

2013

# SUSTAINABILITY REPORT



With \$27 billion of assets under management and more than \$5 billion invested in development projects world wide, we are proud of our progress and this extends to our sustainability practices.



## Five years have now passed since we launched Sustainable Thinking™. I'd like to take this opportunity to reflect on what we have achieved:

- We have been more **transparent** in our operations. Oxford was the first major real estate owner in Canada to publicly report on its sustainability performance, consistent with the Global Reporting Initiative's Construction & Real Estate Guidelines.
- We have been more **focused on performance**, having set – and achieved – reduction targets for greenhouse gases (Target 2012), energy, water and waste. We have reduced greenhouse gas (GHG) emissions by more than 25% since 2005, driving over \$10 million in annual energy savings.
- We have been **ahead of the curve** on green building certifications. Oxford achieved several industry firsts in LEED™ certification in Canada, and our retail and hotel assets have been leaders in attaining the highest levels of BOMA BEST™ and Green Key™, respectively.
- We have continued to **innovate**. Oxford leads the industry in the adoption of new technologies, in implementing a green lease as our new standard, and in recognizing and rewarding our employees for their sustainability leadership.

In short, our Sustainable Thinking™ program has helped make our buildings more efficient and competitive, strengthened our reputation and enhanced our ability to attract and retain the best customers and employees.

The next five years will bring new challenges. We will be prepared to meet the evolving expectations of our customers and society at large as demands for transparency grow. We will do this by continuing to innovate, continuing our focus on targets and performance, and continuing to integrate sustainability into our culture in a deeper way.

Most importantly, we will always strive to do what's right as we continue to build one of the world's great real estate companies.

**Blake Hutcheson**  
President and CEO, Oxford Properties Group

**"AT OXFORD, WE DRIVE HARD EVERY DAY TO ENHANCE OUR WORLD CLASS REPUTATION, RETURNS, AND COMMITMENT TO DOING THE RIGHT THING."**

## OUR ACHIEVEMENTS

1<sup>ST</sup>

**OXFORD'S RANK IN THE 2013 GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB) SURVEY, NORTH AMERICA, DIVERSIFIED OFFICE/RETAIL CATEGORY.**



**G R E S B**  
Sector Leader 2013

12%

ENERGY EFFICIENCY IMPROVEMENT OF OUR MANAGED PORTFOLIO, ON A PER SQUARE FOOT BASIS, SINCE 2010 (EXCEEDING OUR TARGET OF 10% BY 2014).

40%

TOTAL SQUARE FOOTAGE OF OXFORD OFFICE SPACE THAT IS LEED CERTIFIED.

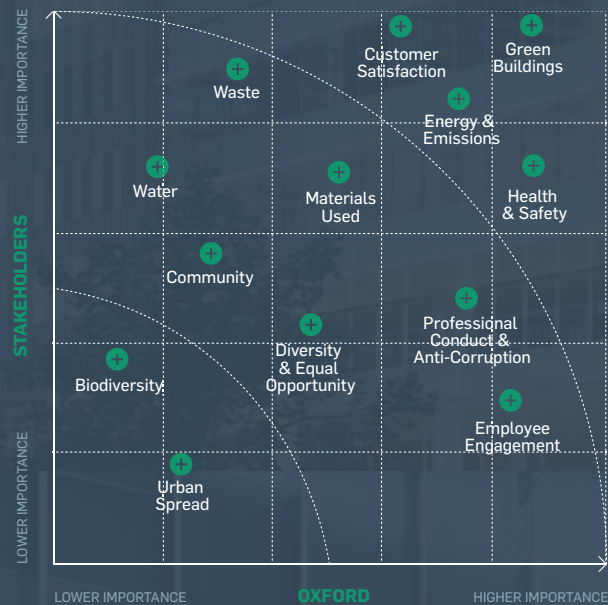
# OUR APPROACH

We develop and operate world class properties and work with our teams and partners to lead the industry in all we do.



## SUSTAINABLE THINKING

Sustainable Thinking™ is Oxford's formalized program for managing and communicating our sustainability performance to stakeholders.



### MATERIAL ISSUES

Our reporting focuses on the sustainability issues that matter most to our key stakeholders: our customers, co-owners and employees.

The figure to the left provides an overview of how we have assessed the relative importance of our sustainability issues.

## OUR GUIDING PRINCIPLES

### 1. LEADERSHIP

We will be recognized by our customers, employees, investors and the market-at-large as industry leaders in sustainability.

### 2. PERFORMANCE

We continuously measure our energy, water and environmental performance, and compare favourably against internal and external standards and best practices.

### 3. INNOVATION

We foster innovation in technology and building management practices aimed at higher levels of sustainability.

### 4. CREDIBILITY

We follow recognized high standards, work with industry-leading service providers, and engage in credible initiatives in our pursuit of sustainability.

### 5. RISKS AND OPPORTUNITIES

We actively monitor and take action around the market, regulatory and economic issues related to and arising from sustainability.

### 6. STAKEHOLDER ENGAGEMENT

We engage our co-investors and customers as active partners in pursuit of higher levels of sustainability and demand a high level of excellence from ourselves and our stakeholders by teams/individuals.

## HOW WE ARE DIFFERENT



### CUSTOMER SERVICE

- New Green Lease form for office and retail tenants
- Regular reporting on building performance
- Occupant engagement campaigns
- Joint tenant-landlord Green Teams



### LEADERSHIP

- 1<sup>st</sup> LEED for Existing Building certification in Canada\*
- 1<sup>st</sup> to publicly report on our sustainability performance and set public reduction targets for emissions, energy, water and waste\*\*

\*Multi-tenant office building, Metro Centre, 2008.

\*\*Among Canadian commercial owner/managers.



### CULTURE

- Sustainability objectives aligned with compensation programs
- Annual SI awards program to recognize outstanding performance
- People choose Oxford because of our commitment to sustainability

# CASE EXAMPLES



## MNP TOWER

MNP Tower will be one of Vancouver's most significant commercial towers. Built on the last available site in the harbour district of Vancouver's business core, MNP Tower is an historic opportunity to enjoy spectacular views of the North Shore mountains.

MNP Tower is the first building in Western Canada to be designed by world-renowned architects Kohn Pedersen Fox (KPF). In the words of KPF's President Paul Katz: "Oxford Properties sought to build a sustainable and commercially viable development that enhances the neighbouring assets. The building responds to both the human-scaled, urban experience and the spectacular climatic and geographic context. We also believe that increasing the density of the urban core will enhance Vancouver's deserved reputation as one of the most sustainable and habitable cities in the world."

The building is set to achieve a LEED Core & Shell Gold certification and will feature the latest energy and water efficient technologies, as well as impressive levels of regional and recycled content materials. Importantly, the building will also be on the leading edge of buildings in Canada in its use of high efficiency, triple glazed insulated windows.

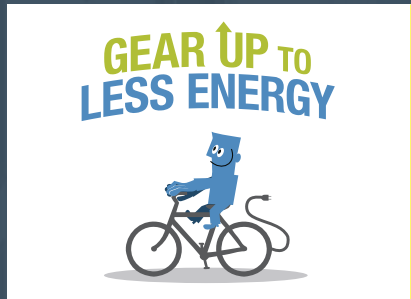


## ORGANIC FOOD WASTE TO WATER

Scarborough Town Centre is the first shopping centre in North America to implement the use of the ORCA System (Organic Refuse Conversion Alternative) to recycle its organic food waste into gray water.

So how does it work? The ORCA significantly accelerates the breakdown of food waste by adding micro-organisms and bio chips to the digestion process - the perfect combination of environmental factors, together with the micro-organisms, allow the organic degradation process to occur within 24 hours. The resulting nutrient rich water can then be used for landscaping purposes or safely disposed of.

So what have we achieved? Through the full involvement of all our 29 food service tenants, we are now diverting approximately 6,000 pounds of organics from landfill each week. We are also saving on costs, as well as reducing pollution from transportation, and eliminating potential pest problems associated with stored food waste. It's a true win-win-win story - for our customers, for our management team and for the environment!



## GEAR UP TO LESS ENERGY

Recognizing that occupants directly influence the electricity used in an office building, we work together with our customers to improve energy efficiency.

The Gear Up to Less Energy campaign encourages customers to reduce energy use by providing information on the amount of energy required to power a typical workstation. By turning off devices (such as printers, computers, monitors, coffee machines and task lights) when not in use, we are primarily targeting the "after hours plug-load" of a building which can be as much as 50% of the electricity a building uses during peak hours.

As part of our 2013 joint landlord-tenant Green Team energy efficiency initiative, customers were invited to pedal bike-powered workstations set up in the lobbies of office towers across Canada. The stationary bikes were hooked up to common office devices so that people could see just how much energy it takes to power a typical workstation.

Results indicate that after the lobby event, customers remembering to turn off their devices before leaving for the day or the weekend increased by an average of 37%.

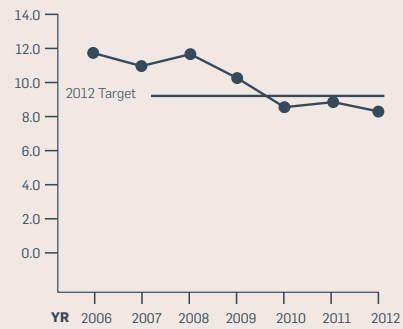
# OUR PERFORMANCE

Performance is reported from 2006 to 2012 across Oxford's Canadian office, retail and residential portfolio for environmental indicators. Performance is reported on a company-wide basis for green building, customer and employee indicators for the periods noted.

**NOTE:** Reference below each chart corresponds to the GRI Construction and Real Estate Sector Supplement indicator number.

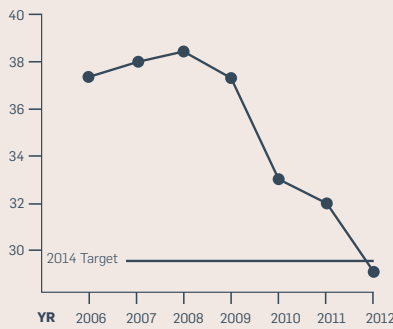
## GHG EMISSIONS CRE3

(kg CO2e/sq. ft.)



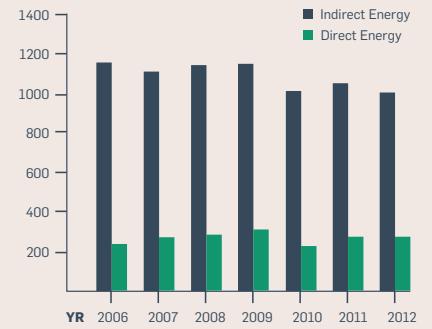
## ENERGY USE CRE1

(ekWh/sq. ft.)



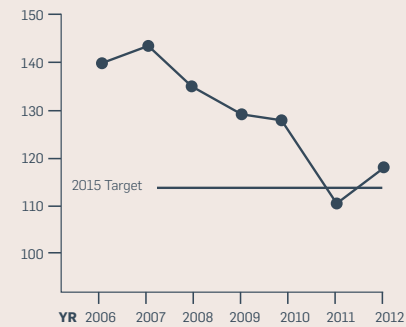
## ENERGY USE, BY SOURCE EN3 & EN4

(ekWh/sq. ft.)



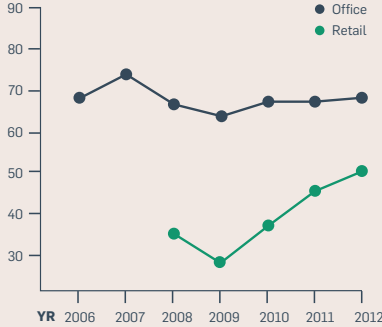
## WATER USE CRE2

(L/sq. ft.)



## WASTE DIVERSION EN22

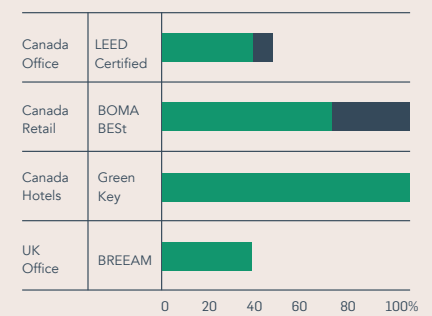
(Diversion rate of portfolio, %)



Office Target: 60% in 2011 and 2012, and 65% in 2013  
Retail Target: 35% in 2011 and 2012, and 45% in 2013

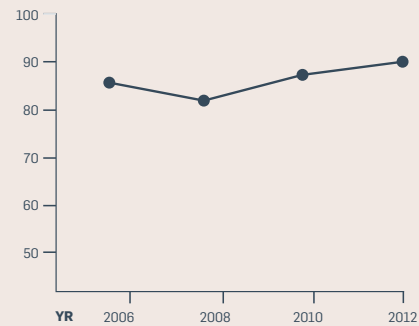
## GREEN BUILDINGS CRE8

Certification across portfolio (as of August 31, 2013)



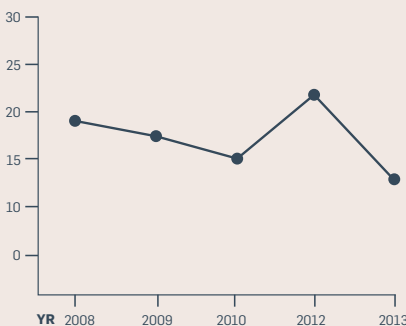
## CUSTOMER SATISFACTION PR5

(%)



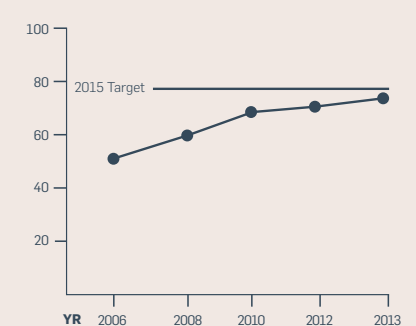
## LOST TIME ACCIDENTS LA7

(%)



## EMPLOYEE ENGAGEMENT

(% actively engaged)



# OUR PEOPLE AND COMMUNITIES



73%

of our employees are actively engaged (AON Hewitt's third party 2013 employee survey).

We maintain the highest standards of business practices out of respect for our employees, our customers and the communities in which we operate. The main emphasis of our community work is on supporting employee involvement in worthy causes. We believe that providing employees with these opportunities is a win-win for our employees and Oxford. We also believe that this is the best way to give back to our community in light of our fiduciary duties to deliver strong returns to OMERS that help pay pensioners.

Our employees make a positive contribution to our communities, and we are proud to support these contributions.

Since 2011, we have raised over \$1 million for a wide range of charitable causes, including the United Way, Free the Children, Rotary Club, Cops for Cancer, Make a Wish Foundation, World Partnership Walk, Special Olympics, Right to Play and the Nature Conservancy of Canada. We also provided in-kind donations valued at over \$1 million since 2011.

**Corporately, Oxford sponsors annual United Way campaigns and supports Free The Children.**

## SUSTAINABLE THINKING

2012 AWARD WINNERS



### Star of the Year:

JARED HAGEN

(Property Manager, Bow Valley Square)

Sustainable Partners – Tenant Engagement Program

### Property of the Year:

DYNAMIC FUNDS TOWER, OPERATIONS TEAM

Building Optimization Performance

(Re-Commissioning)

### Performance Awards\*:

- Office – Richmond Adelaide Centre  
25% Energy Reduction
- Retail – Upper Canada Mall  
15% Energy Reduction
- Residential – Forest Lane Apartments  
13% Energy Reduction

\*Awarded to building with highest annual energy reduction within each respective asset class, 2011-2012.

## VOLUNTEER SPONSORSHIP PROGRAM

Our Volunteer Sponsorship Program gives employees paid time off and additional financial assistance to pursue volunteer activities abroad. In 2012, our volunteers gave their assistance in 5 different countries.

→ **South Africa**

Working on conservation in the "Kua Tuli" nature reserve.

→ **Ecuador**

Participating in a reforestation initiative with local farmers.

→ **India**

Working on a building project in the community of Madurai.

→ **Thailand**

helping rural Thai communities manage their elephant population.

→ **Ghana**

Volunteering with HIV/Aids patients.



# TARGETS AND ACHIEVEMENTS

 <b>OUR BUILDINGS</b>	 What we Measure	 Current Target	 Progress	 Future Target
	<b>LEED certification</b> (% of buildings)	Increase LEED certified office space to 35% by end of 2013	Achieved	Increase LEED certified office space to 50% by 2014
	<b>Recommissioning</b> (process completion)	Complete a recommissioning process across existing office and retail properties by end of 2014	In progress	Target continues to end of 2014
	<b>Sustainability labelling</b> (completion) <b>NEW!</b>	---	---	Develop and implement a building sustainability label for our office buildings by end of 2014
	<b>Energy consumption intensity</b> (ekWh/ft <sup>2</sup> )	Reduce energy consumption on a per square foot basis by 10% by 2014 (relative to 2010 base year)	Achieved	Develop new corporate and site level energy intensity targets by end of 2014
	<b>New technologies</b> (# of projects)	Complete construction of at least one solar photovoltaic (PV) rooftop installation by end of 2013	In progress <i>(Oxford PV projects were delayed due to Ontario Feed in Tariff (FIT) program changes and timelines)</i>	Pending
	<b>Waste diversion rate</b> (% of office and retail portfolio)	Maintain a minimum national diversion rate of 65% in office and 45% in retail	Achieved	Maintain a minimum national diversion rate of 70% in office and 50% in retail
	<b>Water consumption intensity</b> (m <sup>3</sup> /ft <sup>2</sup> )	Reduce water consumption on a per square foot basis by 10% by 2015 (relative to 2010 base year)	In progress	Target continues until completed
 <b>OUR PEOPLE</b>	<b>Employee engagement <b>NEW!</b></b>	70% engagement level by end of 2013	Achieved	75% engagement level by end of 2015
 <b>OUR CUSTOMERS</b>	<b>Green Leases</b> (% of new leases)	Develop a green lease for office and retail properties and offer it to all new customers by the start of 2013	Achieved (office) In progress (retail)	Target continues until completed
	<b>Green Teams</b> (% of new leases)	Develop and launch a joint landlord-tenant green team across all office and retail properties by end of 2013	Achieved (office) In progress (retail)	Target continues until completed

## ABOUT OXFORD

Oxford Properties Group is a leading global real estate investment, development and management company with \$27 billion in assets under management and a portfolio that extends to approximately 50 million square feet of office, retail, hotel, industrial and multi-residential assets.

Sustainability performance data is reported from Jan. 1, 2012 to Dec. 31, 2012, except where otherwise noted.

For more information: [www.oxfordproperties.com/sustainable](http://www.oxfordproperties.com/sustainable)

