At Minto, the very nature of our construction and property management business means we have an impact on people and the planet. That’s why we’re committed to creating better places for people to live, work, and play.

In 2012, Minto set environmental performance targets to improve the new homes we build and the properties we operate, with 2016 as our end year. I’m pleased to report four out of five targets were surpassed and progress was made toward zero workplace injuries with reductions in both frequency and severity. These improvements in our environmental, health, and safety performance are proof of what’s possible when we set challenging goals, plan to achieve them, partner to deliver on them, and carefully monitor our progress while fostering a culture that values accomplishment, courage, partnership, and innovation.

The challenge now is to maintain our momentum and continue to improve our performance, with an even greater focus on integration of sustainability initiatives within our core business processes. I have no doubt we’ll continue to see positive impacts from our efforts well into the future.

Michael Waters
Chief Executive Officer

Third party certification: commercial space
Third party certification: new communities
Carbon emissions
Water consumption
Waste diversion
OUR PERFORMANCE

THIRD PARTY CERTIFICATION:
COMMERCIAL SPACE
Target: Third party energy or environmental certification of 35% of our operated commercial space by square footage.

INJURY FREQUENCY RATE
Rate = claims + hours worked x 200,000 hours

INJURY SEVERITY RATE
Rate = lost days + hours worked x 200,000 hours

WASTE DIVERSION
Target: Divert 80% of our Canadian new construction waste.

CARBON EMISSIONS
Target: Reduce our weather normalized carbon intensity (kilograms of carbon dioxide emitted per square foot operated) by 7.5% across our residential rentals and commercial leased space, compared to a 2009 baseline.

WATER CONSUMPTION
Target: Reduce our water intensity (litres of water consumed per square foot operated) by 7.5% across our residential rentals and commercial leased space, compared to a 2009 baseline.
By the end of 2016, Minto had installed more than 10,000 three litre toilets in our operated properties. These toilets were a major contributor to our success in reducing the water intensity at our rental properties and meeting our water reduction target.

We also continued to improve the environmental performance of our properties through monitoring and assessment, on-going implementation of capital projects such as LED lighting conversions, and improvements in practices and programs including the addition of new waste diversion streams.

In addition to making improvements to our buildings and operations, Minto promotes engagement of our residents on sustainability issues. Health and safety and environmental events at our rental communities in 2016 were wide-ranging including community cleanup days, holiday green giftwrapping events, kid’s fire safety workshops, bike tune-up sessions, and green cleaning product seminars.

We continued to promote a strong culture of conservation and healthier, more environmentally responsible living by engaging staff with education and awareness events throughout the year. Our Ottawa head office made us proud by entering a team in the Ottawa Centre EcoDistrict Race and winning the day by succeeding in a series of environmentally-themed challenges.

Although we moved away from our unilateral commitment to third party certification, Minto continues to validate the high performance of our homes by labelling all new Ontario homes under the ENERGY STAR, LEED, or EnerGuide assurance programs. Additionally, we have maintained a Canadian new construction waste diversion rate above our target of 80 percent since 2013, exceeding our target by 650 tonnes of waste in 2016.

Beyond our major product development initiatives, Minto also shows our commitment to sustainability with small touches and site-specific initiatives like green cleaning product kits for new homeowners and hosting beehives. Staff eagerly snapped up the 140 jars of honey harvested from the two hives at our Arcadia development with donations going to Minto’s United Way campaign—a great example of how environmental and social initiatives can align to make our communities more sustainable.
Performance data was not available for the one acquisition in the fourth quarter of 2016 and was not included in this report as sufficient information was not available from internal departments. Minto includes certification records, and reports generated from utility bills, waste diversion reports, submetering reports, third party reports, and reports generated from external third parties. Performance data was weather normalized using a third party software normalization function, which calculates the base load electricity and natural gas consumption and consumption impacted by weather and then adjusts the weather-driven consumption for the selected year to base year weather in each geography. For context, approximately one percent of the waste generation totals and assuming zero waste diversion or assuming a consistent diversion rate where a hauler has provided partial data. For context, approximately one percent of the waste generation totals were estimated in 2016. The 2015 diversion rate was adjusted to include waste from a newly constructed rental property.

Minto Communities Florida waste diversion rates are not included due to different waste management service levels and insufficient data.

**METHODOLOGY—ENVIRONMENTAL PERFORMANCE**

Environmental performance is measured in carbon emissions (carbon dioxide equivalents calculated from natural gas and electricity consumption using Canadian utility emission factors from 2015 to 2017 National Inventory Report tables), water consumption, construction waste diverted, and third party certification data. Performance is reported as percentages and intensities. Intensity is a unit of consumption or emissions divided by a business metric (e.g. kilograms of carbon dioxide emitted per square foot operated or litres of water consumed per square foot operated). “Square foot operated” refers to the gross leasable area of the properties with Minto ownership that fall under Minto’s operational control. Water and carbon performance are compared to a 2009 baseline.

All building performance data was recorded from buildings using the “operational control” approach. With this approach, Minto reports the building consumption and emissions for which it has an ownership stake, daily operational control, and the power to implement operational policies. All figures disclosed are the best available totals gathered from utility bills, waste diversion reports, submetering reports, third party certification records, and reports generated from internal departments. Minto includes only the utilities paid for by Minto in the intensity calculations. Reported intensities are an indicator of financial risk and are not the same as the complete building operational energy or water intensities measured to assess building efficiency. Performance metrics from one acquisition in the fourth quarter of 2016 were not included in this report as sufficient performance data was not available for the reporting year.

**THIRD PARTY CERTIFICATION**

For commercial space certification, the percentage presented is the number of square feet of leasable operated commercial space covered by a certification in each year divided by the total square feet of leasable operated commercial space. Commercial space certifications have not been counted unless achieved prior to the end of the reporting year. Acquisitions and dispositions in the portfolio as well as newly constructed certified commercial space change the portfolio annually. Amendments were made to historical square footage and certification data points for this report. The significant increase in the 2016 commercial certification rate was largely due to the certification of a large mixed-use complex.

For new residential community certifications, the percentage presented is the number of certifications achieved or in progress on new homes closed or available for rent in each year divided by the number of closings or newly built suites available for rent in each year. Homes are considered closed when title and ownership are transferred from Minto to the purchaser. Homes have been counted as certified when the certification is complete or in progress because the certification date is not linked to the closing date and the certification process may not be completed in the same calendar year as closing. Failure to complete the certification process within the calendar year does not indicate the home will not be certified. For multi-unit residential buildings, each unit has been counted as certified when the building is certified or certification of the building is in progress. The 2014 certification total was adjusted to include the certification status of a newly constructed rental property which was previously not included in the calculation.

**CARBON**

The chosen base year is 2009 and has been calculated in accordance with the Greenhouse Gas (GHG) Protocol accounting and reporting principles. The carbon footprint is calculated based on GHG Protocol Corporate Standard guidelines. The GHG-defined “organizational boundary” has been determined using the “operational control” approach. This is in keeping with the REALpac Best Practices in Accounting for GHG Emissions in the Commercial Real Estate Sector. The carbon footprint does not include indirect emissions caused as a result of our business activities, such as employee commuting, fuel used for on-site property maintenance, construction, or waste recycling/disposal. The baseline and previous-year results are recalculated annually using best available consumption figures and to account for changes to Minto’s operated property portfolio since 2009. For example, when Minto purchases a building that was built in or prior to our base year of 2009, we assume ownership of the building’s historical consumption and emissions. If full historical data is not available, estimates are made based on best available information. Buildings constructed after 2009 are not included in the base year total or intensity as there was no consumption at that time; however, their subsequent consumption is counted in subsequent totals. Weather normalized carbon intensities have been included to allow building performance to be monitored independent of variations in annual weather conditions. The data was weather normalized using a third party software normalization function, which calculates the base load electricity and natural gas consumption and consumption impacted by weather and then adjusts the weather-driven consumption for the selected year to base year weather in each geography.

**WATER**

Water consumption measured includes domestic water usage, pools, irrigation, and renovation work. The baseline and previous-year results are recalculated annually using best available consumption figures and to account for changes to the operated property portfolio since 2009.

**WASTE**

Total waste generated includes the tonnes of new construction waste sent to and diverted from landfill. From time to time, data gaps arise when complete weights are not available for a project. In these instances estimates are made based on best available information. Scenarios may include using industry averages for missing waste generation totals and assuming zero waste diversion or assuming a consistent diversion rate where a hauler has provided partial data. For context, approximately one percent of the waste generation totals were estimated in 2016. The 2015 diversion rate was adjusted to include waste from a newly constructed rental property.

**METHODOLOGY—HEALTH & SAFETY PERFORMANCE**

Injury data was obtained from occupational illness and injury reports submitted to Minto’s Health, Safety and Security Division, Workers’ Compensation Board – Alberta, and the Ontario Workplace Safety and Insurance Board. Frequency rates are calculated based on total claims divided by derived hours worked multiplied by 200,000 hours where total claims include health care injuries (worker receives professional services from a registered health care professional due to a workplace injury, but there is no lost time) and lost time injuries (worker misses work due to workplace injury—not including the day of the injury). Severity rates are calculated based on total lost days divided by derived hours worked multiplied by 200,000 hours where total claims include health care injuries (worker receives professional services from a registered health care professional due to a workplace injury, but there is no lost time) and lost time injuries (worker misses work due to workplace injury—not including the day of the injury). Severity rates are calculated based on total lost days divided by derived hours worked multiplied by 200,000 hours where total claims include health care injuries (worker receives professional services from a registered health care professional due to a workplace injury, but there is no lost time) and lost time injuries (worker misses work due to workplace injury—not including the day of the injury). Severity rates are not included due to different waste management service levels and insufficient data.

For previous reports and more about Minto’s sustainability efforts, visit minto.com.