

2015 SUSTAINABILITY REPORT



WE INVEST IN, DEVELOP, AND MANAGE BUILDINGS THAT ARE RESOURCE EFFICIENT AND SUPPORT THE HEALTH AND WELL-BEING OF OUR CUSTOMERS. INCREASINGLY, WE ARE HAVING RICH CONVERSATIONS AROUND THE ENVIRONMENTS THAT HELP OUR CUSTOMERS THRIVE. IT IS IMPORTANT TO THEM, AND IT IS IMPORTANT TO US.

BLAKE HUTCHESON
President and CEO, Oxford Properties Group

If we can help our customers thrive, our own business will thrive because of it.

That is what motivates us to lead the industry in everything we do – through innovation, service excellence and a progressive and measurable view on sustainability.

Health and wellness is an issue that is both well established and emerging. It is well established in the sense that our focus has always been on the comfort of our customers, supported by our award winning customer care centre, 310-MAXX, and 90%+ customer satisfaction levels since 2002. Yet, it is emerging in the sense that we are looking deeper at the air, water, light, and fitness amenities we provide to support healthy, productive spaces for our customers.

We are also increasing the technical criteria we test against, setting the bar even higher. We are supporting fitness opportunities through dedicated exercise spaces and equipment, accessible stairwells, and first class bicycle

facilities. Moreover, we are using healthier, more sustainable building materials.

Our customers keep telling us that this is important to them, particularly as they compete for top talent and welcome younger generations of workers. Our challenge is to find the right way to address these issues, in a way that works for them, our business and, as always, our pensioners.

With respect to the emphasis on wellness, we remain focused on improving the performance of our buildings around energy, water, waste and materials. Progress continues to move quickly in this space, but there is still much more learning and work to be done here.

We have built a culture at Oxford that supports acuriosity and commitment around sustainability. This culture, and our relationships, will help us lead the way to the next frontier of sustainability, one step at a time.

1ST



Oxford was awarded **1st place** for sustainability performance in the **North American Diversified Office-Retail Category** for the third year in a row by the highly regarded annual Global Real Estate Sustainability Benchmark (GRESB) Survey.



G R E S B[®]
Sector Leader 2015

20%



improvement in the energy efficiency of our managed portfolio, on a per square foot basis, since 2010.



OUR APPROACH

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



GUIDING PRINCIPLES

01

LEADERSHIP

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

03

INNOVATION

WE FOSTER INNOVATION IN TECHNOLOGY AND BUILDING MANAGEMENT PRACTICES AIMED AT HIGHER LEVELS OF SUSTAINABILITY.

05

RISKS & OPPORTUNITIES

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

02

PERFORMANCE

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

04

CREDIBILITY

WE FOLLOW RECOGNIZED HIGH STANDARDS, WORK WITH INDUSTRY-LEADING SERVICE PROVIDERS, AND ENGAGE IN CREDIBLE INITIATIVES IN OUR PURSUIT OF SUSTAINABILITY.

06

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.

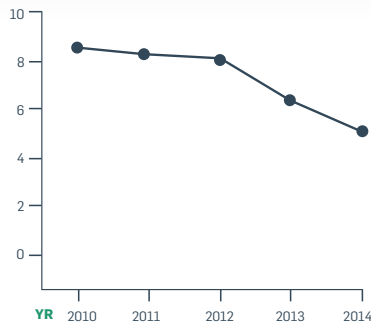


OUR PERFORMANCE

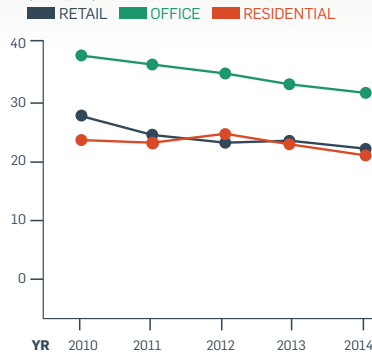
Performance is reported from 2010 to 2014 across Oxford's Canadian office, retail and residential portfolio for environmental indicators. Performance is reported on a company-wide basis for green building, customer and employee indicators for the periods noted.

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

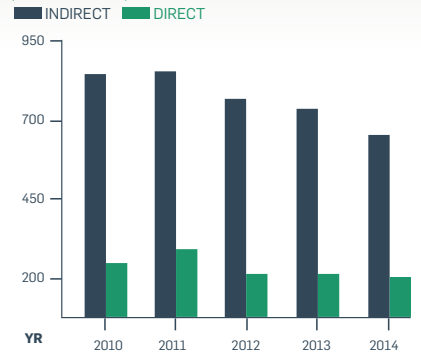
GHG EMISSIONS CRE3
(kg CO2e/SF)



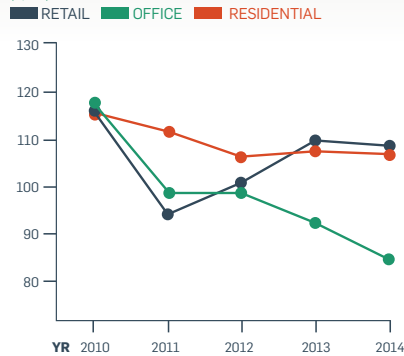
ENERGY USE CRE1
(ekWh/SF)



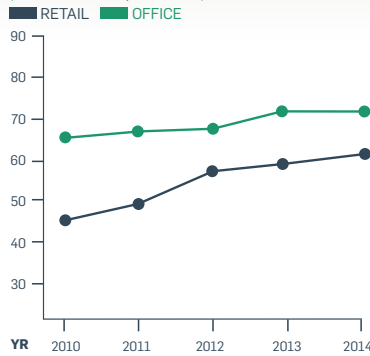
ENERGY USE, BY SOURCE EN2 & EN4
(millions of ekWh)



WATER USE CRE2
(L/SF)

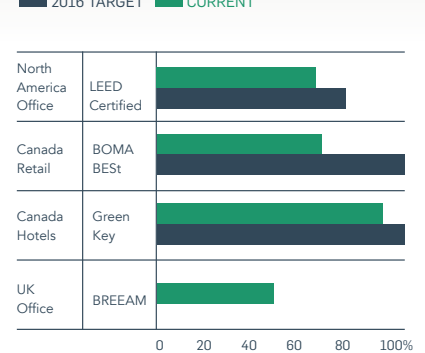


WASTE DIVERSION EN22
(Diversion rate of portfolio, %)

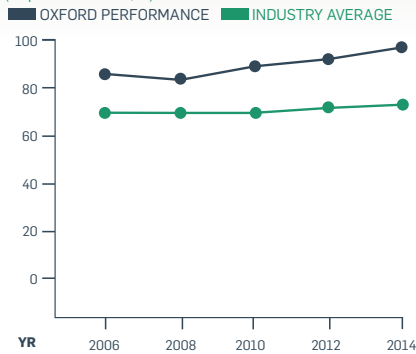


GREEN BUILDING CERTIFICATIONS

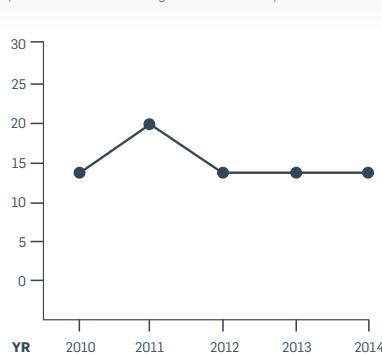
Certifications across portfolio (% coverage as of August 31, 2014)



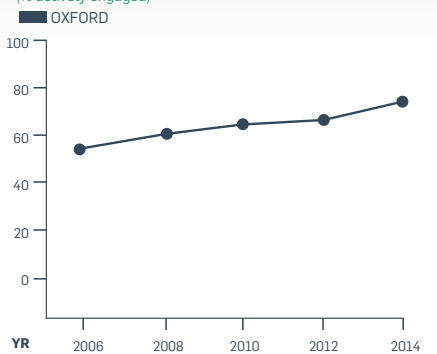
CUSTOMER SATISFACTION PR5
(as per Altus InSite, %)



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



EMPLOYEE ENGAGEMENT
(% actively engaged)



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.

SustainableIntelligence

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OUR PEOPLE AND COMMUNITIES



We help build communities from the ground up.

Our Team Volunteer Days Program encourages all employees to spend a work day outside the office with their team helping a local organization.

Our Volunteer Sponsorship Program gives individuals or small groups paid time off and additional financial assistance to pursue volunteer activities abroad.

Additionally, our teams proudly assist local organizations to make

their fundraising campaigns and community events a success.

We believe in supporting and empowering our employees to make a difference in the communities where they live and work. It's our way of giving back.

50+ DIFFERENT CHARITIES HAVE ENJOYED THE SUPPORT OF OXFORD EMPLOYEES SINCE 2009

VOLUNTEER SPONSORSHIP PROGRAM



OUR VOLUNTEER SPONSORSHIP PROGRAM GIVES EMPLOYEES PAID TIME OFF AND ADDITIONAL FINANCIAL ASSISTANCE TO PURSUE VOLUNTEER ACTIVITIES ABROAD. IN 2014, OUR VOLUNTEERS GAVE THEIR ASSISTANCE IN 6 DIFFERENT COUNTRIES.

"In January 2015 I participated in Oxford's Volunteer Sponsorship Program. I travelled with a colleague, Farrah D'Souza to Indonesia as part of a Habitat for Humanity group which built two new houses in two weeks. It was an amazing opportunity to contribute to something truly meaningful and learn about construction at the same time. I am forever grateful to Oxford for providing me with such a unique and enriching opportunity."

Aaron Blatt

"We were very fortunate to have been given the opportunity to participate in the Oxford Volunteer Sponsorship Program. The program allowed us to immerse into the Indonesian culture and have the rewarding experience of aiding in the construction of two family homes in a small village. We learned about construction in its simplest form, but more than this, we worked with some fantastic people who taught us what it means to be happy."

Farrah D'Souza

SUSTAINABLE INTELLIGENCE SI AWARD WINNERS



STAR OF THE YEAR

GARETT TURCOTT

(Ontario & Nova Scotia Residential Properties)

Garett embraces the challenge to improve performance while reducing cost and driving asset value. It is Garett's due diligence and careful research that has allowed buildings such as 1101 Bay, Goldengate Apartments, Highfield, Wyldewood and Lakeside to achieve impressive results in energy and water reductions. By leading a water conservation project at 1101 Bay, an average of 33% savings was achieved month over month, increasing NOI by \$55k and property value by over \$1M. On top of achieving tremendous cost savings among several projects, Garett is keen to preserve resident satisfaction and teamwork between sites and contractors.



SI PROPERTY OF THE YEAR

EY TOWER, CALGARY

(Energy Reductions)

Through the development of an 'Energy Reduction Action Plan', the EY team came together to leverage each individual's skills to implement projects and monitor performance to realize real energy savings. Through a process of tenant education in LED technology and a thorough recommissioning of the building, EY Tower has reduced electricity consumption by 14.3% and natural gas consumption by 9.9% over 2013 levels.

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CASE EXAMPLES

AWARD WINNING ENVIRONMENTAL MANAGEMENT AT GREEN PARK, UK



195 acres, 50 occupier businesses, one award winning environmental strategy – Green Park, Reading.

In 2015, Green Park in Reading (40 miles west of London) was given a coveted Corporate Achievement Award by the

Chartered Institute of Ecology and Environmental Management (CIEEM), for tying commercial and biodiversity interests together.

As well as being home to some of the world's largest and most entrepreneurial businesses, Green Park comprises a range of diverse habitats including lakes, ditches, woodland and grassland. Since the acquisition in 2011, Oxford Properties has been working to proactively manage and promote Green Park's biodiversity. A Biodiversity Management Plan has been developed, which is now driving a program to deliver measures that benefit priority habitats and species within both the estate and the wider area. This has helped create a vibrant natural environment.

DEMONSTRATING LEADERSHIP THROUGH LEED PLATINUM CERTIFICATION

It has been a significant couple of years for LEED certifications at a number of Oxford office properties. Both Royal Bank Plaza and WaterPark Place achieved LEED EB Platinum recertification – no small achievement for the 2.1 million and 810,000 square foot AAA office complexes. When Royal Bank Plaza achieved LEED EB Gold in 2010 it was the first major bank tower in Canada to be awarded this achievement. In 2014, WaterPark Place was one of the first Canadian LEED Platinum office recertifications and it has led the way to LEED Platinum for other Oxford properties.

Among them, Centennial Place, boasting 1.3 million square feet in office and retail space in downtown Calgary, was the first to achieve LEED EB Platinum in Alberta. Another first for LEED EB Platinum was Constitution Square (at 1 million square feet) in Ottawa – making it number one in our nation's capital city.

All four complexes are ranked within Canada's top LEED buildings – of the 168 LEED EB certified buildings in Canada, only 17 (10%) have achieved Platinum certification. And only four of these are recertifications (2%).

GREENING OUR MANAGEMENT OFFICES – WALKING THE TALK

Oxford employees know the importance of developing and operating green buildings. We take pride in exceeding the expectations of our customers and stakeholders – staying competitive and making sustainability a key element in our decision-making sets us apart. But what about sustainability at our own offices? Do Oxford employees walk the talk? We sure do!

Launched in 2014, The Greenest Office Challenge encourages Oxford management employees to initiate innovative and creative ways of greening their offices and then sharing those practices with a judging panel that awards them the Greenest Office Award. Offices across our portfolio engage in resourceful activities such as eliminating the use of non-reusable utensils and dishware, implementing litterless lunches, and incenting staff that use re-usable bottles or coffee mugs. Teams share stories about connecting with nature by installing natural art and plants in their offices and how they increase water and electricity savings by switching fixtures and designating champions to turn off lights and adjust temperature controls.

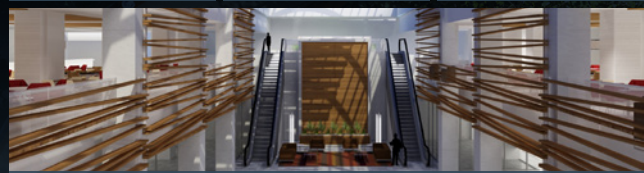
We've come a long way but our employees across our portfolios continue to challenge each other in being more sustainable, to think outside of the box, and inspire change to help reduce our environmental footprint. Small steps, simple solutions, big difference!



Royal Bank Plaza

Centennial Place

Constitution Square



Waterpark Place

HIGHLIGHTED FEATURES INCLUDE THE FOLLOWING:

- Energy Star scores between 80 and 97 (with Centennial achieving the highest score)
- Fine-tuned operation of building systems to achieve industry-leading energy efficiency
- Comprehensive green cleaning programs
- Active engagement of tenants to understand and contribute to green building initiatives

TARGETS AND ACHIEVEMENTS

OUR BUILDINGS

OUR PEOPLE

OUR CUSTOMERS

What We Measure	Current Target	Progress	Future Target
Green Building Certification – Office (% of buildings)	Increase LEED certified office space to 70% by the end of 2015	Achieved	Increase LEED certified office space to 80% by end of 2016
Green Building Certification – Retail NEW! (% of buildings)	---	---	Increase BOMA BEST certification across retail portfolio to 100% by end of 2016
Green Building Certification – Hotels NEW! (% of buildings)	---	---	Increase Green Keys certification across hotels portfolio to 100% by end of 2016
Energy Consumption Intensity - Office NEW! (ekWh/ft ²)	---	---	Reduce energy consumption on a per square foot basis by 10% by 2017 (relative to a 2013 base year)
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 and timelines)	Target continues until completed
Waste Diversion Rate (% of office and retail portfolio)	Maintain a minimum national diversion rate of 70% in office and 55% in retail	Achieved (office) Achieved (retail)	Same target in 2016
Water Consumption Intensity (m ³ /ft ²)	Reduce water consumption on a per square foot basis by 10% by 2015 (relative to a 2010 base year)	Achieved	Reduce water consumption on a per square foot basis by 10% by 2019 (relative to 2014 base year)
Materials Performance Indicators NEW! (completion)	---	---	Develop and report on new materials performance indicators by the end of 2016
Employee Engagement (% of employees)	75% engagement level by end of 2015	In Progress.(Survey frequency moved to biannual. Next survey completed in 2016)	Target continues until completed
Well Building Certification (% of new leases) NEW! (completion)	---	---	Achieve WELL Core & Shell compliance at one office building by the end of 2016
Green Teams (completion)	Continue joint landlord tenant Green Teams across all managed office properties	Achieved	Green teams established and periodic meetings held
Sustainability Campaigns (completion)	Deliver 3 sustainability occupant engagement campaigns across our office and 1 campaign across our retail portfolio	Achieved (office) In progress (retail)	Target continues until completed. Same target in 2016

ABOUT OXFORD

Oxford Properties Group is a global platform for real estate investment, development and management, with over 2,000 employees and \$34 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 50 million square feet of office, retail, industrial, multi-family and hotel properties.

Sustainability performance data is reported from Jan. 1, 2014 to Dec. 31, 2014, except where otherwise noted.

For more information:
www.oxfordproperties.com/sustainable

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