

Second-Party Opinion

RioCan Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the RioCan Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Resource Efficiency and Management, Renewable Energy, Adaptability and Resilience to Climate Change – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG Goals 6, 7, 9, 12 and 13.



PROJECT EVALUATION / SELECTION RioCan Real Estate Investment Trust (“RioCan”, or the “Company”) has established a Green Bond Working Committee who will be responsible for initial project evaluation, while RioCan’s senior leadership team (CEO, President & COO, and CFO) will be responsible for final project approval. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS The net proceeds from the green bond issuances will be managed and allocated by RioCan’s Finance department. The department will track the allocation of net proceeds in accordance with its internal systems. RioCan has stated its intention to fully allocate the net proceeds within 24 months of issuance of a green bond. Pending allocation, net proceeds may be used for repayment of RioCan’s credit facilities or may be held in cash or cash equivalents. This is in line with market practice.



REPORTING RioCan intends to report allocation proceeds on its website at www.riocan.com and/or in its Annual Report on an annual basis until full allocation. In addition, RioCan is committed to reporting on relevant impact metrics. Sustainalytics views RioCan’s allocation and impact reporting as aligned with market practice.

Evaluation date	March 03 2020
Issuer Location	Toronto, Canada

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Introduction

Founded in 1993 and headquartered in Toronto, Ontario, RioCan is one of the largest real estate investment trusts in Canada. With an enterprise value of approximately \$15.0 billion and a portfolio of 220 properties as of December 31, 2019, the Company owns, manages and develops mixed-used properties across the nation.

RioCan has developed the RioCan Green Bond Framework (the “Framework”) under which it intends to issue green bond(s) and use the proceeds to finance, in whole or in part, existing and/or future projects that aim to improve environmental performance through the Company’s activities and to mitigate the impacts of climate change. The Framework defines eligibility criteria in four areas:

1. Green buildings
2. Resource efficiency and management
3. Renewable energy
4. Adaptability and resilience to climate change

RioCan engaged Sustainalytics to review the RioCan Green Bond Framework, dated March 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework will be published on the Company’s website.²

As part of this engagement, Sustainalytics held conversations with various members of RioCan’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of RioCan’s Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the RioCan Green Bond Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The RioCan Green Bond Framework will be available on RioCan’s website at: www.riocan.com.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the RioCan Green Bond Framework

Sustainalytics is of the opinion that the RioCan Green Bond Framework is credible and impactful and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of RioCan's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Resource Efficiency and Management, Renewable Energy and Adaptability and Resilience to Climate Change – are aligned with those recognized by the GBP 2018.
 - The “Green Buildings” category includes projects that have met, or are expected to meet, green building standards or certifications. Specifically, the eligibility criteria set by RioCan is for the following certification program and levels: LEED (Gold or Platinum), BOMA BEST (Gold or Platinum), Toronto Green Standard (Tier 2), or other equivalent green building program. Sustainalytics has evaluated the certifications and considers these rating schemes and the selected levels to be credible and in line with market practice (see Appendix 1 for additional details on certification schemes).
 - The “Resource Efficiency and Management” category considers projects that a) reduce energy consumption or improve energy efficiency, b) reduce waste or improve waste diversion rates or c) reduce water consumption or improve water efficiency.
 - Sustainalytics has communicated and RioCan has confirmed that energy efficiency projects financed with green bond proceeds will not be primarily dependent on fossil fuels.
 - Sustainalytics encourages RioCan to include, where possible, a quantitative threshold for performance improvement in the areas of energy, water and waste efficiency.
 - The “Renewable Energy” category considers expenditures for renewable energy sources, including wind, solar or geothermal. RioCan has communicated to Sustainalytics that geothermal projects will be restricted to heating and cooling projects, as opposed to electricity generation projects.
 - For the “Adaptability and Resilience to Climate Change” category, Sustainalytics views the list of example eligible projects positively. At the same time, Sustainalytics notes that eligible projects in this category financed by green bond net proceeds should undergo a robust assessment to qualify and quantify their specific climate adaption and resilience benefits.
- Project Evaluation and Selection:
 - RioCan has established a Green Bond Working Committee (the “Committee”) which will be responsible for identifying and evaluating projects in alignment with the eligible green projects criteria outlined in the Framework. The Committee includes members from the Company's Sustainability, Finance, Development, Asset Management, Operations and Legal teams. RioCan's senior leadership team, comprised of the Company's CEO, President & COO and CFO, will be responsible for final approval of all eligible projects.
 - Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The net proceeds from a green bond issuance will be allocated and managed by RioCan's Finance department. The department will track the allocation of net proceeds in accordance with its internal systems. RioCan has stated its intention to fully allocate the net proceeds within 24 months of issuance of a green bond.
 - Assets that were developed or being developed in the 36 months prior to issuance of a green bond shall be considered eligible for inclusion in the portfolio of eligible green projects. Pending allocation, net proceeds may be used, in part or in full, for repayment of RioCan's credit facilities or may be held in cash or cash equivalents.
 - Sustainalytics considers this process to be in line with market practice.
- Reporting:

- RioCan has committed to providing allocation and impact reporting on an annual basis, until full allocation of a green bond. Allocation reporting will include a description of eligible green projects, amounts of green bond net proceeds allocated to such projects and the balance of unallocated green bond net proceeds. Impact reporting will include relevant key performance indicators, where feasible, such as the level of green building certification attained, annual energy savings or renewable energy generated or annual GHG emissions reduced/avoided. The Framework outlines RioCan's commitment to engaging a third party verifier to obtain annual verification of its allocation of a green bond's net proceeds to eligible green projects, until full allocation.
- Sustainalytics considers RioCan's reporting commitments to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the RioCan Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of RioCan

Contribution of Framework to RioCan's sustainability strategy

2018 marked the first year for which RioCan published a Sustainability Report (the "Report").³ Given the presence in this Report of long-term sustainability targets (for the year 2030), Sustainalytics believes that the proceeds of future green bonds will contribute to RioCan's ability to achieve its long-term sustainability targets. Sustainalytics acknowledges RioCan's plans to set short-term reduction targets for each of GHG emissions, energy, water and waste and notes that such adoption will further increase the likelihood of the green bond proceeds delivering environmental impact.

RioCan has committed to focusing its sustainability efforts in three key areas: 1) sustainable design, construction and procurement; 2) climate change and carbon emissions and 3) resource efficiency. In line with these focus areas, the Company has set long-term sustainability targets as follows: reduce GHG emissions by 15%, energy use by 13%, water consumption by 10%, and improve its waste diversion rate to 60% by 2030, compared to a 2017 baseline.⁴

RioCan's 2018 Report notes that each of GHG emissions (scope 1 and 2), energy consumption and water consumption were reduced by 2% in 2018, when compared on a like-for-like⁵ basis. The Company's waste diversion rate in 2018 was 40%. As of the end of 2018, approximately 26 properties were certified BOMA BEST. In terms of active development projects, 30% of the Company's active development projects are targeting LEED certification upon completion.⁶ As of 2018, RioCan has implemented a property-wide data and utility management system, aligned with ISO 14001, which will allow it to track progress towards sustainability targets.

RioCan demonstrates a robust governance structure to advance its sustainability commitments. The Company's Sustainability Policy (the "Policy"),⁷ outlines its plans to achieve the above-noted commitments, including reducing the environmental impact of its developments, assets and procurement and increasing waste diversion and renewable energy use. The Policy is overseen by the Company's Sustainability Steering Committee who ensure implementation and adherence. The Company incorporates sustainability into all phases of the development lifecycle through its Guidelines for Sustainability.⁸ As part of this process, RioCan commissions a consultant to recommend a list of energy efficiency measures and other sustainability initiatives. As of 2018, 60% of the Company's active development projects in the design stage have been using the Guidelines.⁹

Sustainalytics is of the opinion that the RioCan Green Bond Framework is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

³ RioCan, "2018 Sustainability Report", at: https://riocan.com/wp-content/uploads/2019/05/2018RioCanSustainabilityReport_1.pdf

⁴ RioCan, "Our Goal: Be Among Leaders in Embedding Sustainability Practices" at: <https://riocan.com/about/sustainability/>

⁵ Like-for-Like reporting boundaries: properties not owned throughout the 24 consecutive months of reporting period; properties not having relevant data for the full period and properties with large unresolved year-over-year variances were included. See more at: <https://riocan.com/wp-content/uploads/2019/05/2018RioCanSustainabilitySupplement.pdf>

⁶ RioCan, "2018 Sustainability Supplement", at page 7: <https://riocan.com/wp-content/uploads/2019/05/2018RioCanSustainabilitySupplement.pdf>

⁷ RioCan, "RioCan REIT Sustainability Policy" at: https://riocan.com/wp-content/uploads/2017/12/riocan_sustainability_policy.pdf?fv=20200225

⁸ RioCan, "2018 Sustainability Report", at page 10: https://riocan.com/wp-content/uploads/2019/05/2018RioCanSustainabilityReport_1.pdf

⁹ RioCan, "2018 Sustainability Supplement", at page 7: <https://riocan.com/wp-content/uploads/2019/05/2018RioCanSustainabilitySupplement.pdf>

Sustainalytics specifically encourages the Company to set short-term sustainability targets; to consider aligning its 2030 goals to science-based targets, including considering initiatives to reduce the scope 3 emissions from its portfolio.

Well positioned to address common environmental and social risks associated with the projects

While Sustainalytics acknowledges that the use of proceeds from the Framework will be directed towards eligible projects that are recognized by the Green Bond Principles (2018) to have positive environmental impact, it is recognized that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include resource usage and waste generation in both its development projects and its existing portfolio, and occupational health and safety.

In order to mitigate environmental risks, the Company has developed a Property Operations' Procurement Policy for existing properties, as well as the above-mentioned Guidelines for Sustainability for new developments, which mandates ESG considerations at various stages of procurement and prioritizes suppliers who demonstrate sustainability within their own operations. In order to ensure responsible sourcing, the Company has committed to developing a multi-year sustainable development plan which includes launching a sustainable development policy and strategy, as well as the addition of a sustainability schedule to supplier agreements. RioCan has also developed a Sustainable Corporate Purchasing Guideline, which considers factors such as supporting the local economy by purchasing goods and services from local vendors. The previously discussed Guidelines for Sustainability serves to mitigate potential environmental risks by incorporating sustainability considerations from the feasibility stage to the construction and management of the asset once finalized.

As of 2018, RioCan manages occupational health and safety risk through an enterprise-wide Occupational Health & Safety Management System (the "System") that aligns with the OHSAS 18001 standard.¹⁰ The Company's Health and Safety Policies, Risk Management Strategies, Crisis Management Program and Disability Management Programs are also aligned with this standard, and the Company has stated that it intends to transition to alignment with ISO 45001 by Q4 2020. In order to ensure ongoing improvement, the Company conducts an annual review of the System, as well as undertakes monthly physical inspections of workplaces and an analysis of leading health and safety indicators.¹¹ Through Joint Health and Safety Committees, the Company also consults employees on relevant health and safety issues and routinely sets new targets, which are approved upon endorsement by Senior Management. Each property also completes a monthly health and safety inspection and annual safety audit. In addition, RioCan has adopted a Code of Business Conduct and Ethics Policy¹² for all RioCan personnel and suppliers, mandating enterprise-wide compliance with all applicable laws, regulations and internal policies related to maintaining a safe and healthy work environment.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that RioCan implemented sufficient measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

¹⁰ RioCan, "2018 Sustainability Supplement", at: <https://riocan.com/wp-content/uploads/2019/05/2018RioCanSustainabilitySupplement.pdf>

¹¹ RioCan, "2018 Sustainability Supplement", at page 31: <https://riocan.com/wp-content/uploads/2019/05/2018RioCanSustainabilitySupplement.pdf>

¹² RioCan, "Code of Business Conduct and Ethics Policy", at: <https://riocan.com/wp-content/uploads/2018/10/RioCan-Code-of-Business-Conduct-and-Ethics-Policy-Final-2018-09-24.pdf>

Section 3: Impact of Use of Proceeds

All four use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below where the impact is specifically relevant in the local context.

The impact of environmentally sustainable property development in Canada

According to a report from the Senate of Canada Standing Committee on Energy, the Environment and Natural Resources, residential, commercial and industrial buildings account for approximately 17% of Canada's GHG emissions, with the largest share coming from space heating, which is primarily powered by fossil fuels.¹³ The Senate report notes that policy measures identified by federal, provincial and territorial governments have the potential to reduce emissions by nearly 20% below 2015 levels by 2030.¹⁴ Considering the lifespans of buildings, the Intergovernmental Panel on Climate Change (IPCC) has stressed that without the implementation of ambitious policies to improve efficiency in the built environment on a global scale, we risk locking-in carbon intensive activities for several decades.¹⁵ In this context, RioCan's investments in green buildings, resource efficiency improvements, renewable energy procurement, and overall energy efficiency improvements for its portfolio of commercial and residential properties can provide substantial environmental benefits for Canada's built environment.

The buildings sector in Canada is an important area of opportunity for potential GHG emissions reductions, including the potential to reduce over 20 Mt of CO₂-equivalent per year.¹⁶ Canada's commitments to improving the performance of its built environment under the Pan-Canadian Framework on Clean Growth and Climate Change (Pan-Canadian Framework)¹⁷ include strengthening codes to ensure new buildings are more energy efficient; incentivizing the retrofitting of existing buildings, encouraging fuel switching; improving the efficiency of appliances and equipment; and supporting mandatory energy labelling and disclosure.

In addition to policy and regulatory measures, companies and organizations are also reducing their buildings' energy-use and overall GHG emissions through voluntary green building certification programs. The RioCan Green Bond Framework allows for investments in green buildings that are certified under Toronto Green Standard (Tier 2), and LEED or BOMA BEST (Gold or Platinum). Due to minimum energy performance requirements, these certification schemes have the potential to reduce emissions from the built environment. For example, according to the U.S. Green Building Council, it is estimated that on average, LEED-certified green buildings use 25% less electricity than non-certified buildings.¹⁸

Sustainalytics is of the opinion that the eligible projects in the RioCan Green Bond Framework will support greenhouse gas reduction in Canada and are in line with the Pan-Canadian Framework on Clean Growth and Climate Change.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. Green bonds issued pursuant to the RioCan Green Bond Framework advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green buildings	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic

¹³ Senate of Canada, "Reducing greenhouse gas emissions in Canada's buildings necessary to meeting Paris Agreement targets":

<https://sencanada.ca/en/newsroom/enev-reducing-ghg-canada-buildings/>

¹⁴ Senate of Canada, "Reducing greenhouse gas emissions in Canada's buildings necessary to meeting Paris Agreement targets":

<https://sencanada.ca/en/newsroom/enev-reducing-ghg-canada-buildings/>

¹⁵ IPCC, "Mitigation of Climate Change", at: https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter9.pdf

¹⁶ Canada emitted 85 megatonnes of CO₂ equivalent (Mt CO₂e) in 2017. NRCAN, "Canada's Building Strategy Update", at:

<https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/emmc/pdf/2018/en/18-00369-emmc-buildings-strategy-report-e.pdf>

¹⁷ Government of Canada, "Pan-Canadian Framework on Clean Growth and Climate Change", at:

<https://www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework/climate-change-plan.html>

¹⁸ U.S. Green Building Council, "The Business Case for Green Building", at: <https://www.usgbc.org/articles/business-case-green-building>

		development and human well-being, with a focus on affordable and equitable access for all.
Resource efficiency and management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
	12. Responsible Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Renewable energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Adaptability and resilience to climate change	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Conclusion

RioCan has developed the RioCan Green Bond Framework under which it will issue green bonds, with the proceeds being directed to projects in the following categories: Green Buildings, Resource Efficiency and Management, Renewable Energy, Adaptability and Resilience to Climate Change. Sustainalytics is of the opinion that the projects described in the Framework will reduce the Company's overall carbon footprint, and notes that the use of proceeds categories are recognized by the Green Bond Principles 2018.

RioCan's approach towards project evaluation and selection, management of proceeds, and allocation and impact reporting are aligned with market practice. Furthermore, Sustainalytics believes that the RioCan Green Bond Framework will directly contribute to the Company's overall sustainability strategy and that the green use of proceeds categories will positively impact the advancement of the UN Sustainable Development Goals 6, 7, 9, 12 and 13. Additionally, Sustainalytics is of the opinion that RioCan has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that RioCan is well-positioned to issue green bonds and that the RioCan Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices



Appendix 1: Green Building Certification Schemes

	LEED ¹⁹	Toronto Green Standard ²⁰	BOMA BEST ²¹
Background	Leadership in Energy and Environmental Design (LEED) is a U.S.-based, globally-used certification system for the rating of green buildings across various building types. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and includes programs covering the design, construction, maintenance and operation of buildings.	The Toronto Green Standard (TGS) represents a set of performance standards that facilitate more sustainable development in Toronto and implementing the environmental policies in the City of Toronto's Official Plan. The TGS was initially introduced as a voluntary standard for new building development in 2006. Subsequent versions, beginning in 2010, adopted a multi-tiered system – Tier 1 being mandatory and Tier 2-4 being another voluntary. Achievement of Tier 2 and higher makes projects eligible for financial incentives, including a partial refund of development charges.	BOMA BEST, administered by the Building Owners and Managers Association (BOMA) of Canada, is a certification program for existing buildings. The assessment considers performance and operation of buildings in a wide range of performance and operations categories.
Certification levels	Certified Silver Gold Platinum	Tier 1 (Mandatory) Tier 2 (Voluntary) Tier 3 (Voluntary) Tier 4 (Voluntary)	Certified Bronze Silver Gold Platinum
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	The TGS addresses Toronto's urban environmental pressure, promoting sustainable site and building development.	<ul style="list-style-type: none"> • Energy • Water • Air • Comfort • Health and Wellbeing • Custodial • Purchasing • Waste • Site • Stakeholder Engagement
Requirements	Prerequisites (independent of level of certification) + Credits with associated points. These points are then added together to obtain the LEED certification level. There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development,	For buildings greater than 2,000 m ² GFA, Tier 1 requires the submission of a Design Development Stage Energy Report prior to Site Plan Approval that demonstrates a minimum level of compliance with the TGS energy efficiency requirements. A building receives Tier 1 certification if it meets the requirements set for each category. An As-Construction	To be eligible for BOMA BEST a series of questions must be answered about the building. Each question describes an environmental measure that impacts building management or performance, some being more important than others. Points are attributed to each question, except for BEST Practices which are minimum requirements. The number of points available per

¹⁹ USGBC, "LEED rating system" at: www.usgbc.org/LEED

²⁰ City of Toronto, "Toronto Green Standard Version 3" at: <https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/toronto-green-standard/toronto-green-standard-version-3/>

²¹ Building Owners and Managers Association of British Columbia, "Building Environmental Standards" at: <https://www.boma.bc.ca/green-buildings/boma-best/>

	Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	<p>Stage Energy Report is required for Tier 2 or higher-level performances.</p> <p>For Tier 2, 3, and 4 there are optional performance measurements that need to be met. Tier 2, 3, and 4 projects that have been verified may be eligible for a refund of development charges.</p> <p>There are currently three standards of the TGS ("Low-Rise Residential", "Mid to High-Rise Residential and Non-Residential" and "City Agency, Corporation & Division – Owned Facilities") each relating to different development types.</p>	question is calculated as a factor of the impact and importance of the measure/initiative. The outcome is a points system that awards more points for taking action where it matters, actions that lead to better understanding of building systems and improved operational performance.
Performance display		None	
Accreditation	LEED AP BD+C LEED AP O+M	City Planning Division of Toronto Third party reviewer for Tier 2,3,4 applications.	
Qualitative considerations	Widely recognised internationally, and strong assurance of overall quality.	<p>The TGS certification system is part of the City of Toronto's TransformTO action plan, which aims at reducing the GHG emissions by 80% by 2050 (compared to the 1990 levels).</p> <p>Applications submitted on or after May 1, 2018 are required to meet v3 of the TGS.</p>	Most commonly used certification for existing buildings in Canada, and considered less administratively burdensome for existing buildings.

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	RioCan Real Estate Investment Trust
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	RioCan Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 03 2020
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible categories for the use of proceeds – Green Buildings, Resource Efficiency and Management, Renewable Energy, Adaptability and Resilience to Climate Change – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG Goals 6, 7, 9, 12 and 13.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input checked="" type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other (please specify): Resource efficiency and management |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

RioCan Real Estate Investment Trust has established a Green Bond Working Committee who will be responsible for initial project evaluation, while RioCan Real Estate Investment Trust's senior leadership team (CEO, President & COO, and CFO) will be responsible for final project approval. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- ☒ Evaluation / Selection criteria subject to external advice or verification ☐ In-house assessment
- ☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The proceeds from a green bond issuance will be managed and allocated by RioCan Real Estate Investment Trust's Finance department. The department will track the allocation of proceeds in accordance with its internal systems. RioCan has stated its intention to fully allocate the net proceeds within 24 months of issuance of a green bond. Pending allocation, net proceeds may be used for repayment of RioCan's credit facilities or may be held in cash or cash equivalents. This is in line with market practice.

Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

- ☐ Allocations to future investments only ☒ Allocations to both existing and future investments
- ☐ Allocation to individual disbursements ☐ Allocation to a portfolio of disbursements
- ☐ Disclosure of portfolio balance of unallocated proceeds ☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

RioCan Real Estate Investment Trust intends to report allocation proceeds on its website at www.riocan.com and/or in its Annual Report on an annual basis until full allocation. In addition, RioCan Real Estate Investment Trust is committed to reporting on relevant impact metrics. Sustainalytics views RioCan Real Estate Investment Trust's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- ☒ Project-by-project ☐ On a project portfolio basis
- ☒ Linkage to individual bond(s) ☐ Other (please specify):

Information reported:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): Balance of unallocated Green Bond proceeds | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|---|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input checked="" type="checkbox"/> Other (please specify): RioCan will report on a project-by-project basis for the number of green building-certified properties. |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): Level of green building certifications |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Company's website and/or Annual Report |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):**Date of publication:****ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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