

# 2022 ESG Annual Digest Report



# Letter from Our Chief Executive Officer

To Our Shareholders,

At Tricon Residential, community is at the heart of everything we do. As a people-first company, we understand that our success is inextricably linked to the well-being of our 95,000+ single-family and multi-family rental residents, their neighborhoods, and the broader community.

“Imagine a world where housing unlocks life’s potential” serves as our collective call to action. By focusing on enhancing access to quality housing, the well-being of our residents, addressing social and environmental issues, and positively impacting the communities we serve, we are doing much more than just imagining such a world – we are building it. I am thankful each day to be leading a company that seeks to create a legacy of positive change for our employees, residents, investors and society and am pleased to share our progress on this journey in our third annual ESG report.

As a housing provider in both the U.S. and Canada, Tricon recognizes its role and responsibility in mitigating the acute housing shortage by making quality housing more accessible. Today, the new entry-level housing supply in the U.S. is at a five-decade low, rising interest rates are pricing first-time homebuyers out of the market, and millions of American families are at a loss to find quality and accessible places to live. In an environment where it has become significantly more affordable to rent rather than purchase a home, our single-family rental business allows families to live in desirable homes and neighborhoods by eliminating the wealth barrier that, for far too long, has prevented many middle-income families from accessing these communities. Every day, we help to upgrade the existing housing stock through our single-family rental acquisition and renovation program, while adding new dwellings through our build-to-rent community developments. And in Canada, where we expect to welcome upwards of 400,000 newcomers per year, we are developing high-quality apartments to help alleviate Toronto’s vastly undersupplied rental market.

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By focusing on enhancing access to quality housing, the well-being of our residents, addressing social and environmental issues, and positively impacting the communities we serve, we are doing much more than just imagining such a world – we are building it.

Our values-based approach to business is what sets us apart: it is not just what we do as a housing provider but how we do it. This year, we introduced a first-of-its-kind Resident Bill of Rights that promises our residents a quality single-family home and a genuine, caring resident experience. In times beset by economic uncertainty, affordability pressures, and climate change issues, we remain steadfastly committed to doing what is right, not what is easy. This includes moderating our rent increases, making up-front investments to every property we purchase, promising repairs in a timely manner, and offering residents the chance to renew leases with limited exceptions.

In addition to our novel Resident Bill of Rights, we launched the Tricon Vantage program, which supports residents seeking to achieve financial independence and plan for their future. Additionally, our commitment to “self-govern” on rent renewals, a signature component of Tricon Vantage, allows Tricon residents to live in our homes without financial anxiety. Tricon Vantage also offers our residents a down payment assistance program, a credit builder program, and a resident home purchasing program through which qualifying residents are given the first opportunity to buy their home should we elect to sell it.

Each of these industry-leading initiatives is geared towards improving access and maintaining housing affordability so our residents can thrive.

As we develop innovative housing solutions and services, we aim to do so sustainably. Our newly formed climate resiliency and adaptation strategy is a prime example of how we integrate environmental sustainability into our decision-making process. As we take this strategy forward, we will proactively assess environmental and economic impact and continue to seek out opportunities to meaningfully reduce energy, carbon and water consumption on a home-by-home basis. These efforts will not only contribute to the environmental sustainability of the communities in which we operate, but also to Tricon’s ability to deliver long-term value to our stakeholders through responsible and sustainable business practices.

These are just a few examples of our ESG accomplishments in 2022. I invite you to read our third annual ESG report to learn more about Tricon’s company-wide commitment to integrating ESG values into all aspects of our business and the progress we have made thus far. By putting our values into action, we hope to inspire greater change as we continue our journey of sustainable growth.

*Gary Berman*

Gary Berman  
President and Chief Executive Officer, Director



## Our ESG Objectives and Programs<sup>1</sup>

### Our People

#### EMPLOYEE EXPERIENCE

Develop programs to ensure an exceptional employee experience by empowering employees to unlock their potential, improve their performance and enable our purpose-driven culture.

#### PROFESSIONAL DEVELOPMENT AND HIGH-PERFORMANCE MANAGEMENT

Deliver Company-wide professional development opportunities that foster a highly engaged, innovative and inclusive workforce.

#### DIVERSITY, INCLUSION AND BELONGING

Support a culture of inclusion and belonging by embracing and celebrating what makes each employee unique.

### Our Impact

#### CONSUMPTION REDUCTION – PORTFOLIO

Investigate, measure and invest in new technologies, materials and renovation methods to reduce resource consumption across our real estate portfolio.

#### CONSUMPTION REDUCTION – OPERATIONS

Investigate, measure and invest in new technologies, processes and operating methods to reduce resource consumption across our property management and corporate office operations.

#### SUSTAINABLE ACQUISITION, DEVELOPMENT AND RENOVATION POLICIES

Develop and implement sustainable processes and methodologies to ensure our acquisition, renovation and development programs adhere to our ESG aspirations and commitments.

### Our Residents

#### RESIDENT EXPERIENCE

Provide residents with stable, high-quality housing offerings and caring and responsive resident experience, allowing them time to focus on what matters most in their lives.

#### TRICON VANTAGE

Provide our residents with a range of services that can help improve their financial well-being, offer an enhanced path to home ownership, and foster a true sense of community in the places they live.

#### COMMUNITY ENGAGEMENT

Give back to the communities where we operate through our affordable housing, volunteer services and charitable giving programs.

### Our Governance

#### ETHICAL BUSINESS CONDUCT

Ensure that our Board of Directors, employees and partners embody and champion ethical business conduct.

#### ENTERPRISE RISK MANAGEMENT

Embed a strong risk management culture by establishing processes and procedures that effectively identify, analyze and manage material and systemic risks.

#### BOARD AND LEADERSHIP DIVERSITY

Maintain a diverse Board of Directors and management team.

### Our Innovation

Highlighting Tricon's recent technology and service innovations to enhance the resident experience and to improve the sustainability of our operations.

# Our People

## Approach and Targets



### Employee Experience

Develop programs to ensure an exceptional employee experience by empowering employees to unlock their potential, improve their performance and enable our purpose-driven culture.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Maintain Great Place to Work® certification.	ACHIEVED	ACHIEVED	ACHIEVED
>70% participation in annual employee engagement survey.	PLANNING	IN PROGRESS	SURPASSED
Maintain an annual total turnover rate of <25% (voluntary <20%; involuntary <5%).	ACHIEVED	SURPASSED	SURPASSED

### Professional Development and High-Performance Management

Deliver Company-wide professional development opportunities that foster a highly engaged, innovative and inclusive workforce.

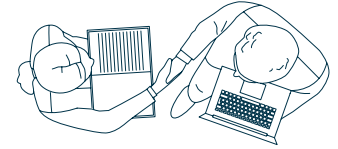
THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Invest at least \$1,000 in professional training per employee annually.	IN PROGRESS	IN PROGRESS	ACHIEVED
>75% of employees to complete ESG training annually.	IN PROGRESS	SURPASSED	SURPASSED
>15% of new positions filled by internal candidates.	PLANNING	SURPASSED	SURPASSED

### Diversity, Inclusion and Belonging

Support a culture of inclusion and belonging by embracing and celebrating what makes each employee unique.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Implement the DIB Roadmap.	IN PROGRESS	ACHIEVED	ACHIEVED
Diversity hires to represent ~35% of people leader roles and ~55% of non-people leader roles.	IN PROGRESS	SURPASSED	SURPASSED
Women to represent 40% of new leadership hires.	IN PROGRESS	IN PROGRESS	SURPASSED

# Key 2022 Metrics



### EMPLOYEE EXPERIENCE

#### Great Place to Work® Survey

88%

#### OVERALL EMPLOYEE SATISFACTION SCORE

An improvement of 4% year-over-year.

### PROFESSIONAL DEVELOPMENT AND HIGH-PERFORMANCE MANAGEMENT

#### ESG-Specific Training

90%



Of our new hires in 2022, 90% received ESG-specific training compared to 76% in 2021, an 18% year-over-year improvement.

### DIVERSITY, INCLUSION AND BELONGING

#### Diverse Staff



#### UN SDGs:



GRI: 201-3, 403-6, 403-8, 404-1, 404-2

¹ Black, Indigenous and people of color.

² Mid-management employees are classified as people leaders.

³ Senior Management positions include departmental heads and above.

## Our Residents

### Approach and Targets



#### Resident Experience

Provide residents with stable, high-quality housing offerings and caring and responsive resident experience, allowing them time to focus on what matters most in their lives.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Roll out Resident Satisfaction Survey across entire portfolio, maintain top quartile resident satisfaction scores and low resident turnover.	IN PROGRESS	ACHIEVED	ACHIEVED
Self-perform an average of 65% to 75% of available occupied work orders.	IN PROGRESS	ACHIEVED	ACHIEVED
Maintain a Google reviews score of 4.2 stars (out of 5) or higher.	IN PROGRESS	SURPASSED	SURPASSED

#### Tricon Vantage

Provide our residents with a range of services that can help improve their financial well-being, offer an enhanced path to home ownership, and foster a true sense of community in the places they live.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Launch and deploy Tricon Vantage.	IN PROGRESS	IN PROGRESS	ACHIEVED

#### Community Engagement

Give back to the communities where we operate through our affordable housing, volunteer services and charitable giving programs.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Incorporate and maintain affordable housing at 17% of the Toronto multi-family portfolio.	PLANNING	ACHIEVED	ACHIEVED
At a minimum, engage 20% of employees across Tricon to participate in community giving and/or community service each year.	PLANNING	ACHIEVED	ACHIEVED
Support eight hours of service per employee per year to enrich the well-being of their local community.	PLANNING	IN PROGRESS	ACHIEVED

## Key 2022 Metrics



### RESIDENT EXPERIENCE

#### Resident Rights and Satisfaction

PLEGGED AN INDUSTRY-LEADING

## BILL OF RIGHTS

The first commitment of its kind among single-family housing providers in the U.S.

### TRICON VANTAGE

#### Program Initiatives

NEARLY

500

residents enrolled in the Financial Literacy Program since it launched in November 2021.

NEARLY

1,650

new residents subscribed to the Credit Builder Program, with subscribers improving their credit scores by an average of 53 points by year-end.

\$197K

was granted to 78 families across 15 markets through the Resident Emergency Assistance Fund in 2022. \$548,000 has been granted since inception.

34

homes sold to Tricon's residents since piloting the Resident Home Purchase Program initiative in late 2021.

INTRODUCED A

#### DOWN PAYMENT ASSISTANCE PROGRAM

for our residents as part of our mission to make high-quality housing more accessible to everyone. In December 2022, we made our first contribution to a resident purchasing a home.

### COMMUNITY ENGAGEMENT

#### Supporting Local Communities



included in Canary Landing, a 2,500-unit multi-family project in Toronto anticipated to be fully complete by 2026.

#### UN SDGs:



GRI: 203-1, 203-2

# Our Impact

## Approach and Targets



**Consumption Reduction – Portfolio** Investigate, measure and invest in new technologies, materials and renovation methods to reduce resource consumption across our real estate portfolio.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Establish baseline resource consumption metrics across our real estate portfolio.	PLANNING	PLANNING	ACHIEVED
Develop strategies and plans to reduce energy consumption (kWh/sq ft) and greenhouse gas (GHG) emissions over the next five years.	PLANNING	IN PROGRESS	ACHIEVED
Design, develop and operate a prototype Net Zero SFR home by 2023 and a Net Zero SFR community by 2024.	NOT STARTED	IN PROGRESS	IN PROGRESS

**Consumption Reduction – Operations** Investigate, measure and invest in new technologies, processes and operating methods to reduce resource consumption across our property management and corporate office operations.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Establish baseline resource consumption metrics across Tricon's corporate offices, field offices and fleet/operations.	PLANNING	IN PROGRESS	ACHIEVED
Develop strategies and plans to reduce energy consumption (kWh/sq ft) and GHG emissions across our corporate offices over the next five years.	PLANNING	IN PROGRESS	ACHIEVED
Develop strategies and plans to reduce energy consumption and GHG emissions from our fleet operations over the next five years.	PLANNING	IN PROGRESS	IN PROGRESS

**Sustainable Acquisition, Development and Renovation Policies** Develop and implement sustainable processes and methodologies to ensure our acquisition, renovation and development programs adhere to our ESG aspirations and commitments.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Adopt sustainable practices across our renovation and new development efforts.	IN PROGRESS	IN PROGRESS	ACHIEVED
Achieve sustainable building certifications for select new developments.	IN PROGRESS	ACHIEVED	ACHIEVED
Incorporate sustainability criteria during our acquisition and approval process for all new investments.	IN PROGRESS	IN PROGRESS	ACHIEVED
Apply sustainability practices to our supplier and contractor management efforts.	IN PROGRESS	IN PROGRESS	ACHIEVED

<sup>(1)</sup> Including single-family rental homes, Canadian multi-family rental properties, corporate offices and fleet vehicles.

<sup>(2)</sup> The single-family home energy consumption is based upon Tricon's portfolio energy model. Details on Tricon's energy model are on page 34 of 2022 ESG report.

# Key 2022 Metrics



## CONSUMPTION REDUCTION – PORTFOLIO

### Establishing Baseline Consumption

DEVELOPED AN INDUSTRY-FIRST

## SINGLE-FAMILY HOME PORTFOLIO CONSUMPTION MODEL

for our nearly 36,000 single-family residential portfolio.

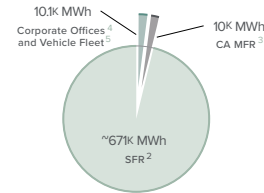
## CONSUMPTION REDUCTION – OPERATIONS

### Energy Audits and Assessments

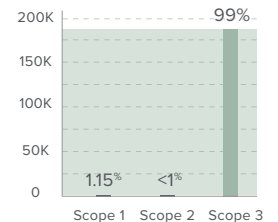
COMMISSIONED  
**ASHRAE LEVEL 1 ENERGY AUDITS**  
for our Toronto and Tustin offices.

**2,200** mt-CO<sub>2</sub>e  
estimated carbon footprint from our ~260-vehicle maintenance fleet.

TOTAL ANNUAL ENERGY USE<sup>1</sup>  
NEARLY 691,000 MWh



TOTAL ANNUAL CARBON FOOTPRINT<sup>1</sup>  
OVER 213,000 MT-CO<sub>2</sub>E



## SUSTAINABLE ACQUISITION, DEVELOPMENT AND RENOVATION PRACTICES

### Policies and Practices

TARGETED

**>3M**  
SQ FT

of Gold LEED-certified space, reflecting 93% of our active Canadian multi-family rental development pipeline.

INSTALLED NEARLY

**55K**

ENERGY STAR®-rated appliances in our U.S. single-family rental homes, reflecting 262K MWh in energy consumption savings.

FORMALIZED A

## CORPORATE SUSTAINABLE PROCUREMENT POLICY

and completed an initial assessment of a climate resiliency and adaptation strategy.

UN SDGs:



GRI: 201-2, 201-4, 204-1, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 308-2

<sup>(3)</sup> The multi-family energy use is based on actual utilities for occupied Toronto multi-family communities.

<sup>(4)</sup> Energy consumption for Tricon's corporate and field offices includes those that have 12 months of electricity and/or natural gas invoices, representing 71% of total office locations.

<sup>(5)</sup> Fleet energy consumption is based on miles driven by each vehicle type.

# Our Governance

## Approach and Targets



**Ethical Business Conduct** Ensure that our Board of Directors, employees and partners embody and champion ethical business conduct.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Deliver annual compliance/ethics training to >95% of employees.	IN PROGRESS	IN PROGRESS	SURPASSED
Harmonize policy and procedure management processes across the U.S. and Canada.	IN PROGRESS	IN PROGRESS	ACHIEVED

**Enterprise Risk Management** Embed a strong risk management culture by establishing processes and procedures that effectively identify, analyze and manage material and systemic risks.

THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Develop and roll out a formalized enterprise risk management program that includes climate and social risk considerations.	IN PROGRESS	IN PROGRESS	IN PROGRESS
Create an internal audit function to assess the adequacy of the Company's risk control environment.	IN PROGRESS	ACHIEVED	ACHIEVED

**Board and Leadership Diversity** Maintain a diverse Board of Directors and management team.

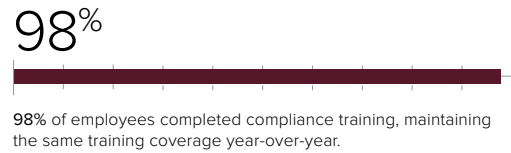
THREE-YEAR TARGETS	PROGRESS:		
	FY20	FY21	FY22
Maintain a Board composition in which each gender is represented by at least one-third of all directors.	ACHIEVED	ACHIEVED	ACHIEVED
Satisfy our commitments to the BlackNorth Initiative CEO Pledge.	ACHIEVED	ACHIEVED	ACHIEVED

## Key 2022 Metrics



### ETHICAL BUSINESS CONDUCT

#### Compliance Training



### ENTERPRISE RISK MANAGEMENT

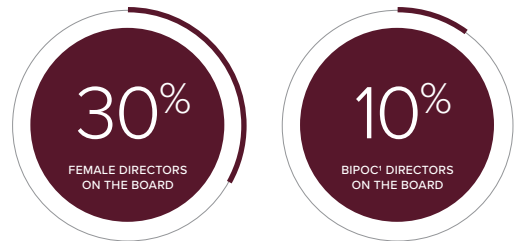
#### New Program Addition

DEVELOPED A FORMAL ENTERPRISE-WIDE FRAMEWORK FOR RISK IDENTIFICATION AND PRIORITIZATION

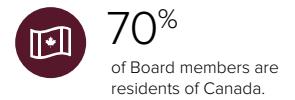
LAUNCHED THE SARBANES-OXLEY COMPLIANCE PROGRAM

### BOARD AND LEADERSHIP DIVERSITY

#### Diversity of Our Board



Average age of directors.



#### UN SDGs:



GRI: 2-9, 205-1, 205-2, 403-2, 405-1

<sup>(1)</sup> Black, Indigenous and people of color.





Building on a  
sustainable foundation.

