FOR-LIKE ENERGY

DONATED OVER **\$100,000**

in personal protective equipment for use by frontline workers and schools in Ontario & Quebec



CLV SUPPORTS LOCAL campaign supported over 200 local merchants across 17 cities in Ontario & Quebec through \$100,000 in spending



A MAJORITY OF OUR SUITES ARE EQUIPPED WITH **ENERGY STAR® APPLIANCES**, WITH UPGRADES PLANNED FOR THE REMAINDER

LAUNCHED **INDUSTRY-LEADING CLEANING PROGRAM**

CLV CLEAN & SECURE+



HOW WE WORK

In this section, you'll read about how sustainability is embedded in how we work. Keep reading to learn about our overall management approach to sustainability and the governance framework that supports our continued progress.

SUSTAINABILITY OBJECTIVES

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

Environment: We are passionate about implementing sustainable projects and our objective is to pursue pilots 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. 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.

UNDERSTANDING THE RULES OF THE GAME

At InterRent REIT, our Sustainability Policy aims to pull together the salient points from a variety of standalone policies addressing environmental, social and governance issues to describe our overarching approach to sustainability. InterRent's ESG Committee has the responsibility to formalize and mobilize the REIT's sustainability strategy in accordance with this policy and under the guidance and oversight of the Nominations and Governance Committee of the Board of Trustees.

As a provider of thousands of homes across Canada, we understand and appreciate the

significant role and responsibility we have with respect to our residents, and that our impact extends to the broader communities in which we operate. As such, we strive to consider four broad stakeholder groups in all business decisions and in the policies outlined below – our residents, our team, our communities, and our investors.

We are committed to sound **environmental** management, as described in our publicly disclosed [Code of Business Conduct and Ethics](#) and [Declaration of Trust](#), which explain the environmental management practices for our existing communities and potential acquisitions, including audit procedures for contamination and hazardous materials. Internally, we are guided by our Unit Turnover Specification Guide, which stipulates precise standards for every suite renovation which encompass water consumption, energy consumption, and indoor air quality measures.

Our policies on **social** issues are primarily housed in our internal Employee Policy Handbook, which must be read and formally acknowledged by all new employees within

two weeks of starting work and thereafter by all employees on an annual basis. This handbook clearly articulates our approach to and expectations for diversity and inclusion, human rights, health & safety of employees, residents and contractors, labour standards and working conditions, employee engagement, employee remuneration, resident satisfaction and community development. In the public domain, stakeholders may reference our [Diversity Policy](#) and [Code of Business Conduct and Ethics](#).

At InterRent, our robust **governance** structure and policies are available on our website. We encourage stakeholders to review our [Declaration of Trust](#), [Charter of the Board of Trustees](#), [Code of Business Conduct and Ethics](#) and various [Committee Charters](#) for policies and practices relating to unitholder rights, political contributions, executive compensation, fraud, data protection and privacy, and fiduciary duty. Internally, our Employee Policy Handbook lays our policies related to bribery and corruption, data protection and privacy, and cybersecurity.

Our aim is that all stakeholders see themselves reflected in the policies and practices that breathe life into our sustainability strategy at InterRent REIT. To that end, we pledge to engage with our stakeholders and let the future direction of our sustainability journey be guided by the topics that are material to them.

SETTING OURSELVES UP FOR SUCCESS

Our sustainability policy provides the guiding hand in how we think about environmental, social, and governance (ESG) considerations



Halstead Gardens | Hamilton, ON

in our business, but the governance piece explains how we turn those considerations into action across the entire company, from acquisitions and asset management to talent management and resident engagement. The oversight of our sustainability efforts is critical to ensure that ESG is fully integrated into our business strategy, and we believe that starts at the top.

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. We invite 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.

The membership of our ESG Committee

was designed to ensure cross-functional representation, analytical strength to monitor progress and evaluate new ideas, and senior decision-making to facilitate adequate resourcing and ensure integration in our overall business strategy. Our ESG Committee meets on a monthly basis and has a direct reporting line to the Nominations and Governance Committee, with an easy flow of communication between both teams.

Our Diversity & Inclusion (D&I) Committee is the third leg of our sustainability governance stool. This committee reports directly to the CEO, who is also a member of our Board of Trustees. In addition, we have identified one role, currently our Director of Investor Relations and Sustainability, to sit on both the ESG and D&I Committees to ensure that there is collaboration and synergy between both governance bodies. You can learn more about the ongoing work of our D&I Committee on page 24.





HOW WE ACT

We provide people's homes. That is a responsibility that we take very seriously, and it anchors our engagement efforts. Collaboration with all of 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? More than 12,000 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.

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

- HOW DID WE PERFORM IN 2020?**
- When asked about the level of satisfaction with their current landlord, our residents gave us an average mark of 73%, which was slightly ahead of the overall market response
 - Our customer satisfaction score was 95% on move-in surveys and 89% on maintenance surveys
 - Our average Google rating was 4.2/5



Pavillon Hutchison | Montréal, QC

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. Our inaugural survey took place in November 2020 and we intend to repeat before the end of 2022.

- HOW DID WE PERFORM IN 2020?**
- We surveyed all employees and received an 81% response rate
 - We achieved an overall engagement score of 80%, which outperformed our benchmark by 9 percentage points

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

- HOW DID WE PERFORM IN 2020?**
- We hosted more than 125 investor meetings (in both virtual and in-person formats)
 - Our inaugural GRESB score was 48
 - We began hosting interactive earnings calls, starting with our Q4 2020 results



COMMUNITY PARTNERSHIP

WHY DOES IT MATTER?

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 Memorial Charity Golf Tournament. CLV Group has been organizing this event annually for more than 20 years under the Ron Kolbus name, and 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 IN 2020?

- We weren't able to hold our charity golf tournament in 2020 due to the pandemic, but we came back stronger than ever with our 2021 edition, which took place on Oct 6, 2021 and raised more than \$1 million
- Most of our community partners had to put a pause on welcoming volunteers during COVID-19, but we are planning for a volunteer-packed December 2021 with our team
- Check out the Community Engagement section of our [annual report](#) to read about the organizations we partnered with in 2020.



HOW WE PERFORM

Environmental management and pushing to be better is core to who we are. We have been rolling out green initiatives, such as LED lighting, high-efficiency boilers, and low-flow fixtures in our portfolio for more than a decade and we continue to scour the landscape for best practices from all over the world. We added more structure around disclosing our efforts when we compiled our first submission to the GRESB Real Estate Assessment in 2020 and we now have 100% of our portfolio tracked on ENERGY STAR® Portfolio Manager®, an online performance management system. With our second GRESB assessment wrapped up, we are now in a position to share our environmental performance and future aspirations with you.

Looking forward, we are evaluating green building certification opportunities and an environmental management system in 2022, so you can expect continued improvements in our environment performance in the years ahead. We will also strive to provide information about our waste management activities in the future. 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 are exploring how to increase our data coverage so that we can better understand our waste management performance, with a view to disclose our progress in future reports.

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 nearly 5% reduction in like-for-like energy consumption in 2020, despite COVID-19 work from home protocols.

ENERGY PERFORMANCE	2019	2020
Total energy consumed by portfolio area with data coverage (MWh) ¹	156,015	161,518
Percentage grid electricity	100%	100%
Percentage renewable	0%	0%
Like-for-like percentage change in energy consumption for the portfolio area with data coverage	4.0%	-4.9%
Energy intensity (kWh/sf)	16.8	16.3
Percentage of eligible portfolio that has an energy rating	66.1%	67.7%
Percentage of eligible portfolio that is certified to ENERGY STAR®	0%	0%

¹Energy coverage reflects data for which InterRent receives and pays bills and excludes any resident accounts that are separately metered
 *2019 like-for-like change sourced from InterRent REIT's 2020 GRESB Real Estate Assessment



Britannia Beach | Ottawa, ON

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. The increase in our like-for-like water consumption 2020 was in part due to the impact of COVID-19 restrictions that led our residents to spend more time at home relative to 2019.

WATER PERFORMANCE	2019	2020
Total water withdrawn by portfolio area with data coverage (m ³) ¹	724,083	785,989
Like-for-like percentage change in water withdrawn for the portfolio area with data coverage	+8.0%	+7.6%
Water intensity (m ³ /m ²)	1.1	1.2

¹Water coverage reflects data for which InterRent receives and pays bills and excludes any resident accounts that are separately metered
 *2019 like-for-like change sourced from InterRent REIT's 2020 GRESB Real Estate Assessment

EMISSIONS

Canada recently submitted its enhanced Nationally Determined Contribution (NDC) to the United Nations, committing to cut greenhouse gas emissions (GHG) by 40-45% below 2005 levels by 2030. As a REIT with 100% Canadian exposure, we believe it is imperative to track our emissions and take action to drive GHG reduction within our portfolio. We encourage you to pop down to our section on Climate Change on page 23 to learn more about our future plans.

EMISSIONS PERFORMANCE	2019	2020
Total GHG emissions by portfolio area with data coverage (tCO ₂ e) ¹	20,912	20,718
Scope 1 (tCO ₂ e)	20,341	20,118
Scope 2 (tCO ₂ e)	571	600
Like-for-like percentage change in GHG emissions for the portfolio area with data coverage	+4.0%	-7.2%
GHG emissions intensity (kgCO ₂ e/sf)	2.4	2.2

¹Emissions coverage reflects data for which InterRent receives and pays bills and excludes any resident accounts that are separately metered
 *2019 like-for-like change sourced from InterRent REIT's 2020 GRESB Real Estate Assessment

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 84% of the portfolio having submetering capabilities in place at the end of 2020 and plans to continue implementation at recently acquired properties. We completed our first water submetering pilot in late 2019 and are exploring how to bring this new technology to additional sites in the coming years.

SUBMETERING PERFORMANCE	2019	2020
Percentage of residents that are separately metered or submetered for grid electricity consumption	68.8%	65.1%
Percentage of residents that are separately metered or submetered for water withdrawals	0.1%	0.3%



Royal Villa | Vancouver, BC



HOW WE GROW

We are never satisfied with the status quo. We are not afraid to throw a lot of spaghetti at the wall to see what sticks. We love running pilots to see what works and what doesn't, which means there are always lots of cool projects on the go. We consider a mix of innovative technologies and social initiatives, always with a view to create value to our core business and stakeholders. Once we prove a concept, we look at how to scale it up across our portfolio.



SOLAR LIGHTS IN OTTAWA

When faced with having to dig up the pavement in our parking areas at Parkway Park to replace broken underground wiring, we pivoted to install solar lights and were able to keep our paved lots intact, minimize disruption to our residents, and bring a renewable source into our energy mix. Due to this successful test project, we expanded installation to the Forest Ridge properties.

URBAN GARDEN AT VIE

With the help of our partner, MicroHabitat, we turned an unused portion of our roof at Appartements VIE in Montreal into a thriving urban garden, helping to reconnect people to nature. The 300-pound seasonal harvest was donated on a weekly basis to our community partner, [Chez Doris](#), to support their daily meal program.



MICRO COGENERATION AT LIV

We added a micro cogeneration unit to our Ottawa community, LIV, which produces heat and electrical power simultaneously through high efficiency heat and power generation. At LIV, this translates to a 17% offset in electrical consumption from the grid and a 20% reduction in domestic hot water production from boilers, leading to \$25,000 in annual savings.

SMART PACKAGE SYSTEM ROLL-OUT

We are currently testing this at communities in Montreal, Ottawa, and Burlington to solve the problem of package deliveries piling up in lobbies. Through this system, parcel couriers are provided with timed access to a secure package/lockers room and residents are notified electronically that a package is waiting for pick-up, thus providing a convenient, secure and organized package delivery system for our resident base.



IRRIGATION WELL AT FOREST RIDGE

We installed this well to tap into ground water for our lawn irrigation and to water plants and flowers around the community rather than pulling from the municipal water supply. The project generates financial savings of about \$15,000 each year and we estimate annual water savings of 2,670m³ – the equivalent of one Olympic sized swimming pool.

ENBRIDGE GAS PROJECT AT LAKESHORE CLUB

We partnered with Enbridge Gas to install building automation system (BAS) upgrades at our Lakeshore Club community in Burlington. The project generates 38,200m³ in annual natural gas savings, a 40% reduction from pre-project levels, leading to cost savings and enhanced building operational control for our facilities team, while ensuring continued resident comfort.





IRONS IN THE FIRE

Sustainability isn't a one-trick pony. We will continue to refine and improve on the ideas and activities we've shared in the preceding pages, and we'll stay on the hunt for new ways to innovate through pilots and partnerships. In addition, we've identified two focus areas where we plan to go deep over the next few years: climate change and diversity, equity and inclusion.

CLIMATE CHANGE

We recognize that climate change is an immense threat that crosses all stakeholder groups with far-reaching implications. Of note, the real estate sector contributes 30% of global annual greenhouse gas (GHG) emissions, according to the UN Environmental Programme¹, making it imperative for companies like to ours take action to reduce our carbon footprint. In 2015, the Financial Stability Board established the Task Force on Climate-Related Financial Disclosures (TCFD) to identify information investors need to assess climate-related risks and opportunities. In 2017, they

released recommendations to make climate-related disclosures aligned with these needs. We are using these recommendations as a framework to guide our climate journey and aligned the contents of this section with these recommendations to provide transparency on our climate change management practices.

WHERE WE ARE TODAY:

The TCFD recommendations are structured around four thematic areas: governance, strategy, risk management, and metrics and targets.

Governance: How climate-related risks and opportunities are managed

Strategy: Outline the most relevant climate risks and opportunities

Risk Management: How we identify and assess the impact of climate-related risks and opportunities

Metrics and targets: Data and targets to assess and manage climate-related risks and opportunities

GOVERNANCE

Our Board of Trustees has oversight of climate-related risks and opportunities through the Nominations and Governance Committee. 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.

STRATEGY	We have begun the initial steps toward identifying and quantifying the potential climate risks and opportunities that may impact our business strategy.
RISK MANAGEMENT	<p>We acknowledge the need to assess and respond to climate-related risks. Although we have do not yet have a systematic process for identifying, evaluating, and managing material transition and physical risks, we expect this to be an outcome of working through the TCFD recommendations.</p> <p>At a high-level, we have identified several key transition risks that may be material for our business, particularly for policy & legal risks pertaining to carbon taxation, emissions regulation, and stakeholder reporting obligations. We also believe the cost to transition to lower emissions technology could present a material technology transition risk for future development projects, which could see a connection to an increased cost of raw materials under market transition risk. We are aware that there is a potential for reputation transition risk, but we see a path to mitigation by engaging with all our stakeholder groups in defining our climate ambitions and in reporting on our progress in a transparent way.</p> <p>Likewise, we understand that some properties in our portfolio may be at risk for acute physical hazards (such as flooding) and/or chronic physical stressors (such as heat stress or rising sea levels); however, we believe our current Canadian geographic exposure provides a natural mitigation against others (e.g. tropical cyclones). We have identified nine properties, covering a gross floor area of 480,042 square feet, which are located in a 100-year Global Flood Zone.</p>
METRICS & TARGETS	We monitor our Scope 1 and 2 GHG emissions, which we have reported alongside our other environmental metrics in the section "How we perform" on page 19. In 2020, we saw our like-for-like operational GHG emissions reduce by approximately 7%, equivalent to 302 passenger cars.

WHAT CAN YOU EXPECT FROM US IN THE NEXT 1-2 YEARS?

Our objective is to use the TCFD recommendations to inform our approach to climate management and to increase our alignment with TCFD recommendations in future reports. Below is a summary of the key actions we intend to undertake over the next two years as we work through climate change adaptation.

- Conduct a baseline climate change risk assessment to identify our company and portfolio and transition risks and opportunities

- Establish science-based GHG emissions reduction target(s)
- Voluntarily disclose climate-related initiatives and performance through the CDP's climate questionnaire (<https://www.cdp.net/en>)
- Increase our Board of Trustee's knowledge on climate-related risks and opportunities through training
- Conduct climate scenario analysis to understand potential impacts on our business strategy
- Develop a systematic approach to incorporate climate change considerations

into our acquisition due diligence process, capex program, and capital recycling decisions

A word on net zero. We recognize that corporate net zero commitments have been flooding the news and that some stakeholders want to see a similar commitment from us. We don't want to make a net zero plan until our industry coalesces around a single definition of "net zero" and until we have a credible plan in place, including a short and long-term science-based reduction target.

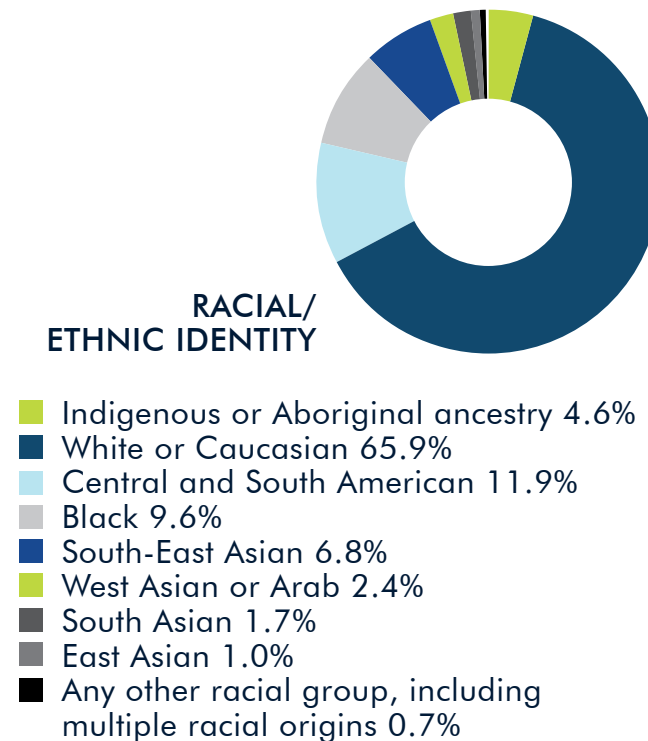
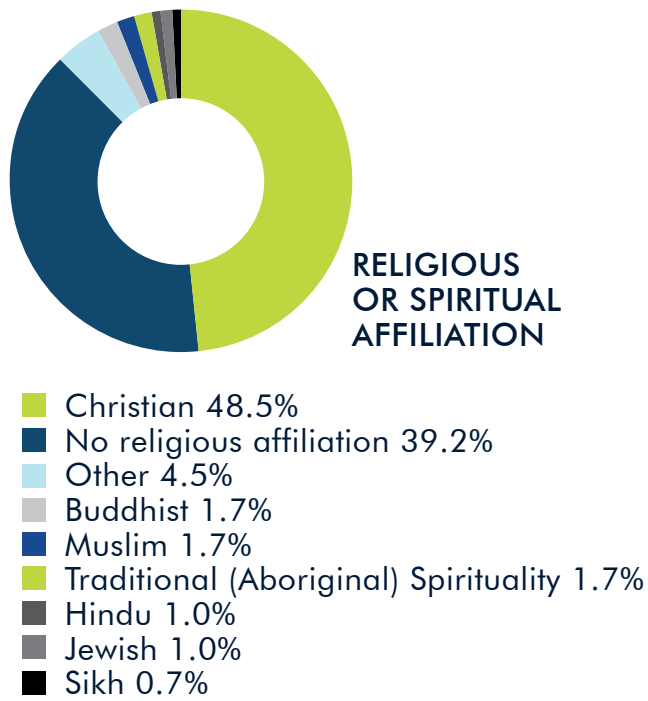
DIVERSITY, EQUITY AND INCLUSION

We recognize diversity and inclusion (D&I) as a core value of our organization. We aim to lay a strong foundation that accurately represents the communities in which we operate while removing systemic biases that can block access, safety, and fulfillment. We believe that the pursuit of D&I is an evolving journey, anchored in cultural safety, where we all understand, accept, and value our differences and where everyone feels included and heard, with a sense of belonging.

WHERE WE ARE TODAY:

In July 2020, we signed onto the BlackNorth Initiative (BNI) pledging to do our part to end anti-black systemic racism in Canada, and we participated in follow-on surveys conducted by BNI and The Globe & Mail to mark the one-year anniversary in spring 2021. In November 2020, we conducted our first formal employee engagement survey through an independent third-party which included a set of voluntary self-identification questions around diversity and demographic metrics. This assessment was an important step in understanding the composition of our employee base and how our team views our current efforts around diversity so that we can build out our future D&I plans.

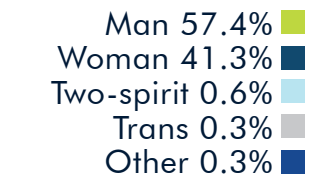
Based on those respondents who elected to respond to voluntary self-identification questions, below is the estimated diversity representation of our workforce:



Through the work of our D&I committee, we are expanding our thinking to include the concept of **“equity”** and have developed an initial Diversity, Equity and Inclusion (DEI) roadmap around three main areas - DEI programs and practices, inclusive policies and practices, and team education and awareness – to advance our corporate D&I 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.

GENDER/ GENDER IDENTITY



AGE REPRESENTATION*



*Age groupings reflect headcount as at August 2021.



South Granville | Vancouver, BC

Although early in our progress, we have started having uncomfortable conversations and powerful team moments that are critical to growth. We believe that storytelling is an engaging way to build awareness and sharing personal stories has featured prominently in our DEI activities this year. To acknowledge International Women’s Day on March 8, 2021, our team heard stories and advice from five amazing InterRent/CLV Group women during a virtual panel.

In June 2021, we invited all employees to join Pride at Work Canada’s webinar From Diversity to Dignity, and we were privileged to host Raven Lacerte, member of the Carrier First Nation and co-founder of the Moose Hide Campaign, to share her story with our team through an intimate coffee chat on Canada’s first National Day for Truth and Reconciliation on September 30, 2021.

We know from our engagement results, that our team views D&I as a main engagement driver and we are incredibly fortunate that our employees want to be on this journey. To continue our thrust in that direction, in September 2021, we became an Employer Partner with the Canadian Centre for Diversity and Inclusion (CCDI), which provides all our team members unlimited access to CCDI’s online Knowledge Repository, live webinars

and Community of Practice events. Through this partnership, we hope to enable each of us to nurture our curiosity and learn at our own pace, so that we can grow together.

WHAT CAN YOU EXPECT FROM US IN THE NEXT 1-2 YEARS?

We’ve been quietly working behind the scenes, but we’ve broken the ice and are ready to launch our plans to go forward. Since our initial employee survey, we have made progress on enhancing the diversity of our workforce, particularly in leadership positions. We plan to conduct our next employee engagement survey by the end of 2022, at which time we look forward to sharing our progress with you in more detail. A key component of our DEI plan hinges on the feedback loop with our employees because we believe putting our team at the heart of the discussion will result in the best outcomes. Our team members who are often the first line of contact with employees (e.g., recruiting, payroll) are currently going through more in-depth training so that they catch DEI issues in the moment. 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.

We also plan to engage an external expert to partner with us to bring our DEI roadmap to life in the coming years, while also equipping our team with the knowledge, skills, and comfort to ensure that our DEI work is self-sustaining into the future.

A word on targets. Stakeholders have encouraged us to implement targets to increase racial and ethnic representation, especially at the Board and senior management level. We want to explain our reasons for not adopting targets so that it’s clear that the absence of targets does not equate to apathy for our diversity, equity and inclusion journey. We are committed to ensure our policies and practices are inclusive for all team members, including Board trustees; but we recognize that we have work to do. In our view, it would be short-sighted to focus solely on quantitative targets, when our focus is qualitative. 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, thereby removing the need for targets. We invite you to read through our [Diversity Policy](#) for additional colour on our aspirations.



JOIN THE CONVERSATION

Our goal in publishing this report was to bring you up to speed on our sustainability story, so you understand where we are today and what you can expect from us in the coming years.



If you have any questions or comments about the content of this report, your primary contact is our Director of Investor Relations & Sustainability,

SANDY ROSE

e sandy.rose@interrentreit.com

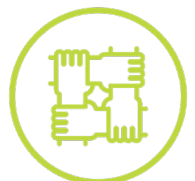
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The topic of sustainability is extensive and complex in scope and constantly evolving. Therefore, our approach is dynamic and responsive. We invite you to engage with us, to share your ideas and perspectives, and to hold us accountable.

JOIN THE CONVERSATION



RESIDENTS



EMPLOYEES



INVESTORS

DISCLOSURE REFERENCES

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



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.

	ACTIVITY METRIC	2019	2020
IF-RE-000.A	Number of assests, by property subsector	84	94
IF-RE-000.B	Number of units, by property subsector	10,164	11,047
IF-RE-000.B	Leasable floor area*, by property subsector (square feet)	9,432,840	10,087,728
IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	0%	0%
IF-RE-000.D	Average occupancy rate, by property subsector	95.7%	93.1%

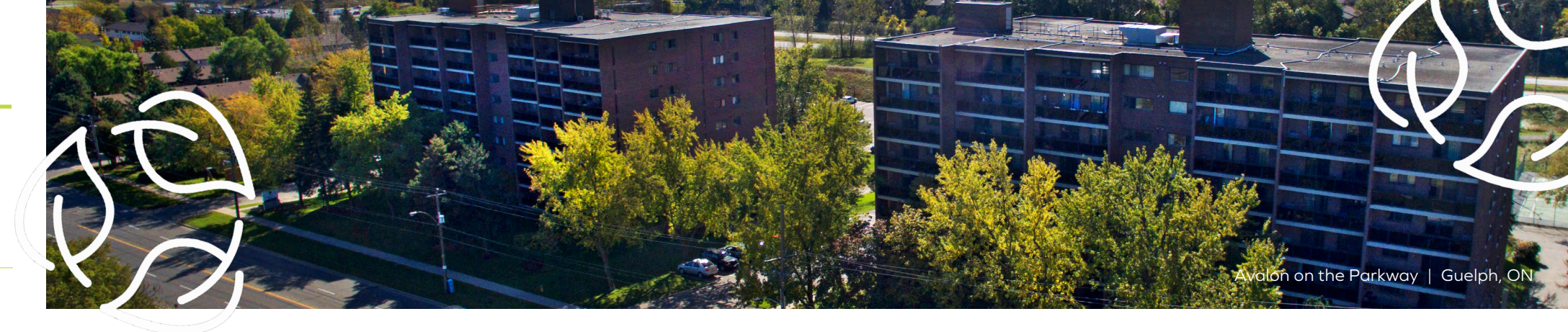
*Gross floor area

ENERGY MANAGEMENT

IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Note of omission: we have not reported data coverage
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, p17
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Energy management, p17
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, p17
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Energy management, p17

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	Note of omission: we have not reported data coverage
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, p18
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Water management, p18
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water management, p18



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 2019 or 2020 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 or resident sustainability impacts, p19
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Management or resident sustainability impacts, p19

CLIMATE CHANGE ADAPTAION

IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Climate change, p23
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Climate change, p22-23



GRI INDEX



Auburn Park | London, ON

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103	Management approach	Energy management, p17
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302-3	Energy intensity	Energy management, p17

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103	Management approach	Emissions, p19
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305-2	Energy indirect (Scope 2) GHG emissions	Emissions, p19
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DIVERSITY AND EQUAL OPPORTUNITY

103	Management approach	Diversity, equity and inclusion, p24
405-1	Diversity of governance bodies and employees	Diversity, equity and inclusion, p24 Note of omission: we have not reported diversity of governance bodies, nor 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.*