



LOOKING AHEAD

ALWAYS ADAPTING



The Well, Toronto

About this Report

The 2021 ESG Report (“Report”) provides highlights of RioCan’s environmental, social and governance (“ESG”) program for the 2020 calendar year. It encompasses retail and mixed-use assets owned during 2020, including those owned for part of the year.

This Report, along with the **2021 ESG Supplement** (“Supplement”), has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core Option. Together, the Report and the **Supplement** include indicators from the Sustainability Accounting Standards Board (“SASB”) Real Estate sub-sector and recommended disclosures from the Financial Stability Board’s (“FSB”) Task Force on Climate-related Financial Disclosures (“TCFD”).

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

2020 Environmental data, including energy usage, water consumption, waste output and greenhouse gas (“GHG”) emissions for assets, has been verified externally by Quinn & Partners Inc.

Questions about this Report?

Visit RioCan’s [website](#)

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

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

Visit RioCan’s [website](#)

Read our **ESG Supplement, Annual Report, Management Information Circular** and **Annual Information Form**.

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

ESG Highlights

Embedding ESG best practices in everything we do

ENVIRONMENTAL



5-Star Rating

2020 GRESB Real Estate Assessment



1st Among Canadian Peers

GRESB Public Disclosure Assessment



1st Canadian REIT

To publish a Green Bond Framework (raised \$850M through two green bonds)



90+ BOMA Best Certified Sites

Representing ~50% of GLA*

SOCIAL



Top 100 Employers

Greater Toronto's Top Employers Competition



A Top 50 Corporate Citizen

As ranked by Corporate Knights



BlackNorth CEO Pledge

Initiated by the Canadian Council of Leaders Against Anti-Black Systemic Racism



ILEO Charter

Signed the Inclusive Local Economic Diversity Opportunity ("ILEO") Charter, to drive a collective commitment to creating inclusive economic opportunity in communities

GOVERNANCE



RioCan Diversity, Equity & Inclusion Council

Established council and appointed DEI Officers



ESG Rating Upgrade by MSCI

Improving employee management programs and green building certifications



ESG Driven Performance

Included ESG objectives in performance scorecard for every bonus-eligible employee



Sustainability Policy & Plan

Implemented a Sustainability Policy and Plan for RioCan's Development department

* At 100% commercial portfolio.

Letter from Our President and CEO

Welcome to RioCan's third annual ESG Report

As RioCan's new President & CEO, I am proud to follow in the entrepreneurial footsteps of Edward Sonshine, RioCan's founder and Chairman of our Board of Trustees.

We launched our ESG strategy in 2016 with the goal to be among the leaders in integrating ESG practices across the business. In 2020, RioCan made significant progress towards this goal. We received a 5-star rating in the annual GRESB Real Estate Assessment. We ranked first among Canadian real estate peers in the GRESB Public Disclosure Assessment. Corporate Knights ranked RioCan as one of Canada's 50 Best Corporate Citizens. We were also the first Canadian REIT to establish a Green Bond Framework.

While we have made significant progress, we understand this is just the beginning. The transition to the low-carbon economy presents significant opportunities for real estate companies, and we need to stay focused, strive for continuous improvement, and enhance our collaboration with tenants, contractors and industry.

Despite the challenges of the global COVID-19 pandemic, RioCan continued to make progress with our ESG initiatives, particularly those related to climate change, health, well-being and safety, and diversity, equity & inclusion.

Throughout the pandemic, we unfailingly prioritized the safety of our employees, tenants and customers while responsibly ensuring the long-term health of our business for all our stakeholders.

RioCan played an important role in supporting our tenants and communities during this tumultuous time. We offered tenants rent abatements and deferrals, and we helped countless businesses apply for Canada's federal rent assistance programs. Through [RioCan Cares](#), we set up food bank donation drop-offs in our shopping centres and hosted physically distanced community events, such as farmer's markets, drive-in movies, cook-offs and performances by local musicians.

We continue to view climate change as both a serious risk and an opportunity to make a difference in the communities we operate in. We are addressing this risk, in part, by adopting and aligning our climate change program with the recommendations of the TCFD. We will embed climate change considerations within our objectives to ensure growth that is resource efficient and climate-resilient.

The last year allowed RioCan to demonstrate the stability of our solid foundation, our resiliency and the strength of our incredibly talented team. It also highlighted the need to align with all stakeholders and continue building a strong ESG program. I am confident that by upholding our values – bold, adaptable, responsible, entrepreneurial and trusted – we will meet the challenges ahead and thrive well into the future.

Jonathan Gitlin

President and Chief Executive Officer
RioCan Real Estate Investment Trust



JONATHAN GITLIN
PRESIDENT AND CHIEF EXECUTIVE OFFICER

“Despite the challenges of the global COVID-19 pandemic, RioCan continued to make progress with our ESG initiatives, particularly those related to climate change, health, well-being and safety, and diversity, equity & inclusion.”

Our Sustainability Journey

Five years of continuous progress

- Sustainability Council
- Strategy, policy, plan and ESG commitments
- First GRESB Real Estate Assessment response
- Sustainability Guideline for developments



2018

- Sustainable Development Policy
- First Sustainability Report
- Third GRESB score – up 17 points over 2018
- GRESB Public Disclosure score: “A”
- 124 LED retrofit projects
- 2030 resource efficiency goals



2020

- DEI survey, strategy and plan
- Action plan to achieve 2030 resource efficiency goals
- Climate-related risk assessments
- Renewable energy strategy
- A plan to achieve carbon neutrality by 2050 and set interim targets

2016–17



- Data and utility management system for all properties to track/report key ESG metrics
- GRESB score up 16 points in one year
- Multi-year plan for BOMA BEST certification program
- First materiality analysis
- Sustainability clauses in standard lease forms

2019



- GRESB score up 9 points over 2019
- 1st among Canadian peers in GRESB Public Disclosure Assessment
- Development Sustainability Framework
- Climate change risks and opportunities identified
- DEI training and DEI Council
- Green Bond Framework and two green bonds raising \$850m

**2021
AND BEYOND**



About RioCan

RioCan is one of Canada's largest REITs

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

As of December 31, 2020, our portfolio consisted of 223 properties with an aggregate net leasable area ("NLA") of approximately 38.3 million square feet (at RioCan's interest). This area includes retail, office and residential rental properties, as well as 14 properties under development. RioCan's trust units ("Units") are listed on the Toronto Stock Exchange ("TSX") under the symbol REI.UN.

Benefiting from a resilient portfolio

Since exiting the US market and disposing of our assets in secondary Canadian markets over the past five years, RioCan's portfolio is now concentrated where the majority of Canadians live: Vancouver, Edmonton, Calgary, Greater Toronto Area, Ottawa and Montreal. Ninety percent of our annualized revenue is generated from these six metropolitan areas.

Tailoring our tenant base so consumers have everything they need in one place has created a more diversified and resilient tenant mix. This reflects the new realities of consumer spending patterns, provides more consistent returns, protects against market fluctuations and ensures long-term value.

223

properties

38.3M SF

leasable space

2,995

residential rental units
in different phases of
development and
construction

14

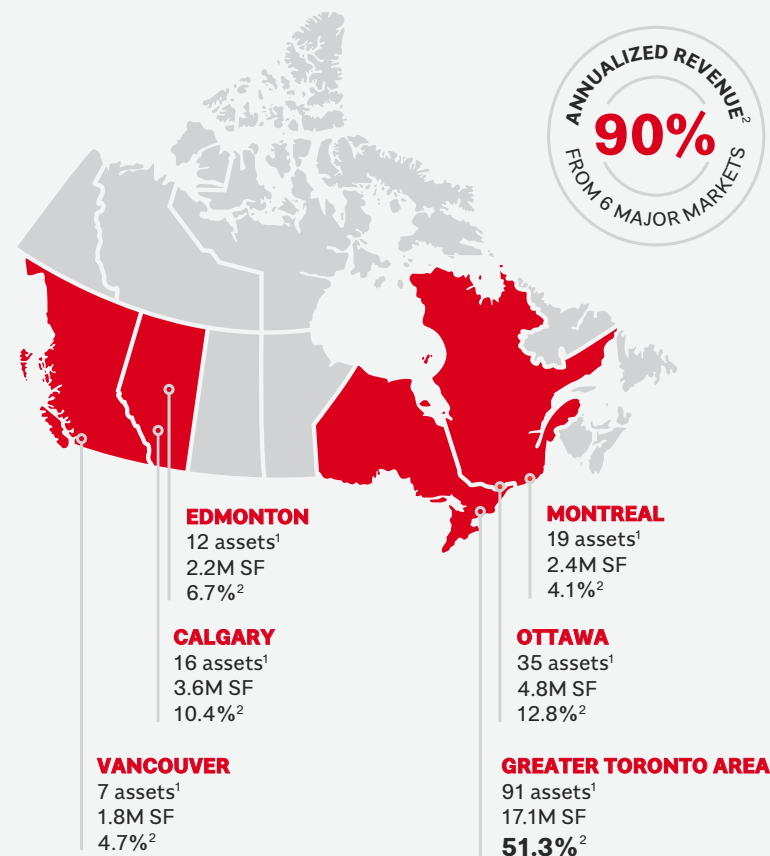
properties under
development

\$12.4B

enterprise value

¹ Income-producing properties at RioCan's Interest.
² Percentage of annualized rental revenue.

Strategic Canadian major market positioning



OUR MISSION

To create spaces
where we can all
prosper

OUR VISION

Growth driven
by insight

OUR VALUES

Bold
Adaptable
Responsible
Entrepreneurial
Trusted

Our Strategy

ESG drives business decisions

For RioCan, sustainability means managing the ESG aspects that can materially affect the long-term value of an organization.

We are committed to embedding ESG into all facets of our business model to enhance our organization and assets, and to deliver long-term unitholder value.

We consider ESG in our business activities and decisions regarding our developments, operations, investment activities and corporate functions. This includes considering costs and returns over the life cycle of every investment.

We aim to continue to be among leaders in embedding ESG in our business

RioCan is one of the ESG leaders within the Canadian real estate industry; however, we are aware the target is always moving and we need to continuously adapt in order to retain our leadership position.

As part of our pledge for ongoing improvement, we have participated in the annual Global Real Estate Sustainability Benchmark (“GRESB”) survey since 2017. In 2020 we earned our first 5-star rating in the Real Estate Assessment and ranked 1st among our Canadian real estate peers in the Public Disclosure Assessment.

With the roll-out of ESG-specific goals in our employee performance review process, we will continue to embed ESG factors into our corporate culture.

Aligning our strategy with the United Nations Sustainable Development Goals

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

We have aligned our environmental, social and governance objectives to specific [UN SDGs](#).

ENVIRONMENTAL	RIOCAN OBJECTIVES
UN SDG 12: Responsible Consumption and Production	1. Reduce GHG emissions, energy and water consumption in our new and existing buildings.
UN SDG 13: Climate Action	2. Develop a plan to achieve carbon neutrality by 2050. Aim to design and construct net zero carbon sites.
	3. Improve waste diversion at sites.
	4. Continue to develop and acquire sites in transit-oriented neighbourhoods.
	5. Expand assessment of physical and transitional climate risks, opportunities and impacts for all assets in line with the TCFD recommendations.
SOCIAL	RIOCAN OBJECTIVES
UN SDG 3: Good Health and Well-Being	1. Establish programs to actively develop new pools of talent, increase retention and integrate diversity into recruitment.
UN SDG 5: Gender Equality	2. Provide employees with regular ESG training, organize mentorship programs and conduct gender pay gap assessments.
UN SDG 8: Decent Work and Economic Growth	3. Continue to support our tenants and visitors by designing inclusive places that contribute to a pleasant experience at our centres.
UN SDG 10: Reduced Inequalities	4. Contribute to our communities by creating jobs, investing in education, and launching economic and social growth initiatives.
	5. Continue to organize community events that promote the well-being of our tenants and communities in which we operate.
GOVERNANCE	RIOCAN OBJECTIVES
UN SDG 9: Industry, Innovation and Infrastructure	1. Enhance ESG and climate change-related disclosures in alignment with leading disclosure standards.
UN SDG 11: Sustainable Cities and Communities	2. Maintain an open dialogue and feedback loop through our Board investor outreach program.
	3. Strive for best management practices through certifications and awards.
	4. Execute green bond initiatives and related green bond reports.
	5. Embed ESG considerations within RioCan’s purchasing, contracting and procurement processes.

What Matters Most

Material ESG topics: Listening to our stakeholders

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

Our materiality matrix is the result of an extensive stakeholder engagement process. It draws on input from our executive and management teams, as well as comprehensive consultation with external stakeholders, including institutional investors, tenants, joint venture partners, municipal development planners, general contractors and suppliers.

Conducted in 2018, the consultation process achieved three important goals:

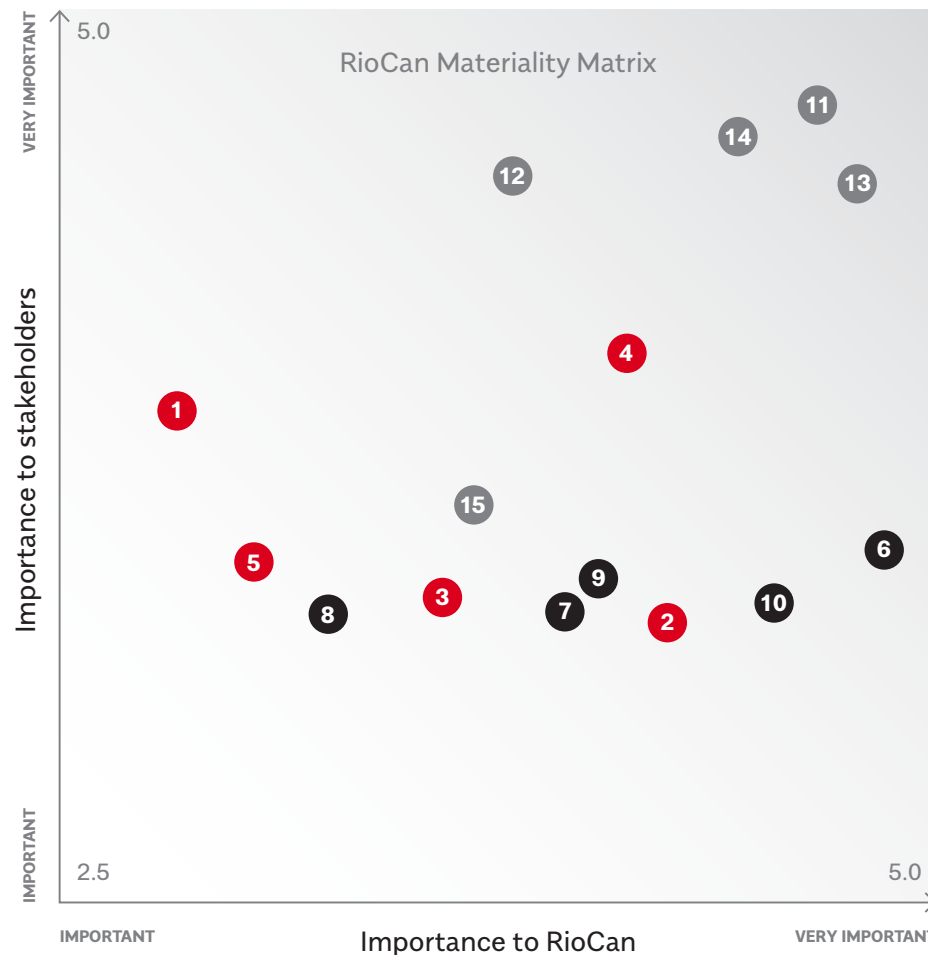
- It allowed us to understand our stakeholders' business and sustainability priorities.
- It identified the reporting topics that matter most to our stakeholders.
- It uncovered important areas where RioCan can collaborate with our stakeholders to improve sustainability results.

We learned that our stakeholders appreciate the opportunity to contribute their opinions and insights.

Recently, we have learned that our stakeholders are placing increasing importance on three topics: diversity, climate change and Board oversight. To address this feedback, we prioritized specific actions in our 2020 work plan.

Future plans

- Update our materiality matrix to reflect emerging issues and the evolution of existing material topics
- Find opportunities to collaborate with our partners, including tenants, suppliers and the community, to heighten our community impact and address ESG issues such as waste management and net zero carbon



ENVIRONMENT

- 1 GHG emissions
- 2 Sustainable building design and construction
- 3 Land contamination
- 4 Resource efficiency
- 5 Climate change risks and adaptation

SOCIAL

- 6 Tenant relationships
- 7 Employee education, skills and training
- 8 Community partnerships
- 9 Health, wellness and safety
- 10 Diversity, equity and inclusion

GOVERNANCE

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

ESG Governance

Our commitment to ESG excellence relies on strong oversight and accountability

RioCan manages its ESG program with a collaborative and integrated team. Our Senior Vice President of Asset Management oversees the program, ensuring ESG initiatives are prioritized and properly resourced across the company and portfolio.

Our Sustainability Council oversees the business planning process. Jonathan Gitlin, President and CEO, is responsible for addressing ESG issues. Within the Board, the Nominating and Environmental, Social and Governance Committee provides the necessary oversight required for our ESG plan and performance.

We added environmental and social knowledge and competencies to our Board skills matrix in 2019. Through a self-evaluation, each Trustee identified their level of awareness, knowledge and proficiency in the social and environmental topics included in our materiality matrix. The skills matrix is summarized in our [2019 report](#).

RioCan continues to strengthen our ability to measure overall ESG impact. This is largely driven by the increasing importance that investors are placing on ESG issues, particularly non-financial issues, that are at the same time in the best interest of RioCan's overall business and all our stakeholders.

Tracking corporate and individual contributions to ESG

To track annual corporate sustainability priorities, initiatives and goals, we developed in 2019 an internal scorecard known as the ESG Performance Report. We utilize this scorecard to monitor our ESG projects, assess property-specific utility consumption and track year-over-year changes on GRESB performance metrics.

We also developed an employee scorecard, known as the RioCan Impact Scorecard. This allows us to align compensation for eligible employees with progress against both their individual ESG and innovation goals and the organization's overall ESG objectives. We enhanced the scorecard in 2020, and in 2021, we rolled it out to employees at the manager level and above.



Our Green Bond Framework

Our ESG commitment extends to financing our operations

In 2020, RioCan became the first Canadian REIT to establish a [Green Bond Framework](#). Raising funds through green bonds aligns our financial activities with our ESG strategy and drives value for our investors.

As confirmed by Sustainalytics, our Green Bond Framework is aligned with the four core components of the International Capital Markets Association Green Bond Principles 2018.

1. Use of proceeds

The eligible categories for the use of proceeds are: Green Buildings; Resource Efficiency and Management; Renewable Energy; and Adaptability and Resilience to Climate Change. Projects in these categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals outlined in the [Our Strategy](#) section of this Report.

2. Project evaluation/selection

We established a Green Bond Working Committee to evaluate potential projects. RioCan's senior leadership team is responsible for final project approval.

3. Management of proceeds

RioCan's Finance department manages and tracks allocation of the green bonds' net proceeds in accordance with its internal systems. The plan is to fully allocate the net proceeds within 24 months of issuing a green bond.

4. Reporting

We plan to publish an annual Green Bond Report outlining the apportionment of proceeds once they are fully allocated.

Two green bonds raised \$850 million

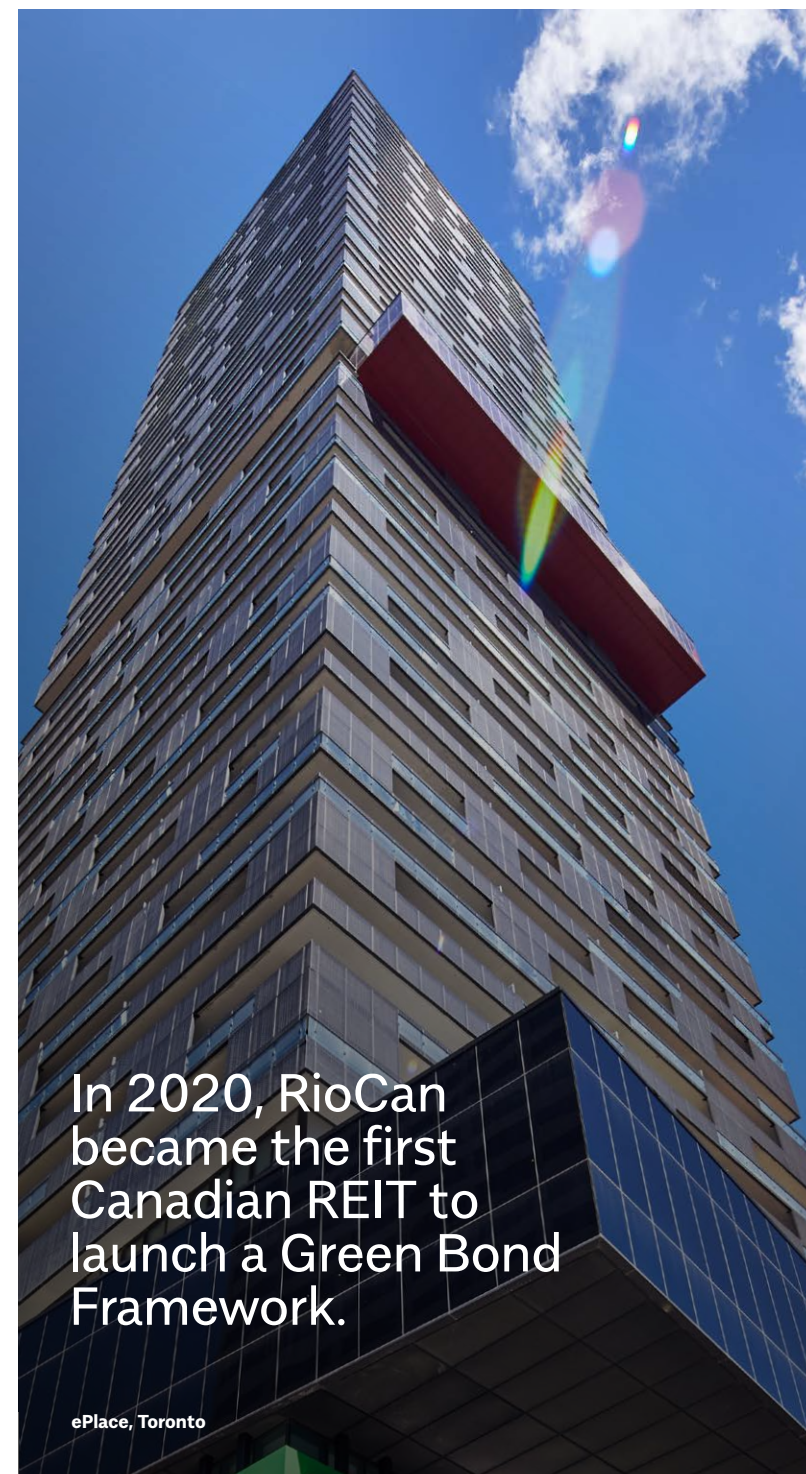
Using our new Green Bond Framework, we funded eligible green projects through two green bonds: \$350 million in March 2020 and \$500 million in December 2020, both issued at par.

The March 2020 debentures carry an annual coupon rate of 2.361% with a seven-year term, maturing on March 10, 2027. The December debentures carry an annual coupon rate of 1.974% with a five-and-a-half-year term, maturing on June 15, 2026. The December green bond was more than five times subscribed. This reflects both RioCan's creditworthiness and the growth of the green bond market.

In March 2021, on the anniversary of our first green bond, we published our [Green Bond Report](#). As explained in the report, the proceeds were fully allocated to eligible green projects that met the RioCan Green Bond Framework eligibility criteria.

Future plans

- Execute green bond initiatives and related green bond reports
- Explore other ESG bonds such as social and sustainability bonds



In 2020, RioCan became the first Canadian REIT to launch a Green Bond Framework.

ePlace, Toronto

Climate Change and Carbon Emissions

Climate change is our generation's biggest environmental challenge

Climate change poses environmental, social and business risks. In fact, the Bank of Canada has identified climate change as one of the vulnerabilities in the Canadian financial system. RioCan understands the need to address these risks.

Investing in climate-resilient real estate is essential to sustainable growth, delivering on the UN SDGs and reducing climate-related risks.

We rely on the recommendations of the TCFD to guide and address our climate change-related risks. We are proud to join more than 2,000 organizations around the world to help address the urgency and challenges of climate change. We will continue to expand disclosures in line with the TCFD recommendations as the program advances.

Governance

Our Board of Trustees' Nominating and Environmental, Social and Governance Committee oversees ESG performance, including climate change and resilience. The Board has ultimate oversight for risk management and receives updates, at least annually, on ESG-related issues, including climate change. Significant and emerging risks are escalated to the Audit Committee, which also oversees environmental compliance.

Our Senior Vice President of Asset Management is responsible for reporting RioCan's ESG goals, plans and performance, including those related to climate change and resiliency.

Strategy

RioCan began preparing for long-term climate-related risks in 2020 by conducting a preliminary climate change and resilience assessment under Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5. The goal of the assessment was to provide an understanding of how well we are managing risks.



The assessment identified the following priority risks:

- Physical impacts of climate extremes and changes in climate over the next three decades
- The specific increase in the average number of heating degree days that we may expect to experience each year in the future climate
- The risk that governments will impose more stringent carbon policies and regulations on business

Climate change may reduce RioCan's Net Operating Income if, for example, an investment property becomes non-operational due to severe weather events or the cost to recover/repair a property following inclement weather or a natural disaster increases significantly. Climate-related events also pose a risk to the health and safety of people and communities, including our on-site staff, tenants and customers.

We also face the potential of increasing costs to insure our properties against natural disasters and severe weather events. Finally, the marketability of our properties may be affected by more stringent government carbon policies and regulations.

Climate Change and Carbon Emissions (continued)

In addition to the assessment, we identified climate change-related opportunities that will help us create long-term value:

- Incorporate environmental and resilience criteria as part of our acquisitions' due diligence process
- Build resource efficient and resilient sites
- Offer investors low-carbon assets
- Prepare for future government regulations by implementing strong ESG and risk management practices
- Protect against carbon pricing by continuing to reduce GHG emissions and energy consumption
- Recognize that climate change is a differentiator for key tenants that can help secure higher occupancy and higher average rents

Risk management

We assess climate-related risks using our Enterprise Risk Management Framework.

To date, our climate change risk management strategies have included:

- Implementing a nation-wide LED retrofit project to reduce energy consumption across our portfolio
- Conducting environmental audits and resilience surveys across the portfolio to ensure we are complying with climate change-related regulations
- Hiring a dedicated Building Resilience Manager
- Developing a Crisis Management Program that enables us to respond to, resolve and communicate about climate-related events, all while ensuring tenant and customer safety

We continue to assess climate-related risks and opportunities, paying particular attention to the impact future climate scenarios might have on our business.

Metrics and targets

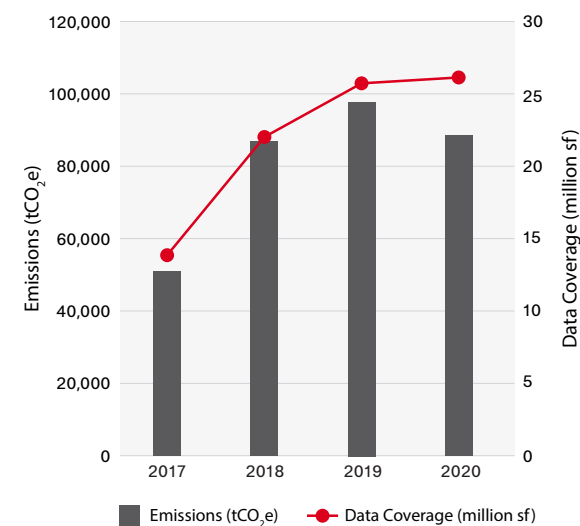
We track key performance indicators related to transitional risks, such as Scope 1 and Scope 2 emissions, as well as select Scope 3 emissions and physical risks, such as total floor area of properties located in 100-year floodplain zones. We have established 2030 reduction goals for GHG emissions and resources, including energy, water and waste, for select RioCan sites.

For additional information on our climate-related metrics, please see the [Supplement](#).

Future plans

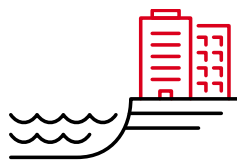
- Prepare an action plan to further classify and address climate-related risks and opportunities, and assess the implications of both the physical and transitional risks
- Assess opportunities to strengthen the climate resilience of our portfolio
- Continue to align our strategy with TCFD recommendations
- Collaborate with industry stakeholders, trade associations and government bodies to drive innovation in reducing GHG emissions

Year-over-year GHG emissions



The graph above demonstrates absolute GHG emissions and associated data coverage over time.

For more information on GHG emissions and like-for-like comparable analysis, please see the [Supplement](#).



RioCan has three properties, representing less than 2% of our total floor area, that are located in 100-year floodplain zones.

Resource Efficiency

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

The global real estate industry is a major consumer of energy and water and a major producer of waste. As such, resource management is an important area of focus for RioCan.

In 2019, we set long-term goals to reduce our like-for-like energy use by 13%, GHG emissions (Scope 1 and 2) by 15% and water consumption by 10% by 2030 as compared to our baseline year of 2017. We also targeted to improve our waste diversion rate to 60%*.

The ESG team collaborated in 2020 with RioCan's Asset Management and Operations teams to gain a deeper understanding of property profiles and resource consumption. This ongoing process is creating the foundation to achieve our resource reduction goals.

The impact of COVID-19 shutdowns

Throughout the pandemic, governments across Canada implemented shelter-in-place orders. Naturally, this impacted the operations of our assets by limiting capacity. Generally, with fewer people using our assets, we saw reductions in energy and water consumption and a drop in waste output; however, the effects of the pandemic varied by asset class and tenant type. For example, and as expected, enclosed centres and offices were more significantly impacted than unenclosed centres.

Expanding BOMA BEST

Sustainable building certifications such as BOMA BEST provide third-party verification of building management practices. BOMA BEST certified buildings have a clear advantage when attracting and retaining tenants, and in most cases result in reduced operational and maintenance costs as well as healthier indoor environments.

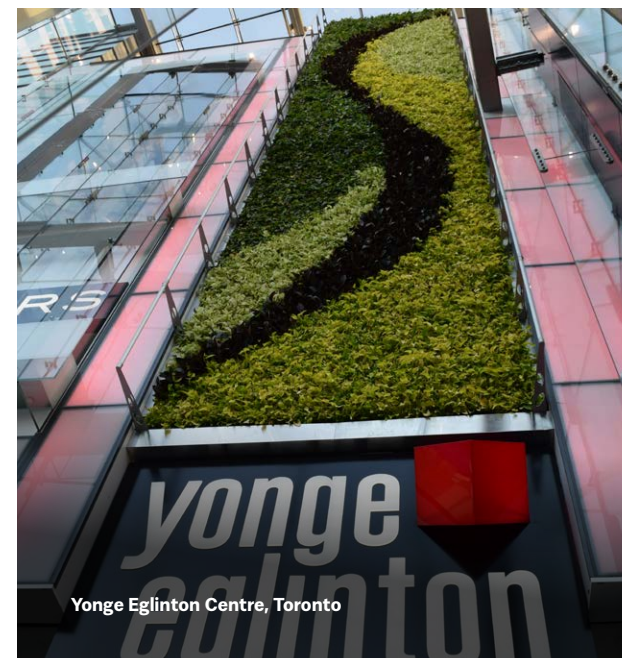
We developed a plan in 2018 to improve building certification across our portfolio under the BOMA BEST certification program. As part of this plan, we have decided to certify at least 4.5 million square feet of gross leasable area ("GLA") annually for the next three years. In 2020, the total GLA certified under BOMA BEST represented 50% of our portfolio. This is an increase of 13% from 2019.

We plan to certify significantly more of our portfolio in 2021. We will also explore other certifications that focus on occupant health and safety.

Future plans

- Align with Canada's 2050 net-zero emissions goal by finding ways to more efficiently operate the areas under our control in our portfolio
- Use leak-detection and other water-saving technologies, and continue to collaborate with tenants to reduce water consumption and waste output

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



RIOCAN'S LONG-TERM REDUCTION TARGETS BY 2030*

13%
reduction of like-for-like energy use

15%
reduction of like-for-like GHG emissions

10%
reduction of like-for-like water consumption

60%
waste diversion rate

* At select RioCan properties.

Sustainable Development

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

As buildings have a significant, long-lasting impact on communities and the environment, it is important to develop them with the future in mind.

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

Building sustainability from the inside out

RioCan hired a Manager of Building Resilience in 2020. The Manager works closely with our Development and Construction Project Managers, as well as with partners and contractors, to implement RioCan's Development Plan for Sustainability.

To streamline the process of embedding sustainability into our developments, we also established a Development Sustainability Framework. This Framework uses a three-tiered approach – Standard, Enhanced and Premium – with Standard being the minimum level required on every project for tenant wellness, energy and water efficiency, health and safety, and sustainable construction practices.

The Well: A complete community

The Well is the most ambitious mixed-used endeavour in Canada, a bold reflection of Toronto's energy and diversity, and an extension of the urban vibrancy of King West. Bordering Front, Spadina and Wellington, The Well is a combination of retail, office and residential space in downtown Toronto that will host approximately 11,000 people on a daily basis to live, shop and work. The design includes 1.2 million square feet of office space and retail experiences in approximately 340,000 square feet of indoor and outdoor space. It has 1,700 apartment and condominium units spread throughout six residential buildings plus one office building connected to a three-level retail base.

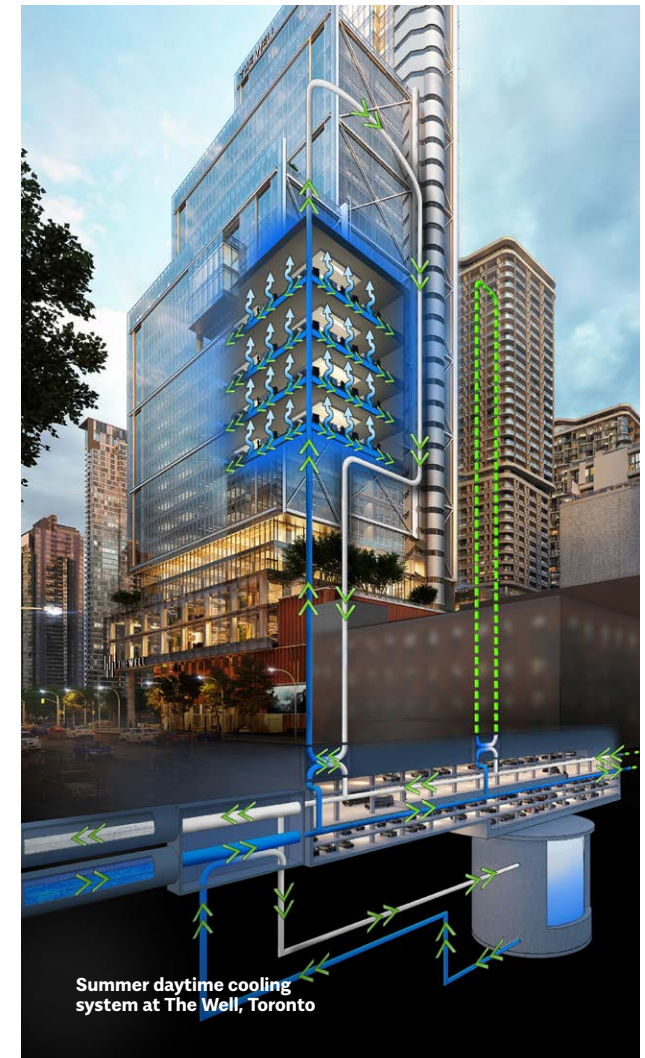
The Well is a choreographed mix of urban experiences, dynamic architecture and interconnected public spaces. Thoughtful and purposeful design underpins everything it achieves. The glass canopy is located over a pedestrian-first, year-round open-air retail promenade supporting some of the strongest desires of downtown Toronto today: walkability, community-building, and the ability to create connections while seamlessly blending old and new. More than a collection of buildings, The Well is an amenity-rich, urban streetscape and a vital, fully functioning environment that puts the things people want most within easy reach. The Well boasts an impressive Walk Score of 94/100.

With its prominent location at the intersection of Front Street and Spadina Avenue in Toronto, The Well was the catalyst for Enwave's Western expansion project. The 12-storey-deep concrete-lined tank in the bedrock under the development is filled with 8.5 million litres of Lake Ontario water. The reservoir will provide heating and cooling for The Well and in its first phase will serve over 16 buildings in the downtown core, with plans to serve over 20 in future phases and the ability to store enough thermal energy to heat and cool over 4 million square feet of buildings at peak times.

Future plans

- Integrate new technologies and products, such as geothermal-powered heating/cooling systems with the aim of aligning with Canada's net zero emissions goal
- Enhance new development design to contribute to occupant health and wellness
- Improve resiliency of new developments to mitigate and adapt to climate change

For more information about sustainable development at RioCan, see the [Supplement](#).



Health, Well-Being and Safety

Health and safety continue to be our top priority

We are committed to ensuring that our employees, tenants, contractors and customers are safe and healthy. In line with this, our response to the COVID-19 pandemic was responsible, efficient and effective.

When COVID-19 was declared a pandemic, RioCan mobilized to ensure the safety of our people. We engaged our pre-established Crisis Management Team, executed our pandemic plan, and transitioned to an efficient and fully remote workforce.

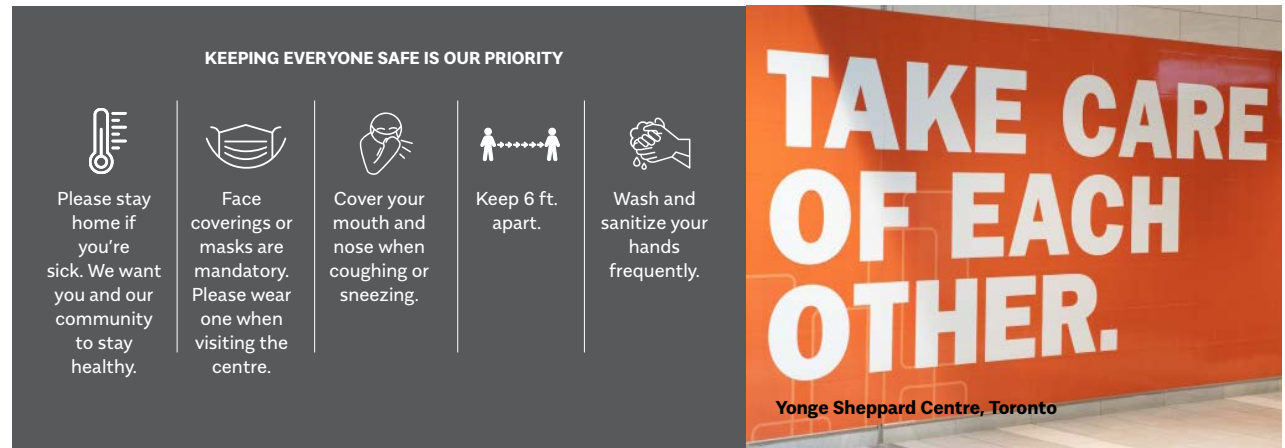
We provided our employees with a comprehensive enhanced benefits plan which offers free and confidential support for work, health and life challenges, and we also hosted several guest speakers to discuss mental wellness.

RioCan's Social Committee also ensured that stay-at-home orders did not interfere with their mandate. They temporarily renamed themselves "RioCan's Social Distancing Committee" and implemented a number of virtual initiatives such as virtual crossfit and virtual trivia. They also organized a drive-in movie and regular virtual yoga classes to help our team stay limber, relaxed and balanced.

Taking care of each other

Creating a sense of care and connection is important to RioCan. Our shopping centres serve as much more than retail destinations – they are "community hubs," where local residents are welcome and encouraged to not only shop, but also to connect with their neighbours.

Through the pandemic, we acted on this foundational belief by facilitating food bank donation drop-offs in our shopping



centres, as well as hosting socially distanced community events such as farmer's markets, cook-offs and performances by local musicians.

Our shopping centres embraced the message that "we are all in this together." We reinforced this message through multiple virtual touch points, and we set up an interactive installation at Yonge Sheppard Centre in Toronto that was functional, comforting and motivational. At a prominent location near an entrance to the Centre and the subway, we created a "wall" of 350 disposable face masks. Customers entering the Centre were encouraged to take a mask if they didn't already have one. Once all the masks were taken, an important community-minded message was revealed: "Take Care of Each Other."

Future plans

- Continue to respond to the pandemic according to directions provided by our federal, provincial and municipal governments across Canada
- Continue to support our communities through safe opportunities to connect and engage
- Prepare our employees and tenants for return-to-work
- Ensure our tenants have adequate resources to protect their own stakeholders

INCIDENT FREQUENCY RATE*

0.7

INCIDENT SEVERITY RATE*

35.7

* For details, please refer to the [Supplement](#).

Tenant Relationships

Supporting our tenants through tumultuous times

Tenants are the foundation of a commercial real estate company's business. Our success depends on strong relationships with current and prospective tenants.

As a responsible landlord, we implemented a number of initiatives to support our tenants through the COVID-19 pandemic. This included offering rent abatements and deferrals. We also set up a multi-disciplinary task force to help our tenants navigate the Canada Emergency Commercial Rent Assistance Program ("CECRA"). Approximately 10.6% of RioCan's tenants participated in the CECRA program, as measured by billed gross rents.

In total for the year, RioCan accrued a \$42.5 million provision for rent abatements and bad debts, including \$14.4 million representing our 25% share of the CECRA abatement.

Curbside Collect

RioCan consistently looks to innovate and create efficiencies. Like many organizations, the pandemic pushed us to explore opportunities to improve both the customer and retailer experience at our properties. RioCan Curbside Collect is just one example. Now a permanent fixture, Curbside Collect offers designated areas for customers to pick up items that have been pre-ordered from our tenants. This may help in reducing the cost and carbon emissions associated with deliveries, drives consumer traffic and repeat visits, and makes it easier for RioCan tenants to coordinate transactions with their customers.



Employee Engagement and Development

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

We know that competition for talent is becoming increasingly fierce. To attract and retain employees, we need a strong vision, an engaged workforce and best-in-class programs.

Building a strong corporate culture has always been a key priority for RioCan. In the midst of a pandemic, when many organizations scaled back on employee initiatives, RioCan became even more focused on employee engagement and development.

Overwhelming response to our Engagement Survey

We were overwhelmed by the response to our 2020 Employee Engagement Survey. We had an exceptional response rate of 99%, up 5 percentage points from 2018. This response rate is indicative of RioCan employees' confidence that their leadership team will act on employee feedback. RioCan's overall engagement score also increased by an impressive 5 percentage points, to 82%.

Our employees told us they are confident in our leadership (an increase of 8 percentage points over 2018 and 21 percentage points above the industry benchmark). They told us they feel connected to our organizational vision (up 12 percentage points over 2018 and 25% higher than the industry benchmark). They also expressed satisfaction with communication from our senior leadership team (up 14 percentage points over both our 2018 survey and the benchmark).

Innovation Committee

The RioCan Innovation Committee was formed to embed innovation in our culture. We pursue innovation one project at a time, drawing on different members of our Senior Leadership Team as appropriate. We see innovation as fundamental to our culture and our overall business strategy. Developing viable new business offerings and/or processes that create value for our stakeholders, including our employees, investors, tenants and community is very important to RioCan.

Innovation projects are organized around one or more of four key business drivers:

- 1. Growth:** Finding new ways to grow our business over the long term in non-traditional ways.
- 2. Improving operational efficiency:** Identifying methods that reduce time, efforts and costs.
- 3. Improving the employee experience:** Acting on feedback in the Employee Engagement Survey.
- 4. Improving the tenant and customer experience:** Implementing innovative projects that may assist with repositioning our centres.

We are currently in the second round of strategic innovation projects. Transformative in nature, these projects help drive new revenue streams and improve the customer experience at our offices and major market centres.

RioCan Central: Our new intranet keeps us all connected

We were pleased to launch our new intranet page, RioCan Central, in 2020. RioCan Central brings all employees together, creating a social, collaborative community and enabling two-way communication across the organization. Led by our Innovation Committee, this project was inspired by employee feedback and requests for an updated and refreshed digital gathering space.

Future plans

Implement a comprehensive set of actions to address employee survey input on work/life balance, communications, performance feedback, benefits, and improved focus on tenants.

99%

response to our 2020 Employee Engagement Survey up 5 percentage points from 2018

82%

overall engagement score up 5 percentage points from 2018



RioCan was named one of Greater Toronto's Top 100 Employers in 2021.

Diversity, Equity and Inclusion

Fostering diversity across our organization

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

RioCan brings together smart, talented people from diverse backgrounds to create spaces where we can all prosper. People are at the core of who we are, and we respect the fact that they have taken all kinds of paths to get here.

Formalizing our focus on diversity, equity and inclusion

We took several important steps in 2020 to formalize our approach to diversity, equity and inclusion (“DEI”).

We signed the [BlackNorth CEO pledge](#) to address anti-Black racism, and we made it mandatory for all employees to complete unconscious bias at work training.

We created RioCan’s DEI mission statement:

To ensure that all RioCan employees regardless of their race, gender, age, sexual orientation, physical ability or position within the company have an equal opportunity for success, feel a sense of belonging within the company, and are empowered to contribute to RioCan advancing DEI within the workplace and in the communities we serve.

Through an open application process, we established an employee DEI Council. Chaired by the DEI Officers, the DEI Council was established to create strategic accountability for results, provide governance and embed DEI considerations throughout the organization.

The DEI Council’s key objectives include:

- Promoting accountability at the Senior Executive level to attract a more diverse workforce
- Improving RioCan’s culture through awareness and education
- Providing a platform to gather feedback from RioCan’s employees and report on RioCan’s progress in DEI
- Creating opportunities for employees to increase their DEI-specific engagement and provide input on equity, diversity and inclusion
- Working with the communities where RioCan has a presence to advance DEI and promote external awareness of RioCan’s DEI leadership

To signal how important this initiative is, we created a dedicated logo, charter and DEI homepage on our intranet site, RioCan Central.

Future plans

- Develop DEI policy and strategy aligned with the BlackNorth Initiative
- Conduct an employee DEI survey
- Launch a scholarship program to support students from diverse backgrounds

Percentage of females in management positions*



* For details, please refer to the [Supplement](#).



RIO CAN
Diversity, Equity
& Inclusion Council

The DEI Council was established to create strategic accountability for results, provide governance and embed DEI considerations throughout the organization.

Community Partnerships

RioCan's vision is to create spaces where we can all prosper

RioCan understands that running a real estate business is about more than collecting rent. As a large real estate company, rooted in Canada's major urban markets, we are committed to supporting the communities where we operate. Doing so enhances these communities and also improves the social well-being of our employees, tenants and the public.

RioCan Cares

RioCan Cares is one of our many ongoing initiatives aimed at enhancing our commitment to the communities we serve. RioCan Cares is focused on three core areas:

- **Commerce:** Driving sales to retailers across RioCan properties
- **Care:** Supporting the communities we serve through charitable initiatives
- **Connection:** Creating events to support and bring communities together

As part of RioCan Cares, we organized a cross-country "thank you to healthcare workers" campaign in May 2020 to show our appreciation to frontline healthcare workers. Collaborating with our generous tenants, we offered discounts, care packages and other retail perks to healthcare workers. We also provided designated parking and priority access lines for healthcare workers to help ease the stress of shopping during the pandemic.

By participating in fundraising initiatives for local charities and hospitals, hosting activities such as the Burlington Rib Fest, and infusing Georgian Mall with positive messaging crowd-sourced from the community, we also did our part to keep community spirit alive.

Through the pandemic, our shopping centres demonstrated that they are true community hubs. Quickly responding, adapting, and identifying new ways to connect and give back in a time of stress and uncertainty. As we welcome everyone back to our centres, we will continue to collaborate with our tenants, partners and community members to offer the support and services that will make the most difference.

WIN partners with SickKids

In February 2020, the Women's Initiative Network ("WIN") Committee collaborated with SickKids' Women and Philanthropy Series to host a networking and speed mentoring session. Focused on building career confidence, the event featured incredible senior leaders from both RioCan and the SickKids Foundation.

Leaders shared their insights and experience on a host of timely and relevant topics: career and life transitions; imposter syndrome; supporting gender diversity and advancement at all levels; maintaining an open, collaborative and transparent culture; and making a name for yourself in a traditionally male-dominated environment.

The popular event also gave RioCan's employees the chance to learn more about the valuable work taking place at Toronto's world-renowned children's hospital.

Future plans

Measure and improve the social impact of our assets and our community commitments.



RioCan Cares



\$44M+
total salaries and
benefits incurred*

\$230M+
total property taxes incurred
in communities where we operate*

* For details, please refer to the [Supplement](#).



RIO CAN™
REAL VISION, SOLID GROUND.



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