



Alignvest Student Housing

2022 Environment, Social and
Governance Report



ASH REIT Overview

Alignvest Student Housing REIT ("ASH REIT") is Canada's largest university-focused student housing owner/operator, with 4,717 beds across eleven properties.

ASH REIT Overview

Focused on owning and operating high quality assets in Canadian university markets at attractive valuations

Open / continuous REIT that has successfully raised ~\$300 million⁽¹⁾ of equity capital since inception



4,717 Beds⁽¹⁾



\$700+ Million
Appraised Value⁽¹⁾



\$121.00
Class F Unit⁽¹⁾



5%
Distribution Yield⁽¹⁾



~58%
Loan-to-Value⁽¹⁾



45%
Total Return Since Inception⁽²⁾
11.1%
Annualized Return⁽²⁾



\$38.5 Million
Invested by founders, management and trustees on same terms as external investors⁽¹⁾

(1) As at March 31, 2022, includes capital invested in CSL LP

(2) As at December 31, 2021

ASH REIT's Portfolio

1. myREZ on Lester



Acquisition Date:
August 2018

Location:
Waterloo, ON

School:
Waterloo, Laurier

Beds:
455

Drive / Walk to Campus:
3 min / 8 min

2. 1ELEVEN



Acquisition Date:
November 2018

Location:
Ottawa, ON

School:
uOttawa, Carleton

Beds:
357

Drive / Walk to Campus:
5 min / 14 min

3. The Annex



Acquisition Date:
March 2019

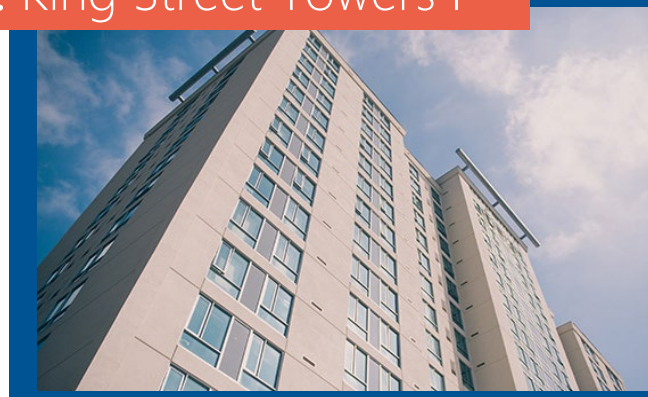
Location:
Ottawa, ON

School:
uOttawa

Beds:
518

Drive / Walk to Campus:
2 min / 7 min

4. King Street Towers I



Acquisition Date:
April 2019

Location:
Waterloo, ON

School:
Waterloo, Laurier

Beds:
536

Drive / Walk to Campus:
3 min / 11 min

ASH REIT's Portfolio

5. King Street Towers II



Acquisition Date:
April 2019

Location:
Waterloo, ON

School:
Waterloo, Laurier

Beds:
419

Drive / Walk to Campus:
3 min / 11 min

6. West Village Suites



Acquisition Date:
April 2019

Location:
Hamilton, ON

School:
McMaster

Beds:
449

Drive / Walk to Campus:
3 min / 14 min

7. 17Hundred



Acquisition Date:
April 2019

Location:
Oshawa, ON

School:
UOIT, Durham

Beds:
588

Drive / Walk to Campus:
1 min / 14 min

8. 1Ten on Whyte



Acquisition Date:
August 2020

Location:
Edmonton, AB

School:
UoA, MacEwan

Beds:
72

Drive / Walk to Campus:
2 min / 8 min

ASH REIT's Portfolio

9. Preston House



Acquisition Date:
March 2021

Location:
Waterloo, ON

School:
Waterloo, Laurier

Beds:
310

Drive / Walk to Campus:
2 min / 10 min

10. Bridgeport House



Acquisition Date:
March 2021

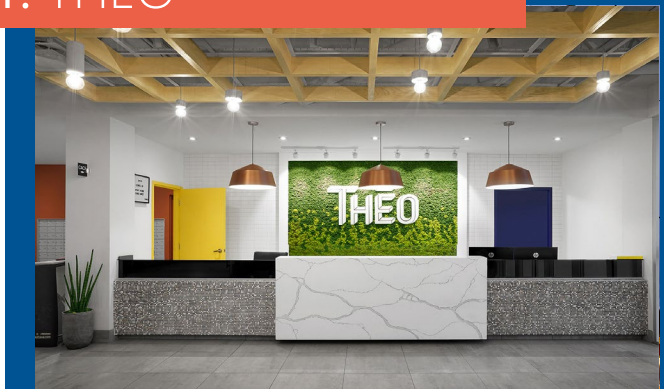
Location:
Waterloo, ON

School:
Waterloo, Laurier

Beds:
485

Drive / Walk to Campus:
2 min / 11 min

11. THEO



Acquisition Date:
July 2021

Location:
Ottawa, ON

School:
uOttawa, Carleton

Beds:
528

Drive / Walk to Campus:
4 min / 10 min

Message from Management

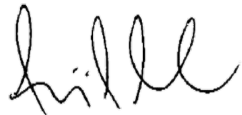
As we continue to reflect and manage through the challenges of the past few years, we are proud of the resiliency that has been demonstrated by ASH REIT, the student housing industry, our residents, and our valued business partners.

2021 continued to be a year in which we focused on the return to school and the health and safety of all of our staff and residents. Our ESG activities over the past year reflect this focus, and as we continue to grow our business, these aspects continue to demand our attention. Executing ESG initiatives is the right thing to do, but also has many benefits for our business in terms of performance and shareholder return and confidence.

The year was also spent taking a deep look at our business in terms of where we could see gaps in our ESG direction and implementing projects and plans to achieve success. To this end, we engaged a respected third-party advisor to help us form and validate that the resources we are dedicating to areas of Environment, Social and Governance are correctly aligned and will benefit all constituents from our investors, to staff and residents.

As you read our second annual ESG report, we welcome your questions and comments to ensure that what you expect of ASH is indeed what we deliver.

Sincerely



Sanjil Shah
Managing Partner



Trish MacPherson
Partner and Chair of ESG Committee

Message from Board of Trustees

As the trustees of ASH REIT, we understand the importance of our role in delivering good governance surrounding ASH REIT, ESG and other areas of focus.

The oversight of a private student housing REIT is immensely important. Each member of the board acknowledges the effort that ASH REIT is undertaking to elevate various ESG factors and integrate ESG strategy into all areas of the business from environmental consciousness, to social responsibility and good business practices.

The board is properly informed of the activities of the REIT and are enhancing our knowledge of ESG specific governance. We commend management for what they are accomplishing in this area and the direction they are paving for the future.

To our unitholders and all our stakeholders, we thank-you for your ongoing trust through the challenges of the last few years and for your continued support. We welcome you to join us on our ESG journey and all the success that lies ahead.

Sincerely



Nancy Lockhart
Chair of the Board of Trustees



Rajiv Silgado
Trustee and
ESG Committee Member

Background

In 2021, we published our inaugural ESG Report to set the stage for future development in this important area of our business.

Our 2022 report:

- Continues to expand on our ESG strategy by outlining our accomplishments in the last year;
- Creates the foundation for our future vision and execution in the areas of Environment, Social and Governance; and
- Prioritizes our activities and investments.

This report covers the current portfolio of ASH REIT and includes the activities of ASH REIT, Canadian Student Living Group LP (CSL), and Campus Living Centres (CLC), our third-party property manager (for all sites with the exception of The Annex, which is managed by the University of Ottawa). The scope of this report covers the 2021 fiscal year.

This ESG Report is the result of collaboration with our teams and stakeholders, and was developed by ASH REIT and our ESG Committee.

We recently retained ESG Global Advisors as an expert third-party consultant to assist in further refining our ESG strategy and alignment with ESG reporting frameworks and standards.

Our ESG Focus

Defining our strategy is an important step in setting our ESG direction.

Our key ESG pillars are:

Environment



Our environmental efforts are focused on improving the efficiency of our buildings by investing in energy saving initiatives and environmental impact of our operations.

Social



Our social focus is on providing a high quality, inclusive and safe space for our residents. We want to create a home where our students can live, learn and flourish.

Governance



Our high level of corporate governance, processes and disclosures separate us from our private REIT peers and are critical to our success now and in the future.

Our 2021 Highlights

Environment

Environmental sustainability and efficient operations

- Completed assessment of current and future environmental efficiency projects
- Initiated numerous water savings projects
- LED retrofits commenced at various properties
- Initiated measurement programs to monitor project impacts



Social

Creating safe living spaces for our residents and a rewarding work environment

- Completed move-in and annual satisfaction resident surveys
- Enhanced building security for residents
- Enhanced amenity spaces and community events
- Advanced employee health and safety programs



Governance

Maintaining investor trust through superior oversight

- Completed board level building visits
- Increased disclosures
- Initiated new oversight processes and policies
- Engaged ESG experts to assist with priorities, alignment to standards, and ESG roadmap



Our Commitments

Our ESG Committee has defined four areas of focus. We will continue to review and refine these areas to define our priorities based on materiality assessments and strategy development in 2022.

Resource Management

- Energy and Greenhouse Gas Reduction
- Water Conservation
- Waste Reduction
- Mechanical Efficiencies
- Retrofit Projects
- Material Selections

Resident Experience

- Community Building
- Safety and Security
- Satisfaction Measurement
- Diversity and Equity
- Education and Wellness
- Mental Health Programming
- Self Service Access
- Simplified Resident experience

Governance and Strategy

- Enhanced External Reporting
- Governance Structures
- Accountability
- Partnerships and Collaboration
- Stakeholder Engagement
- Ethics and Integrity
- Policies and Processes

Employees and Partners

- Compensation and Benefits
- Career Progression
- Diversity and Equity
- Employee Training
- Satisfaction Measurement



Environment

Environment

- We operate our environmental programs in a manner that supports long term returns for our shareholders. We carefully consider return on investment and impacts to our Net Operating Income (NOI) when investing in:
 - Energy savings;
 - Water conservation and flow management devices; and
 - Waste reduction programs
- We are committed to operating our sites responsibly in a way that reduces green house gas emissions, resources used and overall environmental impact. Our commitment to our residents is to protect the future of their environment and ensure that living in a ASH REIT/CSL LP property is a step towards sustainability and environmental consciousness.
- In 2021, we began to track our portfolio energy and water use.
- Future plans include a Greenhouse Gas (GHG) measurements to assess scope emissions.

Portfolio Beds	4,717
Portfolio Square Footage	2,099,840

2021 Totals	Electricity (kWh)	Natural Gas (kWh)	Water (m3)
Volume	10,560,636	18,380,397	232,912
Volume/Bed	2,239	3,897	49
Volume/sq. ft	5.03	8.75	0.11

Green Building Certification

We are proud to report that two of our buildings are LEED certified.

West Village Suites, a 449-bedroom site in Hamilton, Ontario, is Gold certified.

17Hundred in Oshawa, Ontario, with 588 beds, has achieved Platinum LEED status.

West Village Suites



17Hundred



Energy Management

In 2021, we **completed a portfolio assessment of opportunities for LED retrofits**. LED retrofits typically reduce energy consumption by 37.83% and the financial return on investment results in payback periods of less than 3 years.

We initiated three LED projects. The projected **annual energy savings for these projects is 973,698 kWh**, resulting in estimated **savings of over \$150,000 annually**. We continue to assess new acquisitions for LED retrofit opportunities.

We conduct training with our teams on how to maintain our new energy efficient building components.

Our solar panels at West Village Suites and 17Hundred feed 384,304 kWh back into the grid.

We undertook mechanical systems upgrades. This included new boilers at West Village Suites and a planned boiler project at King St. Towers (2022). At 1Eleven, a full mechanical system upgrade has been initiated and expected completion is Spring 2022.



4,202 lighting fixtures replaced



973K kWh estimated to be saved from lighting upgrades



384K kWh back to the grid from solar panels

Water Management

In Canada, our residents are fortunate to have ready access to clean sources of available water. However, we still practice water conservation as good stewards of the environment and also for positive business benefit.

In 2021, **we assessed various water savings initiatives** from low flow devices to water input management technology, and leak detection programs.

We prioritized **three low flow projects** and continued with our **installation program for water management devices at two sites.**

The projected annual energy savings from our current projects is a **reduction of 21,293m³ of water** resulting in **annual savings estimates of \$127,000.**

In 2022, we will continue our assessment of water savings initiatives at seven remaining sites.

We will include water management programs as part of due diligence for all future acquisitions.



1,206 toilets
retrofit to 3L



1,140 low flow
showerheads installed



2 Flow management
devices installed



21,293 m³
annual estimated
savings



Social

Residents

COVID-19 Response

How we engage with our residents directly, and through our operating partners, is a key component of our ESG strategy. Based on the customer demographic we serve, we have an obligation to provide a superior experience in a safe and secure home, for what is often the first time our residents are living away from family and other supports.

Throughout 2021, and the ongoing COVID-19 pandemic, our priority remained focused on the health and safety of our employees and residents.

We continued with the **enhanced cleaning** procedures implemented in 2020 and were **closely aligned with public health guidelines with respect to gatherings and use of amenity spaces** in the regions where we operate.

We **implemented payments plans** for those residents and commercial tenants financially impacted by the pandemic.

Ongoing communications with respect to changing guidelines and government programs allowed a smooth transition through lockdown periods.



Focus on health and wellness



Enhanced cleaning protocols



Payment plan agreements

Residents

Resident Engagement

The experience and satisfaction of our residents begins before they move into their new home.

Throughout COVID-19, digitizing the business was a priority. In 2021, we launched **new websites** displaying comprehensive information for all our properties.

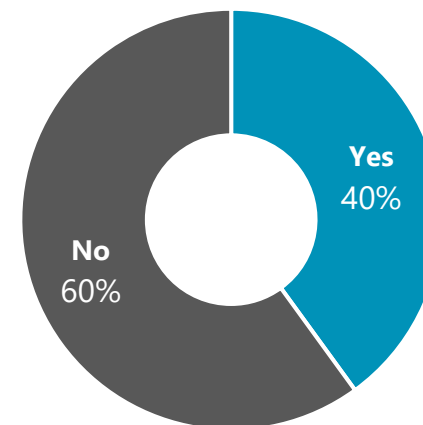
We established a **new customer portal which allowed prospective and existing residents to connect with our property staff directly**. Applications, credit checks and approvals are processed through the portal, reducing the need to visit the site or print documentation. Payments are processed electronically through the portal, amenities can be reserved, and work orders can be submitted and tracked.

In 2021, **40% of leases were completed through the portal** as implementation roll-out was completed. In 2022, all pre-leasing for the new school term is being managed via the portal.

Communication via the portal resulted in **over 4,000 messages being responded to in 2021**. Starting in December 2021, residents could express their satisfaction with work completed in their units through the portal and the data is tracked and actioned by on-site staff. We have started to benchmark this data and will have more fulsome information in 2022.

**Data does not include The Annex, managed by uOttawa*

2021 Leases Completed Through Portal*



6,662 Work Orders,
4,000 Messages and
2,171 Amenity bookings
submitted through
tenant portal*

Residents

Satisfaction

Becoming more knowledgeable about the concerns of our residents was a goal for 2021. We implemented satisfaction monitoring and action plans for all our sites based on our move-in and annual survey results.

Key survey findings from our 2021 move-in and annual resident survey*:

- Almost **40% of our new residents** are in their **second year** of university.
- Primary reason for choosing to live in our buildings was **proximity to campus (66%)** and **site cleanliness and appearance (47%)**.
- **74%** of residents scored **7/10 or higher** on “**recommending the building to a friend**”.
- **82%** of residents are **satisfied or very satisfied with work order completion**.
- **88%** of residents are **satisfied or very satisfied with cleanliness of the sites**.
- Our annual survey showed a **distribution of citizenship** with students from **Canada (66%), India (9%), China (5%)**.

**Data does not include The Annex, managed by uOttawa*



74% scored 7 or higher out of 10 representing likelihood to recommend building to a friend

Residents

Building Condition and Security

Maintaining a safe, secure and aesthetically pleasing home with student focused programming not only leads to retention and acquisition of students but also solidifies ASH REIT's place as the primary off-campus student housing provider in the markets we serve. Safety and security is high on the list of family and student concerns.

In 2021, we initiated **security upgrades in our Waterloo buildings by adding 140 new cameras**. We also entered contracts for increased in-person security in Waterloo and Ottawa.

We began implementation of a **new key fob lock system at King Street Towers I & II**.

Student programming was a continued challenge due to COVID-19 but in-person events were conducted when permitted, allowing community building and social interactions for students. We focused on social interaction and mental health.

Events held in conjunction with #BellLetsTalk day gained over 4,022 online impressions, reaching 3,006 social accounts.

Upgraded amenities including common areas at King Street Towers I & II and the addition of a self-serve marketplace at Bridgeport House.

Signed long term leases with new commercial tenants.

**Data does not include The Annex, managed by uOttawa*



140 new security cameras installed



New key security system implementation for King Street Towers



4,022 social impressions for one mental health campaign

Employees

Health, Safety and Wellness

Building staff reflect the profile of the customers we serve with 38% of the team being current students, and the majority also being building residents. They have a need to build community, support their mental health, and work in a supportive growth environment.

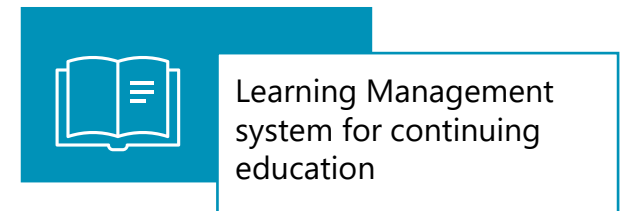
To protect employees and residents, **mandatory vaccine policies** were implemented for all employees as well as our vendors and other valued partners that work in our buildings.

We provided **mental health support and training** around health issues employees may face on the job. Training and audits of compliance in health and safety protocols is completed as part of regular building operations.

In 2021, **CLC maintained their Platinum status on Deloitte's Best Managed Companies.**

Formal employee satisfaction surveys will be completed for the CLC team in 2022.

**Activities/data do not include The Annex, managed by uOttawa*



Employees

Diversity

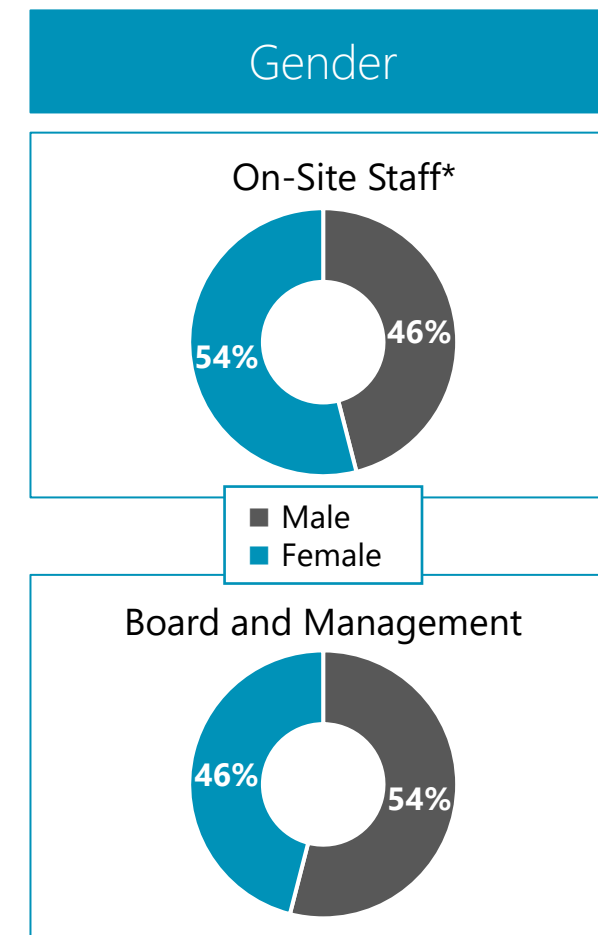
We support our employees and value practices of diversity, equity and inclusion.

Through our strong partnership with CLC, we are proud that **on-site staff is comprised of 54% women**. We are also providing employment for young people, with **38% of our on-site staff being current students** and the majority are also residents in our buildings. This allows us to gain insight into the building experience, and also provides much needed work experience.

Our senior team and our board is also well represented by women with **46% of the senior team and the board being women**.

Many of our team also identify as ethnically diverse, and more self identification data will be collected in 2022 as we continue to develop our diversity, equity and inclusion strategies.

**Data does not include The Annex, managed by uOttawa*





Governance

Governance

Responsible governance was a key aspect of the foundation of ASH REIT and continues to drive our policies and disclosures. In order to build trust amongst all our stakeholders, we maintain comprehensive governance and disclosure practices beyond what is required by regulatory bodies.

- Our Board of Trustees is comprised of five members, **three of whom are independent of management.**
- The Board meets quarterly to review and approve our fair market value and annually to approve the audited financial statements.
- We have an **ESG Committee to ensure strategy and policy** is aligned with the current standards and requirements.
- In 2021, we **initiated new policies around Disclosures and Whistleblowers as well as documents outlining capital expenditures classifications and a more robust Signing Authority and Delegation for decision making.**
- We **increased our financial disclosures** to shareholders in 2021, releasing more financial information around building performance.
- ESG became a bigger focus in 2021 and progress is now regularly reported to the Trustees and further reporting and activities are being defined in 2022 with the assistance of ESG Global Advisors.



Reporting ESG
Progress to Trustees



Engaged ESG Global
Advisors



Enhanced Policies and
Procedures



Increased Disclosures

Materiality Assessment

In order to align with our stakeholders and assess priorities of importance, we recently undertook an ESG materiality assessment, supported by ESG Global Advisors. This assessment identifies Environment, Social and Governance factors, including risks and opportunities, that have the potential to impact the financial performance or corporate values of ASH REIT.

The assessment was done on a weight of evidence approach and factors were prioritized based on financial impact and likelihood of occurrence.

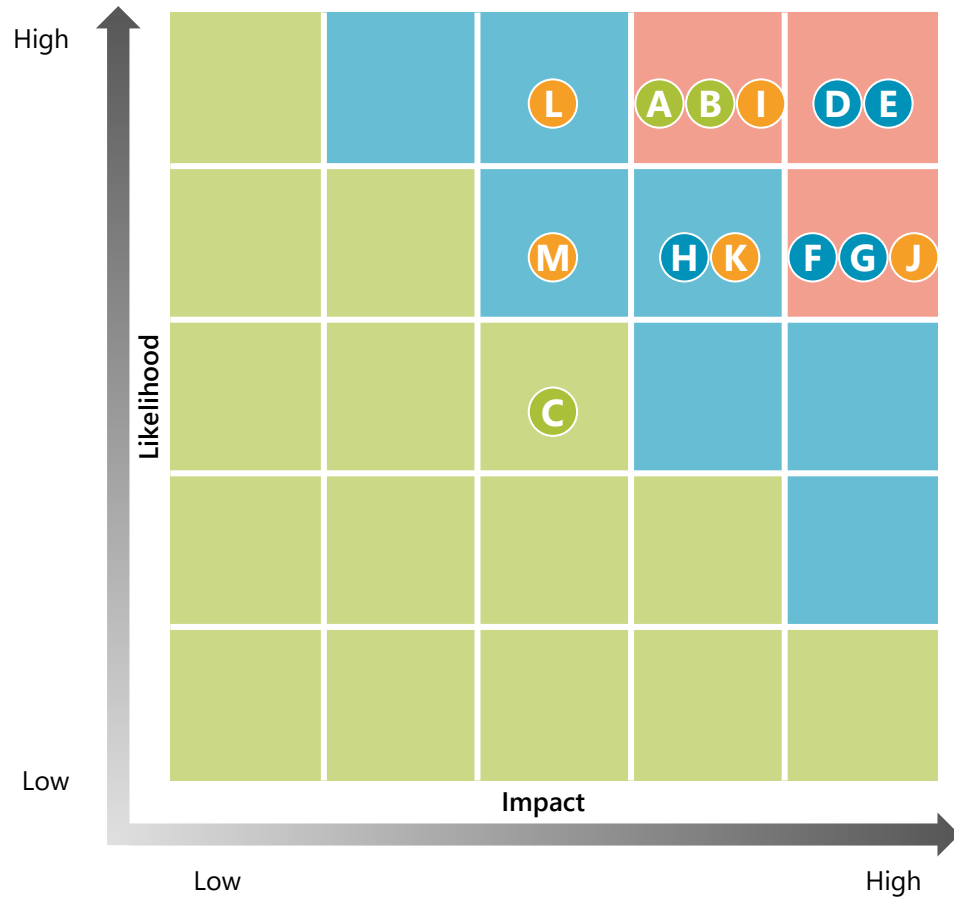
Results of the assessment will form the foundation of ASH REIT's ESG strategy in 2022 and beyond and allow our teams to assess priorities that best align with the viewpoints of our stakeholders.



Sources for Assessment

- Industry good practices
- Peer benchmarking
- Investor analysis
- Stakeholder interviews

Materiality Assessment Results



Environment

- A Energy Use & GHG Emissions
- B Climate Strategy
- C Water and Waste Management

Social

- D Tenant Engagement and Satisfaction
- E Tenant Health, Safety, and Wellness
- F Building Location and Condition
- G Partnerships
- H Human Capital Management

Governance

- I ESG Governance
- J Business Ethics & Transparency
- K Data Privacy & Cyber Security
- L ESG Integration
- M Supply Chain

- Core** – financially material in short term, remain material over the long term and significantly impact investor decision making
- Enhanced** – financially material within 1-3 years and may impact investor decision making
- Emerging** – important for real estate industry and could grow in overall importance in longer term

Future Plans

ASH REIT continues to develop its competencies in various areas of ESG and will continue its current trajectory in terms of increasing energy efficiencies, developing its social programs and maintaining good governance.

We will be leveraging our materiality assessment to determine any necessary realignment of priorities, as well as developing a more fulsome ESG positioning statement. In 2022, we look to increase our ESG data collection efforts and align our reporting and disclosures to industry peers, as well as industry specific direction provided by the **Sustainability Accounting Standards Board (SASB)**, the **Task Force on Climate-related Financial Disclosure (TCFD)**, and the **UN Sustainable Development Goals (SDGs)**.

We will also be cognizant of future ESG trends in terms of consolidations, internationalization, and the pathway from voluntary to mandatory disclosures.

ALIGNVEST | STUDENT HOUSING

First Canadian Place, 100 King Street West
70th Floor, Suite 7050
Toronto, Ontario M5X 1C7

www.alignvest.com

ashinfo@alignvest.com

