

RIO CAN

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

Version 1.1 – May 26, 2021

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ESG PROGRAM OVERVIEW

1.1 Introduction

As a developer, owner and operator of a significant real estate portfolio, RioCan Real Estate Investment Trust (“RioCan” or the “Trust”) has a responsibility to consider the environmental, social and governance (“ESG”) impacts of its activities and opportunities to improve. RioCan’s ESG vision is to be among leaders in embedding ESG practices in our business model and to achieve a leadership position with respect to people, communities and the environment.

We commit to:

- Treat all stakeholders as partners in our ESG journey by:
 - Investing in our employees through professional development, diversity programs, safe and healthy work spaces, and providing engaging community volunteering opportunities.
 - Being a good steward for our investors by managing ESG-related risks and capturing value-added opportunities arising from a changing climate, new customer preferences, technological advancements and the regulatory responses relating to these trends.
 - Engaging our tenants, suppliers and investment partners through raising awareness, collaborating and joint goal-setting to evolve our approaches as we progress together.
- Make our mark in communities across Canada by investing in natural spaces, community support, local skills and job development.
- Minimize the environmental impact of our developments, assets and procurement by protecting the natural environment, reducing resource consumption and pollution, and increasing waste diversion and renewable energy use.

To embed our ESG objectives into our business models, we commit to:

- Provide standards, guidelines and training to responsible staff, property teams and partners.
- Set targets, measure and report on our impacts.
- Collaborate on ESG with industry bodies.
- Implement incentives to stimulate continuous improvement and excellence.

This policy applies to all RioCan employees and is intended to provide an overview of how the Trust organizes and executes its ESG Program. More information on ESG at RioCan, including our ESG Reports, Sustainability for Developments Policy and Green Bond Framework is available via our website.

ENVIRONMENT

2.1 Climate-related Risks and Adaptation

RioCan recognizes that climate change poses a significant risk to the Trust, the real estate sector in general and the communities in which we operate. We shall identify, assess and

manage climate-related risks and opportunities. We commit to assessing our climate-related risks and opportunities and embed them into our enterprise risk management and our business planning processes. We plan to develop a strategy and plan to achieve carbon neutrality by 2050. This transition to a cleaner way of doing business will help ensure we are developing and investing in properties that are resilient and can withstand the potential adverse effects of climate change. RioCan shall utilize the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations to guide our strategy and plan and have aligned our climate-related disclosures to TCFD.

2.2 Environmental Management System (EMS)

RioCan's EMS is aligned to the ISO 14001:2015 standard. This is an important component to achieving environmental leadership and demonstrating our commitment to continual improvement. EMS objectives are achieved by using the Plan-Do-Check-Review-Improve cycle.

Key features of RioCan's EMS alignment to ISO include:

- The Director of Environmental Compliance and Sustainability is the dedicated EMS lead and is responsible for achieving compliance through adherence to applicable regulatory requirements.
- The EMS lead reports quarterly to the Audit Committee of the Board and provides an update on environmental programs, objectives, targets and deadlines.
- A crisis management system to enable real-time response to all environmental incidents.
- Ongoing environmental reporting and tracking into our risk management system by various department representatives.
- An annual internal environmental audit across all operating properties conducted to identify material environmental risks and confirm compliance. External environmental audits are completed as needed at properties with potential high risk issues.
- On a biannual basis, RioCan conducts awareness training for Operations staff on environmental issues and management.
- Procedures are in place for verifying and qualitatively measuring the effectiveness of the EMS and corrective actions are taken to achieve continuous improvement.

2.3 Greenhouse Gas (GHG) Emissions and Pollution Prevention

We commit to reducing our GHG emissions by setting targets, pursuing energy-reduction initiatives and measuring our annual GHG emissions. We shall explore strategies and initiatives to help decrease our GHG emissions and plan to increase our portfolio of alternative energy use such as renewable energy and renewable energy credits.

RioCan reports annually on our scope 1, scope 2, and select scope 3 GHG emissions in our annual ESG Reports and Supplements.

2.4 Resource Efficiency

RioCan recognizes that the global real estate industry is a major consumer of energy and water as well as a producer of waste. Resource management is therefore an important area

of focus. When possible, RioCan shall strive to implement initiatives that help reduce costs in terms of energy, water and waste.

RioCan shall continue to monitor our utility consumption. This data shall be broken down by property type to allow us to compare year-over-year trends, monitor progress on our targets, and review opportunities for future investment. We shall provide updates on our progress within our annual ESG Supplement.

We have implemented the RioCan Impact Scorecard program to better integrate corporate performance with an individual employee's annual objectives in performance evaluation and bonus program. Each eligible employee is required to include an ESG specific goal within their Impact Scorecard.

Energy

Energy, in the form of electricity, natural gas, geothermal and district, is used to heat, cool and power our properties. RioCan is committed to exploring the option of expanding our network of electric vehicle charging stations, ways to optimize energy performance and other renewable energy opportunities.

Water

Water usage varies depending on the property type across our portfolio. Water assessments are conducted to better position the Trust to understand the common uses of water, and recommend water conservation methods for our properties.

Waste

RioCan is committed to working with waste service providers to improve our data coverage and reduce costs. We are looking to expand our e-waste program, currently at select RioCan sites, to be implemented across our entire portfolio. We plan to increase waste diversion rates with the use of smart sensor technology and tenant engagement initiatives such as tenant educational and awareness sessions.

2.5 Biodiversity, Habitat and Land Contamination

RioCan is committed to minimizing the environmental impacts of our developments, assets and procurement while raising environmental awareness on the importance of protecting the natural environment and reducing our resource consumption. We are committed to avoiding greenfield development and continue to focus on urban revitalization to bring our existing properties to their highest and best use. We strive to continuously monitor our environmental performance and, when necessary, comply and report on environmental issues.

RioCan considers and monitors the environmental implications during the lifecycle of the development process and aims to promote environmental awareness. Green building investments are being prioritized by raising funds through RioCan's green bond offerings.

RioCan assesses potential environmental impacts during the acquisition due diligence process to ensure all potential environmental risks are acknowledged and well managed to

minimize the impact on surrounding areas. This assessment includes a review of environmental compliance, identifying potential sources of contamination as well as assessing climate change risk and resiliency.

Our Sustainability Policy for Developments identifies the importance of improving the environment. During the development process, we consider investing in climate resilience features, alternative transportation, water harvesting systems, and measures to protect and enhance local biodiversity and natural habitat.

2.6 Sustainable Building Design and Construction

RioCan has established a set of ESG guidelines for the design and construction phases of the development process, which reflects industry best practices. These guidelines shall be used in conjunction with our Sustainability Policy for Developments with the goal of reducing our environmental impact during construction, enhancing onsite health and safety, improving indoor environments and resource efficiency, and positively contributing to the surrounding community.

RioCan has a robust portfolio of income producing properties with significant redevelopment potential. This is important as we redevelop and enhance existing urban properties, including brownfields, while avoiding greenfield development projects, when possible.

Establishing standard approaches to working with tenants has allowed us to promote our corporate values. As such, we include green clauses in new lease agreements, where applicable. This helps define responsibilities for most major components of initial tenant construction and ongoing operations. These clauses will help expand and monitor our commitment to sustainable practices.

2.7 Responsible Contracting and Procurement

RioCan adheres to its Procurement and Purchasing Policy to ensure our procurement process is open, fair, transparent, and consistently managed. The scope of the policy covers procurement and purchasing activities throughout each stage of the procurement process and is applicable to all employees involved in the procurement and purchasing process.

To ensure the Trust acts responsibly, we have a robust set of requirements that are reviewed prior to awarding a supplier or vendor business with RioCan, which can include:

- Policies and practices of the suppliers to ensure supplier standards are similar to RioCan standards in terms of environmental policy/management, code of conduct/business ethics, labour standards/inclusion, and occupational health and safety.
- Valid insurance and workplace safety certificates.
- An interview to discuss qualifications and pricing.
- Reference checks to ensure quality of work and professionalism.
- On site visits, if necessary.
- Knowledge and understanding of environmental, social and governance issues.

RioCan wants to do business with companies that have similar ESG goals and considerations as ours. We will conduct a systematic review of ESG criterion prior to selecting suppliers and vendors, to ensure the environmental policies and management of our suppliers align with our standards (e.g. ISO 14001 or equivalent) and they are in compliance with affiliated environmental laws and regulations. We will conduct a thorough review of the policies and procedures pertaining to labour standards and health and safety to ensure they are aligned to OSHA or equivalent to demonstrate their contribution towards the development of the communities in which they operate. As well, we will review our supplier/vendor's code of ethics and human rights policies and strategies to ensure business is conducted in a safe and ethical manner throughout the entire relationship with our suppliers and vendors.

RioCan expects that all suppliers and vendors adhere to high ethical standards and follow all applicable laws where they operate, including regulations prohibiting child and forced labour, minimum living wages, non-discriminatory workplace, protecting worker health and safety, and legal remuneration practices. RioCan shall conduct business with suppliers and vendors that are in compliance with our pre-requisite standards with respect to adherence to all applicable laws.

Additionally, RioCan uses a sustainable purchasing guideline to help minimize the ESG impact of the procurement of goods utilized at RioCan offices (i.e. office supplies and products). Our procurement approach factors in the health and safety of employees, suppliers, and vendors; supporting the local economy and promoting economic inclusion by purchasing goods and services from local vendors; procurement of materials that are environmentally friendly and; accounting for lifecycle costs throughout the decision making process.

RioCan's responsible procurement and purchasing requirements also extends to our marketing and advertising practices. At RioCan, we ensure all advertisements and communications are transparent, open, and fair to all stakeholders.

SOCIAL

3.1 Diversity, Equity, Inclusion

RioCan is committed to promoting Diversity, Equity and Inclusion (DEI) within our organization and in the communities we operate in. More information can be found in our Diversity, Equity and Inclusion Policy on our website.

The Nominating, Environmental, Social and Governance Committee is guided by our Diversity Policy of the Board of Trustees, which was developed to ensure that the Board considers candidates who represent a diverse spectrum of age, cultural communities and geographic areas.

RioCan is an Equal Opportunity employer and as such we strive to ensure that every qualified applicant has an opportunity to apply for positions with the company. RioCan's talent pipeline strategy aims at nurturing potential candidates and actively building a

relationship with them. This allows RioCan to approach recruiting and the hiring process more proactively, and focus on hiring those best suited for. Talent pooling and pipelining is a way to continuously increase the diversity of our workforce. RioCan commits to report on human capital development metrics that incorporate the demographic make-up of our employees.

RioCan is committed to providing accommodations for people with disabilities. If an applicant or employee requires an accommodation, we will work with them to meet their needs.

RioCan is committed to providing each employee with an environment free from harassment and discrimination, including violence, threats of violence, psychological harassment and sexual harassment. More information on workplace violence, harassment and discrimination can be found in our Code of Business Conduct and Ethics Policy on our website.

3.2 Health, Wellness and Safety

The health and safety of all stakeholders – employees, tenants, contractors, sub-contractors, and other partners – is of utmost importance to RioCan. By ensuring the proper health and safety protocol are in place, we are continuing to enhance our awareness of overall health and safety performance while simultaneously reducing the amount of incidences that occur across our portfolio.

Employee Health and Safety

RioCan is responsible for providing a safe and healthy work environment. RioCan voluntarily aligns its occupational health and safety management system with OHSAS 18001:2015. Our occupational health and safety management system is managed by our Assistant Vice President, National Health and Safety and Emergency Management, and is overseen by our Senior Vice President, Operations and President & Chief Executive Officer. RioCan sets annual health and safety targets to reduce lost time accidents and lost time days, reviews key performance indicators (such as near misses and the percentage of employees trained on health and safety) and identifies and evaluates health and safety issues.

The goal of RioCan health and safety policies and procedures is to facilitate an environment where all RioCan workers, contractors' workers, trade contractors (and subsequent subcontractors), and independent operators abide by the Occupational Health and Safety Acts and Regulations, RioCan's health and safety policies and procedures and applicable industry safety standards while in the workplace/property. We commit to continuously improve our health and safety performance to ensure that every reasonable precaution is taken to prevent fatalities or injuries of any kind across our entire organization. RioCan's approach to preventing or eliminating hazards is done through root cause analysis of incidents, mandatory job-specific training, annual reviews of risk assessments and on-site audits, and regular communication with our various joint health and safety committees. More information on health and safety can be found in our Code of Business Conduct and Ethics and Health and Safety Policy on our website.

Employee Wellness and Development

RioCan has a robust orientation and onboarding program that covers mandatory training as well as employee wellness and benefits.. All full-time RioCan employees are eligible for additional benefits that include opting into an employee unit purchase plan and a confidential employee assistance program. RioCan offers a continuing education program, vacation entitlements that exceed the minimum statutory requirements for full time employees, paid sick and personal days, and annual performance reviews. In addition, RioCan prioritizes the health and wellbeing of employees by offering flexible work arrangements and work-from-home options to all non-essential employees in response to exceptional circumstances such as the COVID-19 pandemic.

More information regarding RioCan Employee Wellness and Development initiatives can be found in our ESG Reports on our website.

RioCan commits to partner with many local charities and organizations across the country to help give back to the communities where we conduct business. These social partnerships help strengthen our ties within our communities

Contractor and Supplier Health and Safety

RioCan is aware that construction activities pose an increased risk at our sites and may lead to events, such as incidents, injuries, and fatalities. Maintaining on-site health and safety records over time helps identify ways we can minimize these risks. RioCan targets for a zero injury rate on construction sites. We require health and safety reports from general contractors (GC) and construction managers (CM) to ensure regular communication on-site and to ensure compliance.

Community and Tenant Health, Safety and Wellness

RioCan shall strive to ensure that our properties are in pristine condition to ensure the health and safety of the communities in which we develop and operate in, the tenants that we do business with, and the customers we interact with on a daily basis. We value feedback from all parties that visit our properties – employees, tenants, partners, residents, contractors, guests and customers- and commit to continually improve the accessibility, safety, and cleanliness across our portfolio.

3.3 Stakeholder Engagement

RioCan commits to engaging with key stakeholder groups, including, but not limited to, institutional investors, tenants, joint venture partners, municipal development planners, general contractors and suppliers on an ongoing basis, at a minimum annually but in most cases more frequently. RioCan conducts a comprehensive materiality assessment with internal and external stakeholders. Our materiality interview process achieves three important goals: 1. understanding our stakeholders' business and ESG priorities; 2. identifying the reporting metrics that matter most to our stakeholders; and 3. uncovering important areas where RioCan can collaborate with our stakeholders to improve ESG results.

3.4 Commitment to Human Rights

RioCan commits to promoting human rights for its employees as well as positively influencing vendors and business partners. We shall continuously monitor our day-to-day operations to ensure we comply with the [Canadian Charter of Rights and Freedoms](#). As a Canadian REIT, RioCan strongly opposes child and forced labour in any form and adheres to all federal, provincial and municipal employment regulations designed to protect minors, such as the [Canada Labour Standards Regulations](#) and considers the right to water as a fundamental human right. Our formal grievance process is anonymous to ensure transparency and easy accessibility to all of our stakeholders. Grievance mechanisms play an important role to provide access to remedy and reflects our commitment to best ESG management practices.

With respect to pay, RioCan is committed to compensating all employees at competitive rates by market at or above a living wage – in all cases at or above prevailing minimum wages while ensuring legal remuneration practices. In addition, variable performance-based components to compensation is available to many of our employees. More information on our commitment to human rights is found in our Code of Conduct and Business Ethics.

GOVERNANCE

4.1 Corporate Governance

RioCan and our Board of Trustees believe that sound corporate governance practices are the essential foundation to the well-being of the Trust and the promotion and protection of our shareholders’ interests.

The Trust has established an ESG governance structure that includes the Board of Trustees, members of RioCan’s Executive and Senior Leadership Team, full-time employees and an ESG Council, each of whom play a defined role in program strategy and execution.

RioCan’s Corporate Governance documents and annual Management Information Circular can be found on our website.

VERSION HISTORY

Version	Date	Senior Executive Approval	Description
1.0	--	 <small>enm/... (Jun 1, 2021 10:36 EDT)</small>	Initial Release
1.1	2021-May-26	SVP	Updates: Expanded the policy to include environmental, social and governance topics