

# 2016 SUSTAINABILITY REPORT



**BLAKE HUTCHESON**

*President and CEO, Oxford Properties Group*

Sustainability is part of our culture at Oxford. We call it Sustainable Intelligence, but what does it really mean?

It is a commitment that calls on us to do what's right...for the environment and for the bottom line. It is a belief – a partnership – that we know our stakeholders share with us.

It is imagining a better future – and then building it. It is the reason why 70 percent of our office portfolio is LEED certified, and both the numbers and our commitment continue to grow.

Sustainable Intelligence is the pursuit of comfort, convenience and efficiency. It is applying technology to make our buildings smarter for our customers and our communities, and it is investing in health and wellness.

Our program has been successful because we firmly believe that business success and environmental responsibility can, indeed must, go hand in hand.

Every day, we challenge ourselves to keep thinking about “the possible”, and then making it happen. I am proud to say that because of our diligent effort, we have exceeded our energy targets and delivered \$10 million in annual energy savings to our tenants since 2010. We have also reduced energy across our portfolio by more than 25 percent, the equivalent of taking 75,000 cars off the road.

Sustainable Intelligence is about all of us, sharing a sense of responsibility and taking pride in knowing we lead the way.

Our actions, decisions and results add up to something much more, and people notice. This is why we rank first in North America among our peers in GRESB – the gold standard for sustainability performance in our industry. Not once, but three years in a row.

We will continue to respond to the important trends and opportunities within our business. This drives ambitious targets around green buildings, energy, water, waste, materials, engagement and leadership.

Sustainable Intelligence is knowing that when we make smart decisions, the math works. For everyone.

I hope you will agree when you read this year's report.

~ Blake

1<sup>ST</sup>

THREE YEARS  
IN A ROW

PLACE FOR SUSTAINABILITY PERFORMANCE IN THE NORTH AMERICAN DIVERSIFIED OFFICE-RETAIL CATEGORY BY THE LEADING GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK ANNUAL SURVEY (GRESB).



G R E S B<sup>®</sup>  
Sector Leader 2016

26%

IMPROVEMENT IN THE ENERGY EFFICIENCY OF OUR MANAGED PORTFOLIO, ON A PER SQUARE FOOT BASIS, SINCE 2010.

 Sustainable Intelligence

 **OXFORD**  
MANAGED WITH PRIDE



# OUR APPROACH

## SUSTAINABLE INTELLIGENCE™

IS OXFORD'S FORMALIZED PROGRAM FOR MANAGING AND COMMUNICATING OUR SUSTAINABILITY PERFORMANCE TO STAKEHOLDERS.



## GUIDING PRINCIPLES

LEADERSHIP	PERFORMANCE	INNOVATION	CREDIBILITY	RISKS & OPPORTUNITIES	TRANSPARENCY & ENGAGEMENT
01	02	03	04	05	06
WE STRIVE TO BE RECOGNIZED BY OUR CUSTOMERS, EMPLOYEES, CO-INVESTORS AND THE MARKET AT — LARGE AS <b>INDUSTRY LEADERS</b> IN SUSTAINABILITY.	WE CONTINUOUSLY <b>MEASURE AND BENCHMARK</b> OUR SUSTAINABILITY PERFORMANCE, AND DRIVE IMPROVEMENTS CONSISTENT WITH OUR FIDUCIARY RESPONSIBILITY.	WE FOSTER <b>INNOVATION IN TECHNOLOGY</b> AND BUILDING MANAGEMENT PRACTICES AIMED AT HIGHER LEVELS OF SUSTAINABILITY.	WE FOLLOW RECOGNIZED HIGH STANDARDS, WORK WITH INDUSTRY-LEADING SERVICE PROVIDERS, AND <b>ENGAGE IN CREDIBLE INITIATIVES</b> IN OUR PURSUIT OF SUSTAINABILITY.	WE <b>ACTIVELY MONITOR</b> AND TAKE ACTION AROUND THE MARKET, REGULATORY AND ECONOMIC ISSUES RELATED TO AND ARISING FROM SUSTAINABILITY.	WE CONDUCT OURSELVES IN A <b>TRANSPARENT MANNER</b> AND ENGAGE OUR CUSTOMERS, EMPLOYEES, SHAREHOLDER, CO-OWNERS, SERVICE PROVIDERS AND SUPPLIERS AS ACTIVE PARTNERS IN PURSUIT OF HIGHER LEVELS OF SUSTAINABILITY.

## OUR GOALS

OUR LEADERSHIP POSITION ON SUSTAINABILITY SUPPORTS THE FOLLOWING GOALS:

<b>WORLD-CLASS ORGANIZATION</b>	<b>SUPERIOR FINANCIAL RETURNS</b>	<b>EXCEPTIONAL CUSTOMER SERVICE</b>	<b>RESOURCE CONSERVATION</b>	<b>SOCIAL RESPONSIBILITY</b>

To become one of the world's great real estate companies that attracts and retains outstanding people.

To deliver superior risk-adjusted returns that help pay the pensions of our shareholder, OMERS.

To earn the respect of our customers and deliver exceptional service in everything we do.

To operate our buildings as efficiently as possible and conserve natural resources.

To proactively support and engage with our communities and protect our license to operate.

# OUR PERFORMANCE

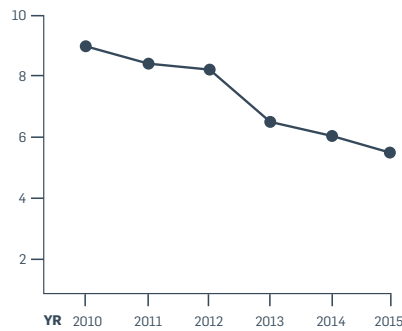
Performance is reported from 2010 to 2015 for Oxford's managed portfolio across Canada and the US for environmental indicators. Performance is reported on a company-wide basis for green building, customer and employee indicators for the periods noted.

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

## GHG EMISSIONS CRE3

(kg CO2e/SF)

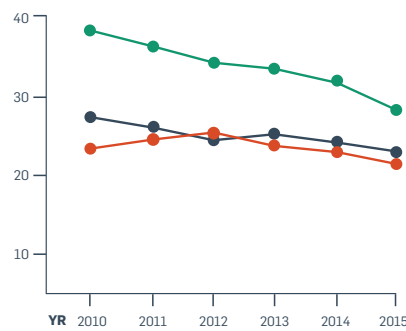
■ ALL ASSET CLASSES



## ENERGY USE CRE1

(kWh/SF)

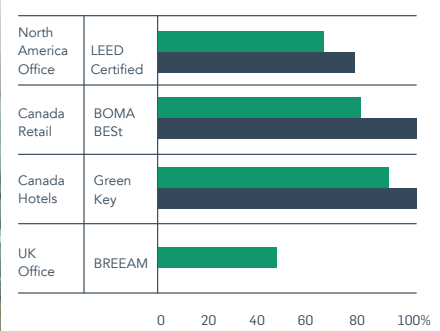
■ RETAIL ■ OFFICE ■ RESIDENTIAL



## GREEN BUILDING CERTIFICATIONS

Certifications across portfolio (% coverage as of December 31, 2015)

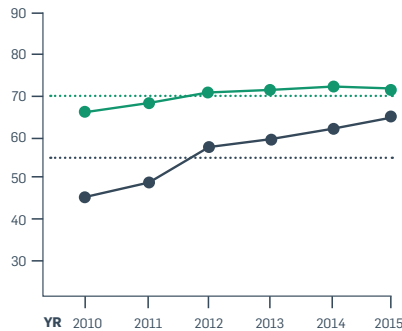
■ 2016 YEAR END TARGET ■ CURRENT



## WASTE DIVERSION EN23 (Property Management)

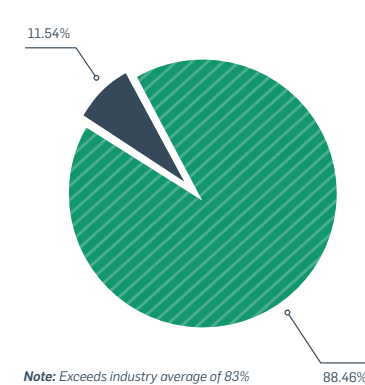
(Diversion rate of portfolio, %)

■ RETAIL ■ OFFICE ■ 2016 YEAR END TARGET



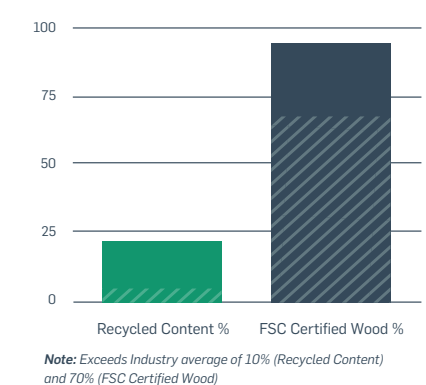
## WASTE DIVERSION EN23 (Development Projects)

■ WASTE ■ RECYCLED



## MATERIALS USED (Development Projects)

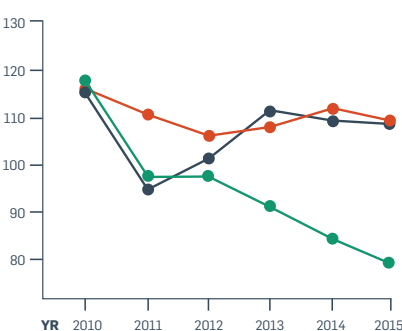
/// INDUSTRY AVERAGE



## WATER USE CRE2

(L/SF)

■ RETAIL ■ OFFICE ■ RESIDENTIAL



## CUSTOMER SATISFACTION PR5

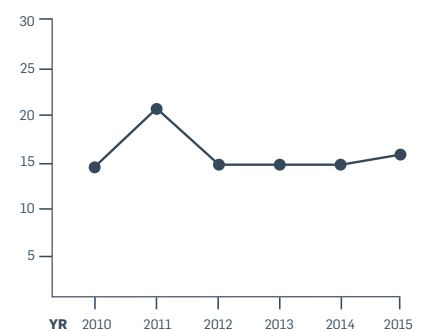
(as per Altus InSite, %)

■ OXFORD PERFORMANCE ■ INDUSTRY AVERAGE



## LOST TIME ACCIDENTS LA7

Health and Safety, Lost Time Accidents



Oxford reports on its performance in accordance with the GRI Guidelines and Construction and Real Estate Sector Supplement. Explanatory notes for the charts above can be found at [www.oxfordproperties.com/sustainable](http://www.oxfordproperties.com/sustainable)

SustainableIntelligence

OXFORD  
MANAGED WITH PRIDE



# OUR PEOPLE & COMMUNITIES



## \$2.2M

RAISED FOR  
CHARITY BY  
OXFORD EMPLOYEES  
SINCE 2011

At Oxford, we believe in supporting and empowering our employees to benefit the communities in which we work, live and play. That's why we invest in our talented and dedicated employees through training, volunteer opportunities and community-building activities.

Our buildings and teams form vital threads in the fabric of their neighbourhoods. That means when our community needs help, we respond.

We work with local groups to run fundraisers and events in our properties. We plan community events and raise money for causes as a team through company sponsored participation in local campaigns. We animate our public spaces with art for everyone to enjoy.

Being active contributors to our community is something we are very proud of, and a tradition that has been a part of our culture for over 50 years.

## VOLUNTEER SPONSORSHIP PROGRAM

Our Volunteer Sponsorship Program gives employees paid time off and additional financial support to pursue volunteer activities abroad.

Employees have volunteered in over 25 countries through Oxford's Volunteer Sponsorship program, since 2009.

### GALAPAGOS ISLANDS



*"As a recipient of the Oxford Volunteer Sponsorship Program, I had the opportunity to volunteer in the Galapagos Islands, Ecuador, teaching French. I participated in this initiative through*

*Projects Abroad, an organization whose primary mission is encouraging individuals to volunteer their talents and time in performing worthwhile assignments in developing countries."*

*— Ushavane Pyduthalli*

## SUSTAINABLE INTELLIGENCE AWARDS | 2015 WINNERS

### PROPERTY OF THE YEAR

#### ROYAL BANK PLAZA

*(Energy and Water Reductions)*

Royal Bank Plaza has demonstrated its continuing commitment to sustainability by achieving LEED Platinum certification for Existing Buildings – no small feat for a 2.1 million square foot office complex. Since its original LEED Gold certification back in 2010, Royal Bank Plaza has undergone significant building retrofits and implemented a robust tenant engagement program that has led to a 27% reduction in water use and a 30% reduction in electricity consumption. From 2012 to 2014, Royal Bank Plaza increased its Energy Star score from 70 to 80. Working closely together, the property team, the property green team, and Oxford's largest tenant, RBC, collaborated on various lighting and HVAC optimization programs, resulting in a cumulative energy savings of 16,000,000 kWh and cost savings of \$2,240,000 over a four period.

### STAR OF THE YEAR

#### ANDREW STEVENS

*(Operations Manager, Millennium Tower/EY Tower, Calgary)*

Andrew's passion to reduce energy at EY Tower led him to create an Energy Reduction Action Plan (ERAP). The ERAP included strategic capital expenditures for items such as SMART infrastructure, Building Energy Management System, Lighting Control, VFD's, LED lamps, and sub-metering. Combined with increased operational awareness and implementation of operator and tenant engagement programs, energy consumption is down an average of 8.5% over the last two years, translating to over half a million dollars in avoided energy costs.

# CASE STUDIES

## UK: BREEAM EXCELLENT AT THE LEADENHALL BUILDING



A 50/50 joint venture between Oxford Properties and British Land, the Leadenhall building in the City of London, UK earned a BREEAM 'Excellent' sustainability rating for its impressive environmental design and construction. Environmental features include the use of natural air buoyancy to reduce solar heat gains, which combat glare and keep interior temperatures steady.

Offices are protected from direct sunlight by solar-responsive blinds, low-flow water fittings and a total of 293 meters have been installed to monitor energy usage.

Leadenhall will save 14,961 tonnes of carbon over the next 60 years through smart design.

Unprecedented in London, Leadenhall's 2,400 m<sup>2</sup> of open landscape space includes formal lawns, seating, and mature trees, creating a vibrant and natural environment to the public.

With its innovative design and enhanced energy efficiencies, the cutting edge 'Cheesegrater' (as it's affectionately known) building has made its mark, forging one of London's best work environments in the city.

## US: ENGAGING OUR CUSTOMERS IN SUSTAINABILITY

With four years running in the Canadian market, Oxford launched its sustainability tenant engagement program across Oxford's Boston office portfolio in 2015. The goals of the tenant engagement program are clear: align with customers' corporate social responsibility mandates, focus on energy performance and finding operations efficiencies, and help individuals do their part in the buildings in which they work.

The Boston office portfolio kicked off to a great start with the joint landlord-customer green teams. With about 20 members and over 50% participation (based on tenant

sq. ft.), the green team provides a space for tenants to collaborate on dynamic environmental campaigns, share best practices, and design initiatives that are relevant, innovative and have an impact on both comfort and energy efficiency.

Throughout the year, the Boston green team incorporated actions and communications around proper recycling practices, reducing after-hours energy use, and promoting alternative commuting options. Kudos to the Oxford team in Boston for encouraging dialogue with valued customers to make our buildings more comfortable and efficient.



## CAN & US: LEED GOLD & BEYOND



At Oxford, we are no stranger to achieving the highest industry standards when it comes to green buildings. LEED - the internationally recognized certification system based on a range of practices which aim to reduce the environmental impact linked to the construction and operation of green buildings - is at the core of our office portfolio.




Oxford has worked to achieve LEED for Existing Buildings, New Construction, Core and Shell, and even Commercial Interiors. We are enhancing the quality of our buildings by achieving

70 percent of LEED certified office space, and targeting 80 percent by the end of 2016. Keeping our assets competitive and exceeding the expectations of our customers, stakeholders, and communities encourages us to push the limits to go for Gold, and more commonly now, Platinum. LEED results in operational savings - making financial and environmental sense.

Common LEED features for our buildings include: Energy Star scores between 80 and 97; fine-tuned operation of building systems to achieve industry-leading energy efficiency; comprehensive green cleaning programs; water-efficient washroom fixtures and cooling tower water management; and active engagement of tenants to understand and contribute to green building initiatives.



# TARGETS & ACHIEVEMENTS

	What We Measure	Current Target	Progress	Future Target
 <b>OUR BUILDINGS</b>	<b>Green Building Certification – Office NEW!</b> (% of buildings)	Increase LEED certified office space to 80% by end of 2016	In Progress	Increase LEED certified office space to 90% by end of 2017
	<b>Green Building Certification – Retail</b> (% of buildings)	Increase BOMA BEST certification across retail portfolio to 100% by end of 2016	In Progress	Target continues until completed
	<b>Green Building Certification – Hotels</b> (% of buildings)	Increase Green Keys certification across hotels portfolio to 100% by end of 2016	In Progress	Target continues until completed
	<b>Energy Consumption Intensity - Office</b> (ekWh/ft <sup>2</sup> )	Reduce energy consumption on a per square foot basis by 10% by 2017 (relative to a 2013 base year)	Achieved	New target under development
	<b>New Technologies</b> (# of projects)	Complete construction of one solar photovoltaic (PV) rooftop pilot installation by the end of 2017	In Progress	Target continues until completed
	<b>Waste Diversion Rate NEW!</b> (% of office and retail portfolio)	Maintain a minimum national diversion rate of 70% in office and 55% in retail	Achieved (office) Achieved (retail)	Maintain a minimum national diversion rate of 65% in office and 60% 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 2019 (relative to 2014 base year)	In Progress	Target continues until completed
	<b>Materials Performance Indicators</b> (completion)	Develop and report on new materials performance indicators by the end of 2016	Achieved	---
	<b>Sustainability Standards – New Construction &amp; Major Renovations</b> (completion)	Document sustainability standards for new developments and major renovations by the end of 2016	In Progress	---
	<b>Sustainability Standards - Operations NEW!</b> (completion)	Develop and launch sustainability operating standards for all asset classes by the end of 2016	In Progress	---
 <b>OUR PEOPLE</b>	<b>Employee Engagement</b> (% of employees)	75% engagement level by end of 2016	In Progress	New methodology and target under development
 <b>OUR CUSTOMERS</b>	<b>WELL Building Standard</b> (completion)	Achieve WELL Core & Shell compliance at one office building by the end of 2016	In Progress	Target continues until completed
	<b>Customer Engagement NEW!</b> (completion)	Continue joint landlord-tenant Green Teams across all managed office properties	Achieved	Continue joint landlord-tenant Green Teams across all managed office & retail properties
	<b>Sustainability Campaigns</b> (completion)	Deliver 3 sustainability occupant engagement campaigns across our office and 1 campaign across our retail portfolio	Achieved (office) Achieved (retail)	Same target in 2017

## ABOUT OXFORD

Oxford Properties Group is a global platform for real estate investment, development and management, with over 1,900 employees and \$41 billion of real assets that it manages for itself and on behalf of its co-owners and investment partners. Established in 1960, Oxford has offices in Toronto, London and New York and the company's portfolio includes over 58 million square feet of office, retail, industrial, multi-family and hotel properties.

Sustainability performance data is reported from January 1, 2010 to December 31, 2015, except where otherwise noted.

For more information:

[sustainable.oxfordproperties.com](http://sustainable.oxfordproperties.com)



**FSC logo**

This report was printed on Rolland Enviro100 satin paper which is EcoLogo, Forest Stewardship Council (FSC) and Processed Chlorine Free (PCF) certified, and manufactured in Canada by Cascades with 100% post-consumer fibre using biogas energy (methane from a landfill site).