

2014

SUSTAINABILITY REPORT



“ Sustainability is ingrained in our day-to-day decisions at Oxford. We strive to better ourselves year-over-year in all areas of green building to surpass the expectations of our stakeholders. ”

CUSTOMER SERVICE AND SUSTAINABILITY.

Both are fundamental elements of our corporate strategy.

Over the past few years, we have spoken a lot about why sustainable practices and design are important to Oxford and the positive impacts they have on our buildings, financials and people.

In this report, I would like to take this opportunity to discuss sustainability from our customer's perspective.

Trusted Partner – One of the ways we strive to distinguish ourselves is by carefully understanding – and delivering on – the new expectations of our customers around green buildings. We want our

customers to see us as their “partner” as they compete to attract and retain the best talent, and as they pursue their own sustainability goals in our buildings.

Customer Satisfaction – We want our customers to be comfortable working in green buildings that align with their needs. We both win when their space is energy efficient and has sustainable technologies and features – like controllable lighting and organics recycling – that make their workplace better.

Service Excellence – We work hard to consistently deliver a world-class experience and earn the respect of our customers in every interaction, every day. That's why we innovate and engage our customers through Green Teams, sustainability-themed lobby events and lobby screens.

We know our customers have many choices in every market in which we operate. We also know that some customers place a higher priority on sustainability than others. That is why we focus on pursuing the right innovative, sustainable technologies and practices that are a win-win for each customer and their business.

We know that if our sustainability efforts are reinforcing our relationships as a trusted partner, driving service excellence, and enhancing the satisfaction of our customers, it will help us achieve our broader goal of building one of the world's great real estate companies.

Thank you all for being one of our “partners”!

Blake Hutcheson
President and CEO, Oxford Properties Group

1ST

OXFORD WAS AWARDED 1ST PLACE FOR SUSTAINABILITY PERFORMANCE IN THE NORTH AMERICAN DIVERSIFIED OFFICE-RETAIL CATEGORY FOR THE SECOND YEAR IN A ROW BY THE HIGHLY REGARDED ANNUAL GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB) SURVEY.



G R E S B
Sector Leader 2014

16%

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



Best Employers
in Canada
By Aon Hewitt

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

1. LEADERSHIP

WE STRIVE TO BE RECOGNIZED BY OUR CUSTOMERS, EMPLOYEES, CO-INVESTORS AND THE MARKET AT-LARGE AS INDUSTRY LEADERS IN SUSTAINABILITY.

2. PERFORMANCE

WE CONTINUOUSLY MEASURE AND BENCHMARK OUR SUSTAINABILITY PERFORMANCE, AND DRIVE IMPROVEMENTS CONSISTENT WITH OUR FIDUCIARY RESPONSIBILITY.

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 & OPPORTUNITIES

WE ACTIVELY MONITOR AND TAKE ACTION AROUND THE MARKET, REGULATORY AND ECONOMIC ISSUES RELATED TO AND ARISING FROM SUSTAINABILITY.

6. TRANSPARENCY & ENGAGEMENT

WE CONDUCT OURSELVES IN A TRANSPARENT MANNER AND ENGAGE OUR SHAREHOLDERS, CO-INVESTORS, CUSTOMERS, EMPLOYEES, AND SERVICE PROVIDERS AS ACTIVE PARTNERS IN PURSUIT OF HIGHER LEVELS OF SUSTAINABILITY.

OUR GOALS

OUR LEADERSHIP POSITION ON SUSTAINABILITY SUPPORTS THE FOLLOWING GOALS:



WORLD-CLASS ORGANIZATION

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



EXCEPTIONAL CUSTOMER SERVICE

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



SUPERIOR FINANCIAL RETURNS

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



RESOURCE CONSERVATION

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



SOCIAL RESPONSIBILITY

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

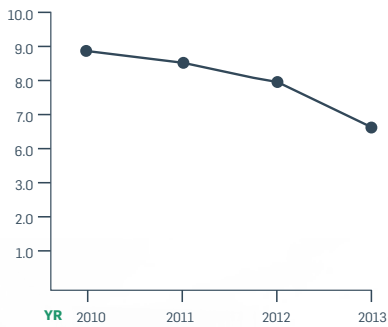


OUR PERFORMANCE

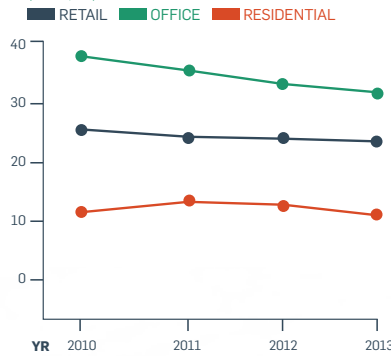
Performance is reported from 2010 to 2013 across Oxford's Canadian office, retail and residential portfolio for environmental indicators. Performance is reported on a company-wide basis for green building, customer and employee indicators for the periods noted.

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

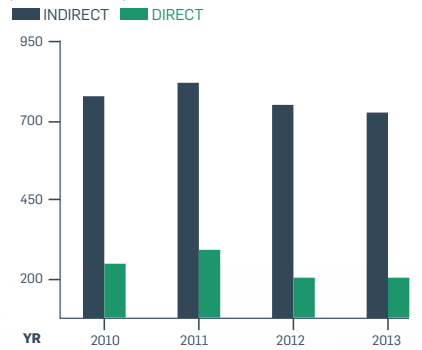
GHG EMISSIONS CRE3 (kg CO2e/SF)



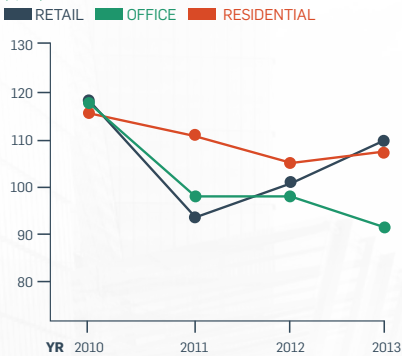
ENERGY USE CRE1 (ekWh/SF)



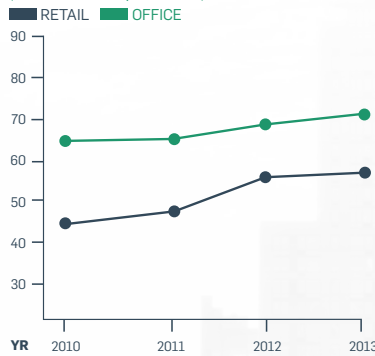
ENERGY USE, BY SOURCE EN2 & EN4 (millions of ekWh)



WATER USE CRE2 (L/SF)



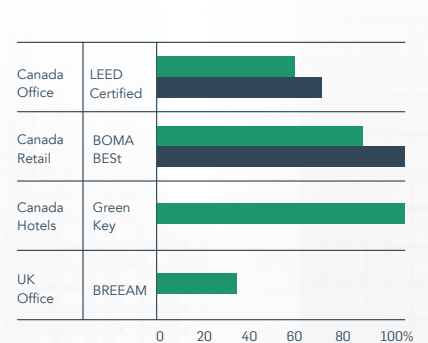
WASTE DIVERSION EN22 (Diversion rate of portfolio, %)



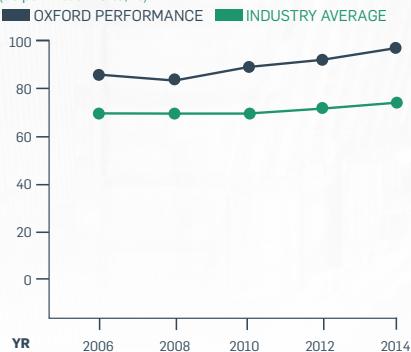
Office Target: 60% in 2011 and 2012, 65% in 2013, and 70% for 2014
Retail Target: 35% in 2011 and 2012, 45% in 2013, and 50% for 2014

GREEN BUILDINGS

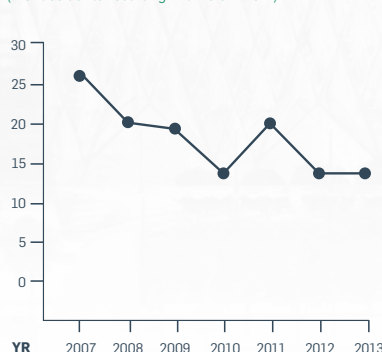
Certifications across portfolio (% coverage as of August 31, 2014)



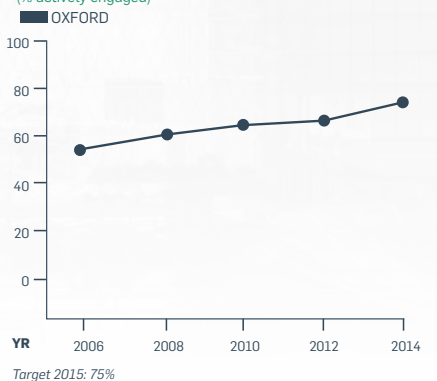
CUSTOMER SATISFACTION PR5 (as per Altus InSite, %)



LOST TIME ACCIDENTS LA7 (# of accidents resulting in time off work)



EMPLOYEE ENGAGEMENT (% actively engaged)



Target 2015: 75%



Oxford reports on its performance in accordance with the GRI Guidelines and Construction and Real Estate Sector Supplement.

Visit www.oxfordproperties.com/sustainable for further details.

Sustainable Intelligence

OXFORD
MANAGED WITH PRIDE

OUR PEOPLE AND COMMUNITIES

We earn the trust of the communities in which we operate and give back to our communities through employee volunteering efforts and fundraising activities. The main emphasis of our community work is on supporting employee involvement in worthy causes. We believe that providing employees with these opportunities during working hours 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.

80%

OF OUR EMPLOYEES PARTICIPATE IN CHARITY FUNDRAISERS.



VOLUNTEER SPONSORSHIP PROGRAM

Our Volunteer Sponsorship Program gives employees paid time off and additional financial assistance to pursue volunteer activities abroad. In 2013, our volunteers gave their assistance in 6 different countries.



"This program involves building a school, understanding the issues its residents face through hands on learning with the community and working with local families to ensure that the community flourishes and nurtures healthy vibrant children and families."

Cecilia Jantzen, Anna Lam and Dorothy Cheng in Kenya



SUSTAINABLE INTELLIGENCE

SI AWARD WINNERS



STAR OF THE YEAR

This award recognizes an individual within Oxford who has made an outstanding personal commitment to the principles and goals of Oxford's Sustainable Intelligence program.

Steven Minielly

(Operations Manager, Scarborough Town Centre)

Steven's consistent regard for sustainability has created an innovative waste management program as well as measurable energy and water savings at Scarborough Town Centre. As a result of Steven and his team's efforts, more than half a million pounds of organics have been diverted from the waste stream and over \$400k in avoided energy costs were achieved in 2013.

SI PROPERTY OF THE YEAR

This award is given to the property with the most outstanding achievement or overall performance, consistent with Oxford's Sustainable Intelligence performance indicators.

Southcentre Mall

(Energy, Water and Tenant Engagement)

The Southcentre Mall team in Calgary has embraced the principles of sustainability in their day-to-day operations. Robust tenant engagement programs and continuous building improvements have realized nearly 1 million kWh in energy savings, and water savings totalling over 14 million litres.

CASE EXAMPLES

PREDICTED ENERGY TARGETS

Through the leadership of energy professionals in Oxford's head office, Oxford is taking its energy management efforts in our office portfolio to another level. A strong foundation had been built through two corporate emissions / energy targets (already achieved), portfolio-wide real time energy metering and re-commissioning, and the integration of energy metrics into quarterly reporting. But there was still much work to be done. In 2013/2014, the team successfully developed an 'energy signature' for each Oxford office building showing how it performed across a range of temperatures throughout the year, and then used this to set a "predicted target" for each building. In other words, using past performance to challenge each building to "Be the Best You Have Been" on a daily basis. Early results show an average 6% reduction in energy consumption for buildings with predicted energy targets and over \$700K in energy savings achieved across our portfolio within the first year. Not bad for making our energy information more accessible and harnessing the talent and competitive nature of our building operators.

SUSTAINABLE SHOPPING CENTRE FOOD COURTS

Oxford is helping to set the standard for green food courts in Canada. Shopping centre food courts across North America are filled with thousands of people eating their meals on styrofoam plates with non-recyclable utensils. The meal will last a few minutes but the styrofoam will stay in the landfill for hundreds of years. In an effort to elevate and improve the dining experience for our customers and dramatically reduce waste, Food Central at Square One and Dine on 3 at Yorkdale have made a commitment to eliminate disposable dishes and cutlery, in favor of custom-designed dishware. There are no garbage bins. Customers bring their trays to one of the stations where staff sorts the waste. This hands-on service effectively results in 100% diversion of recyclables and organics from landfill. Energy and water efficiency is also a priority through the use of high efficiency dishwashing systems and grey water re-circulation.



ENERGY EFFICIENCY AT OUR RESIDENTIAL PROPERTIES

We are applying a number of sustainability best practices to our growing residential portfolio – best practices we have learned from years of actively managing utility consumption in our apartments as well as expertise we have built up from our leadership approach to sustainability at our office and retail assets. One example is at our 1101 Bay apartment building in downtown Toronto. The property management team installed 3L toilets and high-efficiency shower heads and faucet aerators resulting in a 30% reduction in water usage, with a 2.5 year project payback. These dramatic results have led the residential team to develop plans to retrofit more than 7,000 additional suites across the residential portfolio. Another example is at our Goldengate Apartments, also in Toronto. Twenty five boilers were replaced with high efficiency condensing boilers linked to a new automated controls system that resulted in a 31% reduction in natural gas consumption per annum.



TARGETS AND ACHIEVEMENTS

	What we Measure	Current Target	Progress	Future Target
 OUR BUILDINGS	LEED certification (% of buildings)	Increase LEED certified office space to 50% by end of 2014	 Achieved	Increase LEED certified office space to 70% by end of 2015
	Recommissioning (process completion)	Complete a recommissioning process across existing office and retail properties by end of 2014	 Achieved (office)  In progress (retail)	Target continues until end of 2014
	Sustainability labelling (completion)	Develop and implement a building sustainability label for our office buildings (pilot project) by end of 2014	 Achieved	Target continues until end of 2014
	Energy consumption intensity (ekWh/ft ²)	Develop new corporate and site level energy intensity targets by end of 2014	 In progress	Target continues until completed
	New technologies (# of projects)	Complete construction of at least one solar photovoltaic (PV) rooftop installation by end of 2013	 In progress (Oxford PV projects were delayed due to Ontario Feed-in Tariff (FIT) program changes & timelines)	Target continues until completed
	Waste diversion rate (% of office and retail portfolio)	Maintain a minimum national diversion rate of 70% in office and 50% in retail	 Achieved	Maintain a minimum national diversion rate of 70% in office and 55% in retail
	Water consumption intensity (m ³ /ft ²)	Reduce water consumption on a per square foot basis by 10% by 2015 (relative to 2010 base year)	 Achieved	Target continues until end of 2015
	New construction and major renovations NEW! (completion)	---	---	Document sustainability performance standards for new developments and major renovations
 OUR PEOPLE	Employee Engagement (%)	75% engagement level by end of 2015	 In progress	Target continues until completed
	 OUR CUSTOMERS	Green leases (% 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)
Green teams (completion)		Develop and launch a joint landlord-tenant green team across all office and retail properties by end of 2013	 Achieved (office)  Target Revised (retail)	Green Teams established and meetings continue in 2015
Sustainability Campaigns NEW! (completion)		---	---	Deliver 3 sustainability occupant engagement campaigns across our office portfolio and 1 campaign across our retail portfolio

ABOUT OXFORD

Oxford Properties Group is a leading global real estate investment, development and management company with \$29 billion in assets under management and a portfolio that extends to approximately 54 million square feet of office, retail, hotel, industrial and multi-residential assets.

Sustainability performance data is reported from Jan. 1, 2013 to Dec. 31, 2013, except where otherwise noted.

For more information and our full GRI report:
www.oxfordproperties.com/sustainable