



JANUARY 2021

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY REPORT



ALIGNVEST STUDENT HOUSING REIT ("ASH REIT")

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Toronto, ON M5X 1C7



OUR APPROACH

We are pleased to present Alignvest Student Housing REIT's ("ASH" or "ASH REIT") inaugural Environmental, Social and Governance ("ESG") Report, highlighting our planned commitment to ESG policies and strategy. Investor expectations are constantly evolving as are the demands of our teams, residents and partners. In order to provide transparency to our shareholders, as we focus on ESG and the "triple bottom line" (people, environment and profit), we want to highlight our guiding principles, actions and plans in key areas.

As Canada's largest university-focused student housing owner/operator, our ESG guiding principles, and responsibilities as corporate citizens, are deeply embedded in our philosophy. This allows us to focus on delivering an attractive, safe, secure and inclusive living environment for our students.

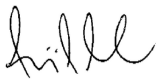
We believe successfully executing on ESG initiatives is not only the right thing to do, but also supports the next generation of global leaders, our student tenants, who are increasingly focused on preserving our planet and achieving social equity. With great partners willing to work side-by-side with us to develop and execute creative sustainability solutions for our properties and business, we will contribute to making a difference.

After an unprecedented year of managing the challenges presented by COVID-19 and ensuring the health and safety of all our stakeholders, our initial ESG disclosure focuses on steps to communicate our current practices, while building plans and benchmarks for our business in 2021. Several initiatives are currently underway that aim to strengthen our ESG commitments:

- Our Environmental efforts are targeted towards improving the efficiency of our buildings by investing in energy initiatives to reduce our carbon footprint, and improving our tenant experience, which will allow us to reduce costs and drive higher unitholder returns.
- In the Social context, we continue to deliver high-quality, inclusive and safe places for our tenants with an aim to create the best environment possible for our students to live, learn and flourish.
- Our Governance procedures exceed regulatory requirements and separate us from our private REIT peers. Our annual and quarterly disclosure, transparency, and highly qualified and independent Trustees provide a level of corporate governance allowing us to achieve long-term success for the REIT.

We are proud to present our vision and what we have accomplished to date. We know that transparency, connection and sustainability are imperative to creating communities where students love living.

Sincerely,



Sanjil Shah
Managing Partner



Trish MacPherson
Partner and Head of ESG Committee



We incorporate ESG principles in ways that protect our environment, service our residents and teams, and manage our business to the highest standards to provide value to all our unit holders.

Environment

We commit to environmental standards and efficiencies to meet the demands of our residents and to build a sustainable portfolio and investment for the future.

Social

We are dedicated to building high quality, safe and inclusive communities for our residents, teams and the communities in which we operate.

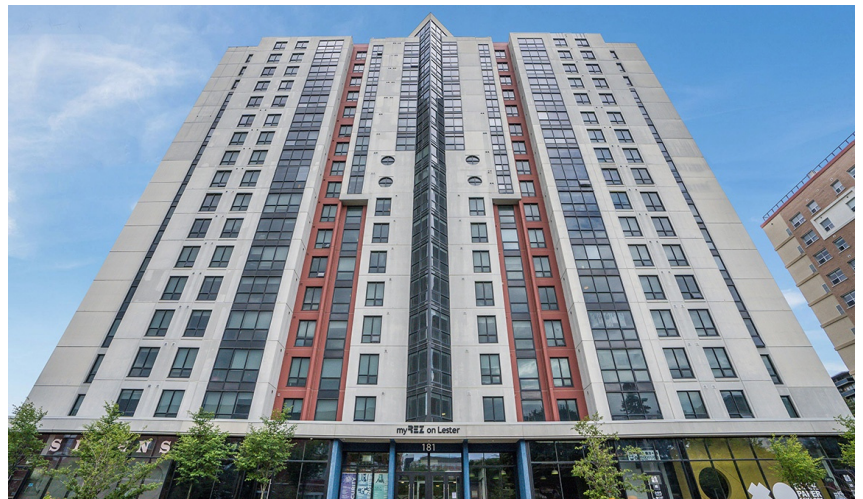
Governance

We establish governance process and structure to ensure all aspects of the operation are managed with integrity and accountability to all stakeholders.

In 2020, we began developing the framework for our ESG strategy. We conducted a thorough internal review of existing strengths and opportunities for development, while defining our vision and key values.

2020 ESG Highlights

- Established an ESG Committee
- Solidified ESG principles into acquisition due diligence processes
- Initiated benchmarking of environmental programs
- Initial implementation of environmental initiatives
- Increased support for residents and employees during COVID-19
- Expanded and increased independence and diversity on Board of Trustees



OUR COMMITMENT

We are committed to proactively tackling ESG issues, making a positive, measurable impact, and sharing our progress. We have formalized an internal ESG Committee comprised of employees from both ASH and our operating subsidiary, Canadian Student Living Group (“CSL”). This team meets quarterly to review in-progress items and establish new goals for the next quarter.

Our ESG Committee has identified four strategic areas of focus, and related activities, for ESG development at ASH REIT.

Resource Management

- Water conservation
- Waste reduction
- Energy management
- Greenhouse gas reduction
- Electronic Vehicle infrastructure

Resident Experience

- Community building
- Diversity, equity and inclusion
- Safety and security
- Education and wellness programming
- Simplified resident experience and needs responsiveness

Governance and Strategy

- External communication and reporting
- Governance structure and accountability
- Partnership and industry collaboration
- Leadership engagement
- Stakeholder engagement

Employees and Partners

- Compensation and benefits
- Employee development
- Diversity and equity
- Philanthropy and volunteering
- Employee satisfaction

Our ESG committee regularly audits the existing portfolio to find areas for continuous improvement. Additionally, all new acquisitions are thoroughly reviewed to develop a tailored ESG project plan, which will better align the new property with our ESG vision. All utility costs are analyzed, and staff and employees surveyed to understand how to best initiate our strategies. Through this detailed analysis, tangible actions are identified to immediately transform the new property to integrate with the ASH REIT ESG vision.

ACHIEVEMENTS TO DATE

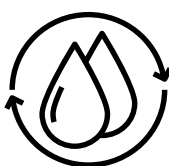
Despite 2020 being a year of great uncertainty with the onset of COVID-19 and resulting focus on managing through the pandemic, ESG initiatives remained a focus across the portfolio. Investment in ESG initiatives resulted in enhanced environmental stewardship, a focus on people, and superior returns for the future.

Resource Management



Energy Savings

- Invested in LED lighting retrofits in four properties
- Installed digital/programmable thermostats
- Commissioned multiple efficiency studies to assess HVAC and water opportunities



Water Conservation

- Completed water-flow device installations at seven properties, and launched study of additional devices within suites
- Engaged engineers to connect a rainwater catchment system

Resident Experience



Security

- Installed video intercom systems at five properties
- Invested in enhanced security cameras/networks
- Piloted a package concierge to reduce theft and create further operational efficiencies



Student Experience

- Increased residence life spending
- Increased internet connectivity to accommodate online studies
- Upgraded lobbies and office spaces
- Enhanced suite privacy in shared rooms at 333 & 339 King Street in Waterloo

Governance and Strategy



- Added two independent trustees to the REIT's Board of Trustees, including a highly qualified female independent Chair
- Majority of Trustees are independent
- Increased public disclosure
- Formalized monthly FMV approvals

Employees and Partners



- Restructured bonus program to include property-level employees and increased alignment with ASH REIT
- Developed virtual social programming for employees during COVID-19 to support employee wellness and engagement



ASH REIT's underlying business strategy is based on the acquisition of stabilized Purpose Built Student Accommodation ("PBSA") followed by the implementation of superior management/operations. Sites are purchased with varying levels of environmental efficiency and it is our responsibility to improve the properties to meet our standards. In executing due diligence, and upon closing, we implement our strategies and incorporate the costs and potential benefits in our underwriting of the property.

Case Study:

Both 1686 Main Street, Hamilton and 1700 Simcoe Street, Oshawa were purchased in 2019 with LEED certification (Platinum and Gold, respectively). Some aspects, such as motion sensor lighting and rooftop solar were already in place. Despite LEED certification, we still found several areas for continuous improvement

- Upgraded suite fixtures to LED lighting
- Installed a water-flow management device on the main water line
- Worked to connect the rainwater catchment system

The majority of our new acquisitions will present significant opportunity for environmental initiatives, including:

- Utility surcharge/pass-through strategy
- Electricity submetering
- LED lighting retrofit programs
- Common area motion sensors
- Installation of low-flow water devices (toilets, showerheads, faucet aerators)
- Installation of water-flow management devices on main water lines
- Installation of modern toilet flappers
- Rooftop and car-park solar installation
- Installation of EV chargers
- HVAC upgrades
- Building automation systems
- Infrared scanning
- Energy-efficient appliance upgrades
- Rainwater catchment installation
- Installation of waste compactors
- Enhanced recycling programs
- Vacant unit temperature control
- Digital/Programming thermostat installation
- Unit smart sensors
- Urban landscaping

4,100+

*LED fixtures installed
portfolio wide*

1,200+

*toilets, shower heads
and aerators audited*

224

*programmable
thermostats installed*



As the largest owner/operator of student housing for university students in Canada, we are committed to offering an attractive, safe, secure and inclusive living experience for our residents. We are also committed to creating an engaging and collaborative work environment for our employees.

Residents

We believe that investing in our buildings to optimize the tenant experience, while maintaining a focus on employee wellbeing, is not only improving the lives of our tenants but lowers the risk profile of our business by increasing retention rates. The following is a list of completed and in-progress social programs designed to enhance the tenant's experience:

- Enhanced student event activities such as therapy dog visits and job training
- New video intercoms to improve tenant experience and safety
- Increase "in lobby" visibility of employees
- Enhanced lobby environments
- Renovated amenity spaces
- Upgraded security systems
- Initial rollout of tenant portal and online leasing
- Roommate matching service
- Expanded Resident Service Representative supports
- Resident engagement surveys for amenity renovations
- Enhanced amenity offerings such as in-house, self-serve grocery markets

Employees and Partners

ASH and our property manager, Campus Living Centres ("CLC"), are committed to providing a supportive and inclusive work environment for all employees and our teams. Strategies to strengthen and motivate our teams include:

- Integrated new technology for tenant focused interface with management team
- Promotions from within
- Performance management enhancements
- Regular professional development opportunities
- Training certifications such as First Aid, Mental Health First Aid, safeTALK, ASIST suicide intervention training
- Alignment of bonus structures
- Satisfaction programs
- Whistleblower policy

COVID-19 Response

Supporting our residents and employees in 2020 was more important than ever before, as we provided shelter, support and employment during unprecedented times. Our approach to communication and engagement was redefined, and we regularly surveyed our teams and residents to understand their needs.



ASH REIT was established with a unique approach to governance and we believe that effective corporate governance is an important component of our long-term success and the maximization of unitholder value.

ASH REIT is governed to be “institutional-ready” with multiple layers of oversight and independent members on our Board of Trustees. It is the Board’s policy for non-management Trustees to hold regularly scheduled meetings without the attendance of management.

ASH REIT is committed to transparency with our unitholders and providing strong disclosure to our investors. Since inception we have continuously improved our disclosure and taken the time to understand unitholder requests for additional information. We are seeking to become the private REIT market leader in information disclosure and access for our unitholders.

Major Governance Initiatives:

- Board of Trustees meet quarterly to approve operations and valuations
- Appointed first female Chair of Board in May 2020
- Formation of Investment Committee
- Monthly distributions and new issuance/redemption at FMV
- Quarterly third-party valuation of every asset completed by Cushman & Wakefield
- Annual audited financials (Ernst & Young) made available to investors
- Quarterly management reports and conference calls
- Offering Memorandum provided on website for transparency



STAKEHOLDERS & CONTINUITY

Stakeholder Engagement

Our regular engagement with stakeholders enables us to transparently communicate our company's performance and to receive feedback that helps us improve. As part of our ESG strategy development in 2021, ASH will engage our constituents in materiality assessments in the areas of Resource Management, Resident Experience, Governance and Strategy, and Employees and Partners.

Areas of current and future engagement include:

Investors

- Property tours
- Investor presentations
- Quarterly management reports
- Quarterly conference calls
- Audited annual financial statements
- Fair Market Value press releases
- Acquisition press releases
- Periodic announcements

Residents

- Suggestion boxes
- Satisfaction surveys
- Focus groups
- Renovation surveys
- Amenity redesign proposal
- Feedback at end of lease agreement

Employees

- Management site visits
- Professional development opportunities
- Annual and quarterly appreciation events
- Whistleblower hotline
- Exit interviews

Business Continuity

In response to the COVID-19 pandemic, we immediately engaged all stakeholder groups to address their concerns and to allow us to successfully continue operations and management. We transitioned our corporate and site team members to work from home where and when possible while maintaining the health and safety of our residents as a priority. We were able to continue all business processes, from accounts payable to customer service, and leasing tours, all while maintaining data security.

Our approach to business continuity continues to evolve, as new developments in technology emerge. Areas we will continue strengthening include:

- Virtual work order/maintenance support (changing lightbulb, clogged drain, etc.)
- Complete virtual leasing with a live agent conducting a live tour
- Virtual team meetings and professional development opportunities



LOOKING FORWARD

In 2020 we started on our ESG journey and 2021 will see a refinement in our areas of focus, projects, measurement, and implementation. We will continue to work with all of our stakeholders to help define our priority activities for the coming months. Based on our strategic areas of focus we will continue current programs and see expansion in the following areas.

Resource Management

- Assessment of unit-based electrical submetering for consumption reduction
- EV infrastructure charger assessment
- Water loss prevention programs
- Enhanced LED fixture replacement
- Acquisition value add programs

Resident Experience

- Diversity enhancement in product marketing
- Amenity area enhancements such as secure package room implementations
- Expansion of in building self-serve grocery markets for food and drink options
- Expanded high speed internet included in rent

Governance and Strategy

- Focus on expanded disclosure
- ESG Committee formation
- Materiality assessment for ESG

Employees and Partners

- Assessment of philanthropy and community involvement
- Further alignment in compensation and benefits
- Formalization of institution relationships
- Vendor assessment for ESG programs

As we remain challenged by COVID-19 and maintain focus on the health and safety of our residents and teams, ASH REIT remains dedicated to our ESG vision and strategic priorities as we enter 2021. We look forward to continuing to share progress on our journey and developing our programs for the benefit of all stakeholders.