

Healthcare of Ontario Pension Plan (HOOPP)

Real Estate Sustainability Policy

Spring 2018

Our Responsibility

As a major real estate owner and developer, HOOPP Real Estate has a responsibility to understand and consider sustainability factors in our investment processes and to measure the impacts of our portfolio. Doing so enables us to create value and manage risk by, for example, identifying new market opportunities, managing future regulation, adapting to a changing climate, and reducing resource consumption. This supports HOOPP's fiduciary duty to generate stable, long-term returns for our plan beneficiaries.

We also believe that the real estate industry can affect the environment and society by making net positive contributions and limiting negative impacts.

Sustainable real estate management is aligned with HOOPP's commitment to responsible investment, where environmental, social and governance (ESG) information is considered alongside financial information.

This policy sets out how we aspire to embed sustainability in our real estate investment process. Please refer to HOOPP's *Responsible Investing Policy* for overarching plan commitments on embedding ESG in the investment process.

Our Commitments

We want to demonstrate sustainability leadership and influence the real estate industry. To do so, we will use innovative approaches and technologies, systematically apply best industry practice and partner with stakeholders to achieve stronger sustainability. We commit to:

- Support the development of prosperous, inclusive, connected and resilient communities
- Exceed environmental, health and safety standards and regulation
- Understand climate change risks and increase resiliency of our properties
- Reduce greenhouse gas emissions by increasing energy efficiency and powering more buildings with renewable energy
- Use less water at our properties
- Help occupants to reduce waste and maximize diversion from landfills
- Protect the natural environment where we develop and operate properties
- Promote sustainable development and procurement practices, including responsible labour practices and using environmentally preferred materials
- Support our management partners and tenants to improve occupant health and wellness

- Increase the number of certified buildings in our portfolio
- Maintain an engaging culture for our employees

To deliver on these commitments, we will:

- Embed management and evaluation of sustainability factors in our core business processes
- Report on progress through the HOOPP Real Estate Pillar Scorecard
- Share and explain this policy with our stakeholders: HOOPP employees, plan members, asset and property managers, joint venture partners, external fund managers, tenants, community partners and officials, and the public
- Support our employees to develop sustainability competencies through professional development, dialogue and participation in industry sustainability initiatives
- Encourage our asset and property managers, other partners and suppliers to embed sustainability practices, participate in industry benchmarking and report on performance
- Encourage innovation and continuous improvement by collaborative initiatives, information sharing and incentive programs

Scope and Accountability

This policy applies to our portfolio investments, developments, asset management and property operations where we have a controlling equity share. It covers actions by HOOPP Real Estate employees, management partners and joint venture partners. For minority positions in funds and assets, HOOPP Real Estate promotes strong sustainability practices by sharing this policy and engaging with management.

This policy will be overseen by the HOOPP Executive Vice President & Chief Investment Officer, driven by the Director, Real Estate Management and Sustainability and actioned by the HOOPP Real Estate Portfolio Management team. It will be reviewed and presented to the HOOPP Investment Risk Committee every two years and updated as required.