

2012

SUSTAINABILITY REPORT



At Oxford, we drive hard every day to enhance our world class reputation, returns, and commitment to doing the right thing.

With over \$20 billion of assets under management and more than \$2 billion invested in development projects in cities such as New York, London, Vancouver, Calgary, Edmonton and Toronto, we are proud of our progress. This progress extends to our sustainability performance. Last year, I identified a few opportunities for improvement at Oxford. Here's what we've achieved and where we are going.

We integrated sustainability into our operations in a number of ways. Over 30% of our office buildings are now LEED certified (up 10% from last year), we implemented a best in class real-time energy management platform across our portfolio, and we committed to a green lease as our new standard going forward.

We introduced some of the latest green building materials and technologies into our new developments.

RBC WaterPark Place in Toronto will be one of the first major office buildings in the country to include a 'Dedicated Outdoor Air System' (this separates heating and cooling from ventilation to optimize efficiency and comfort), and innovative 'fins' in the building envelope (this provides shading from peak sun in warmer months) and the new MNP Tower in Vancouver will be one of the first major office buildings in the country to use triple-glazed windows. We also installed electric vehicle charging stations at buildings in Toronto, Vancouver and Calgary.

We continued to expand our stakeholder engagement program. We now have joint landlord-tenant green teams at more than 25 of our buildings and have begun implementing innovative digital screens with real-time energy information and sustainability messaging in our office lobbies – an industry first in Canada.

While we're proud of our accomplishments, we know it's not enough. Going forward, our efforts are focused on ensuring that all our buildings, across all asset classes, are operating at a peak level of efficiency. This will require us to continue our learning across the organization and strengthen efforts with tenants and suppliers as our partners.

As with everything we do, world class is our standard. Oxford aims to be an industry leader in sustainability and we will continue to do the right thing – and drive meaningful results.

Blake Hutcheson
President and CEO, Oxford Properties Group

OUR ACHIEVEMENTS

1st

RBC WaterPark Place will be the first LEED Core & Shell Platinum office tower in Toronto.

TOP 5

Sustainability Performance, Diversified Company Category, GRESB, 2012

95%

of our customers feel that Oxford is an environmentally responsible company.

28%

reduction in greenhouse gas emissions since 2005.

OUR APPROACH

SUSTAINABLE INTELLIGENCE

Sustainable Intelligence™ is Oxford's formalized program for managing and communicating our sustainability performance to stakeholders. Sustainable Intelligence describes every facet of Oxford's approach – from identifying opportunities and establishing goals, to implementing plans and measuring performance.

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 right provides an overview of how we have assessed the relative importance of our sustainability issues.



OPERATIONALIZING SUSTAINABILITY

STRATEGY

We have a Sustainability Steering Committee led by our President & CEO and other Executive Management Team members. They chart the overall course for our sustainability efforts and decide the issues of most importance, how we manage and report on our performance, and what targets we set for our business.

SIGNATURE PROJECTS

Each Oxford property has a Sustainable Intelligence Signature Project. This is the property's most significant contribution to delivering performance improvements as measured by our Sustainable Intelligence Scorecard.

GREEN LEASE

A green lease outlines Oxford's and a tenant's commitments to sustainability, in writing. Oxford is committed to offering green leases for all new office and retail tenants going forward.

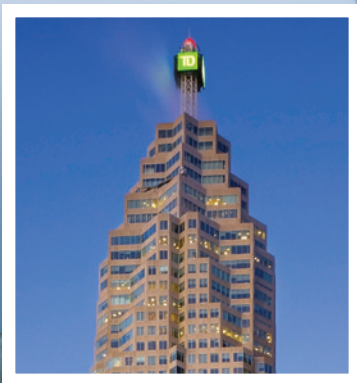
REWARDS & RECOGNITION

Oxford aligns its Sustainable Intelligence objectives with the financial remuneration of its staff (bonus program) and recognizes outstanding performance through its annual SI Property of the Year, Star of the Year and Most Improved Performer awards.

CASE EXAMPLES

RBC WaterPark Place is a new 930,000 square foot office development in downtown Toronto, scheduled for completion in 2014. In keeping with Oxford's commitment to being a sustainability leader, we have announced design plans to achieve LEED Platinum Core and Shell Certification for the building, which will make RBC WaterPark Place the first LEED Core & Shell Platinum office tower in Toronto.

Sustainability features will include deep lake water cooling, a dedicated outdoor air system (separating heating and cooling from ventilation, to optimize energy efficiency and comfort), vision glazing glass that allows for bright open space and improved insulation, best-in-class plumbing and lighting features, and an innovative building envelope to protect from peak sun in the summer and reduce cooling costs. RBC WaterPark Place will also have 4,700 square meters of green roof included in the design – one of the largest in Toronto.



TD Canada Trust Tower is one of Toronto's premium and most recognizable office towers. It is now part of an exclusive group to achieve LEED Canada for Existing Buildings: Operations and Maintenance (EB:O&M) Gold Certification.

Over the past three years, significant physical and operational improvements

were implemented to increase occupant comfort and satisfaction, while improving the energy performance and environmental footprint of the building. The building includes highly efficient lighting and lighting controls, best-in-class energy and water metering systems, water efficient fixtures, a sophisticated waste management program that includes organics diversion, and a newly formed landlord-tenant green team. The results? An impressive Energy Star 85 rating and a waste diversion rate of over 80% and continued leadership for an asset that its premium tenants have come to expect and can be proud of.



Kingsway Mall's operations team in Edmonton has continually exemplified sustainability leadership.

They have recently implemented a range of sustainability projects aimed at improving performance and reducing costs. This included partnering with the City of Edmonton on its waste management practices to increase waste diversion rates from 34% to

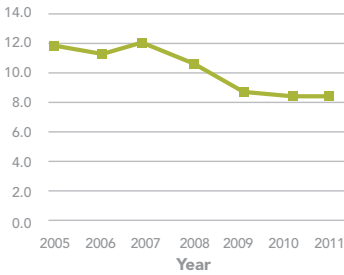
68% saving over \$25,000 in hauling and landfill fees per year. Energy saving actions included a parkade lighting retrofit, transformer upgrades, and the installation of variable frequency drives for a total energy savings of over \$30,000 a year, as well as a \$10,000 rebate from the Government of Alberta's Light it Right program. The team also implemented water conservation measures in the areas of domestic hot water and cooling towers, to drive annual savings of over \$20,000. Finally, the team manages a retailer sustainability committee aimed at educating and motivating tenants to do their part – a lot of projects and an impressive effort overall.

OUR PERFORMANCE

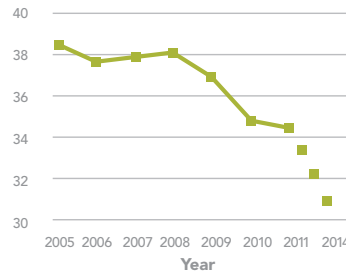
Performance is reported from 2005 to 2011 across Oxford's Canadian office, retail and residential portfolio for environmental indicators.

Performance is reported on a company-wide basis for green building, customer and employee indicators for the periods noted. NOTE: Reference above each chart corresponds to the GRI Construction and Real Estate Sector Supplement indicator number.

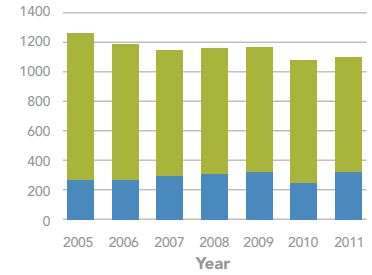
GHG EMISSIONS CRE3
(kg CO₂e/sq.ft.)



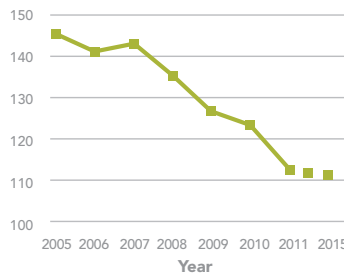
ENERGY CRE1
(ekWh/sq.ft.)



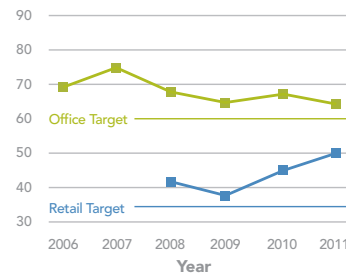
ENERGY BY SOURCE EN3 and EN4
(millions of ekWh)



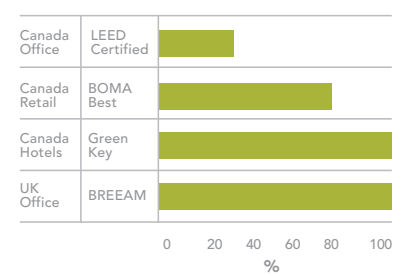
WATER CRE2
(L/sq. ft.)



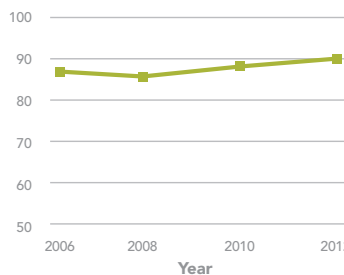
WASTE EN22
(Diversion rate of portfolio, %)



GREEN BUILDINGS CRE8
Certifications across portfolio (as of August 31, 2012)



CUSTOMER SATISFACTION PR5
(%)



LOST TIME ACCIDENTS LA7



"Oxford has been an early adopter of green building and LEED Certification in Canada. Oxford had the first multi-tenant LEED EB certified building in the country, has more LEED EB:O&M certifications than any other landlord in Canada, and recently announced a LEED Core & Shell Platinum building in Toronto (another first). These important projects continue to demonstrate Oxford's commitment and leadership in developing and managing world class, green buildings."

- Thomas Mueller, President and CEO,
Canadian Green Building Council

OUR EMPLOYEES & COMMUNITY

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.



In 2011, Oxford employees raised funds through programs, fundraisers and contributions benefiting charities such as the Juvenile Diabetes Research Foundation, Canadian Breast Cancer Foundation, Aga Khan Foundation Canada, Camp Oochigeas, Heart & Stroke Foundation, Nature Conservancy of Canada, Swing for the Cure, Red Cross, and more.

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

VOLUNTEER SPONSORSHIP PROGRAM

Oxford's Volunteer Sponsorship Program provides a select number of employees each year with paid time off and additional financial assistance to pursue volunteer activities abroad. In 2011, four groups of employees took advantage of the program traveling to India, Ghana and Haiti.

Says Sueanne Pham who recently travelled to Ghana: *Even though I was only there for two weeks, I worked with children on their reading levels and saw amazing progress – I was so proud! This was an eye opening experience for me – one that I will never forget – and it was through the Employee Volunteer Program that it was able to happen. Thank you!*

86%

of employees feel that
Oxford is a socially
responsible organization.

(AON Hewitt's third party
2012 Employee Survey)

OUR TARGETS

CURRENT TARGETS

SUSTAINABILITY TARGETS FROM THE 2011 REPORTING PERIOD

ENERGY & EMISSIONS

Reduce energy consumption, on a per square foot basis, by 10% by 2014 (relative to a 2010 base year).



SUSTAINABLE MATERIALS

Develop a list of preferred sustainable building materials for new developments by the end of 2011.



WATER

Reduce water consumption, on a per square foot basis, by 10% by 2015 (relative to a 2010 base year).



WASTE

Maintain a minimum national diversion rate of 60% in office and 35% in retail.



GREEN BUILDINGS – CERTIFICATION

Increase LEED Certified Office Space to 30% by the end of 2012. Increase BOMA BESt Certified Retail Space to 100% by the end of 2012.



SUSTAINABILITY – EDUCATION & TRAINING

Develop an online Sustainable Intelligence awareness training module and get 50% of employees trained by the end of 2012.



NEW TARGETS

TARGETS COMMITTED TO IN THE 2012 REPORTING PERIOD

ENGAGEMENT – GREEN LEASES

Develop a green lease for office and retail properties and offer it to all new tenants by the beginning of 2013.

ENGAGEMENT – GREEN TEAMS

Develop and launch a joint landlord–tenant green team across all office and retail properties by the end of 2013.

NEW TECHNOLOGIES – SOLAR

Complete construction of at least one solar photovoltaic rooftop installation by the end of 2013.

WASTE

Maintain a minimum national diversion rate of 65% in office and 45% in retail.

GREEN BUILDINGS – CERTIFICATION

Increase LEED Certified Office Space to 35% by the end of 2013.

GREEN BUILDINGS – RE-COMMISSIONING

Complete a re-commissioning process across all existing office and retail properties by the end of 2014.

About OXFORD

Oxford Properties Group is a leading global real estate investment, development and management company with over \$20 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, 2011 to Dec. 31, 2011, except where otherwise noted.

For more information: www.oxfordproperties.com/sustainable