

2017 SUSTAINABILITY REPORT



**BLAKE
HUTCHESON**

*President and CEO,
Oxford Properties Group*

We are a global business. That means we have a global responsibility.

So many pensioners rely on us to do what is right, and this has always driven the strategy and the purpose of our company. Even more people rely on us to make good decisions that impact the world around us.

For almost 10 years now, we have developed a solid reputation around our sustainability platform and it has added significant value to our business. But we need to go further. We need to do more.

We have engaged in a process to evolve Sustainable Intelligence. We have asked people and partners from across our business what they think the future of sustainability should look like, and how we can create it, one decision at a time.

Their ideas led directly to Oxford's upgraded **Sustainability 2.0 (S2.0)**.

S2.0 is the process by which we continue to challenge ourselves to lead, focus and think clearly about what we want to accomplish.

We all know that actions speak louder than words, so to guide our actions, we made four commitments:

1. We will be a leader in the development and operation of energy efficient, low carbon buildings.
2. We will incorporate world class features and amenities in our buildings that support the success of our customers and help them live healthy and active lives.
3. We will critically evaluate the environmental and health aspects of the materials and resources we procure and use across their full life cycle.
4. We will engage our stakeholders, create outstanding buildings and places, and give back to our communities.

Four commitments, one common goal. It is all explained in rich detail in this year's report.

I trust that when you read it, you will agree that at Oxford, we are on the road to something very special.

I hope you will join us in honouring our commitments.



G R E S B[®]
Sector Leader 2016

1ST FOUR YEARS IN A ROW

(North American diversified office-retail)

29% ENERGY REDUCTION SINCE 2010

(Managed Portfolio)

 Sustainable Intelligence

 **OXFORD**
MANAGED WITH PRIDE

SUSTAINABILITY 2.0

is our approach to take Oxford to the next level of sustainability performance – by deepening and focusing our commitment for the benefit of our stakeholders.

CLIMATE AND ENERGY



WE WILL BE A LEADER IN THE DEVELOPMENT AND OPERATION OF ENERGY EFFICIENT, LOW-CARBON BUILDINGS.



36%
EMISSIONS
REDUCTION

(Managed Portfolio,
Since 2010)



29%
REDUCTION IN
ENERGY USE

(Managed Portfolio,
Since 2010)



\$60
MILLION AVOIDED
IN ENERGY COSTS

(Since 2010)

PRIORITIES:

Carbon
Emissions

Energy
Efficiency

Renewable
Energy

MATERIALS AND RESOURCES



WE WILL CRITICALLY EVALUATE THE ENVIRONMENTAL AND HEALTH ASPECTS OF THE MATERIALS AND RESOURCES WE PROCURE AND USE IN OUR BUILDINGS.



24%
RECYCLED CONTENT
IN CONSTRUCTION
MATERIALS

(New Developments,
2015–2016)



23%
INCREASE IN
WASTE
DIVERSION

(Managed Office
Portfolio, Since 2010)



28%
REDUCTION
IN
WATER USE

(Managed Portfolio,
Since 2010)

PRIORITIES:

Materials
Selection

Waste
Diversion

Water
Consumption

WELLBEING



WE WILL INCORPORATE WORLD-CLASS FEATURES AND AMENITIES IN OUR BUILDINGS THAT SUPPORT THE SUCCESS OF OUR CUSTOMERS AND HELP THEM LIVE HEALTHY AND ACTIVE LIVES.



100%
AIR QUALITY
TESTING

(Managed Office
Portfolio,
Since 2010)



200+
WELLNESS
EVENTS

(As of 2016)



1ST
WELL CERTIFIED
NEW BUILDING
IN CANADA

(MNP, 2017)

PRIORITIES:

Indoor
Environmental
Quality

Common
Areas

Customer
Amenities

COMMUNITY



WE WILL ENGAGE OUR STAKEHOLDERS, CREATE OUTSTANDING BUILDINGS AND PLACES, AND GIVE BACK TO OUR COMMUNITIES.



100K
CUSTOMERS
ENGAGED IN GREEN
TEAMS AND EVENTS

(Since 2012)



\$2.5M
RAISED FOR
CHARITIES

(2010–2016)



86%
OF CUSTOMERS
BELIEVE OXFORD
IS SOCIALLY
RESPONSIBLE

(2016)

PRIORITIES:

Partnerships

Placemaking

Volunteering

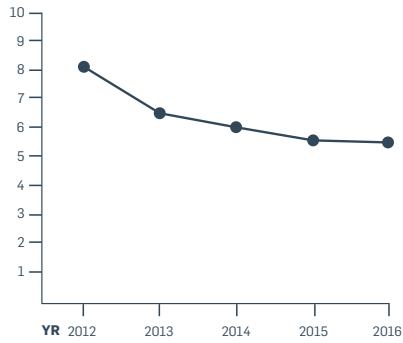
PERFORMANCE

Performance is reported from 2012 to 2016 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.

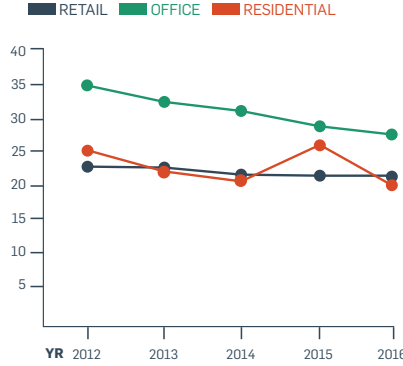
GHG EMISSIONS CRE3

Emissions Intensity
(kg CO₂e/ft²)



ENERGY CONSUMPTION, BY ASSET CLASS CRE1

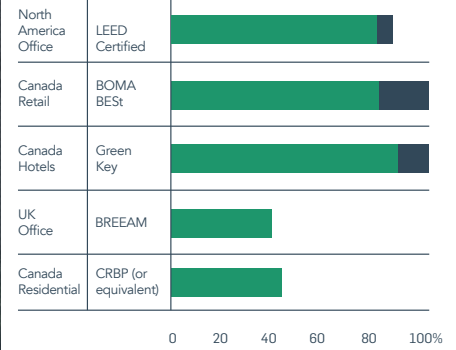
(intensity in ekWh/ft²)



GREEN BUILDING CERTIFICATIONS

Certifications across portfolio

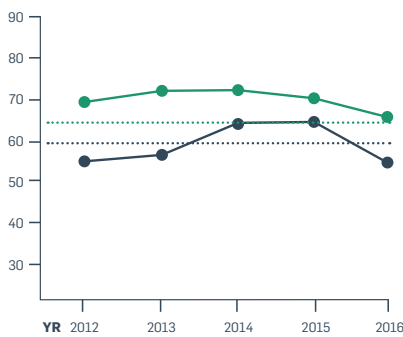
■ 2017 YEAR END TARGET ■ CURRENT



WASTE DIVERSION EN23 (Property Management)

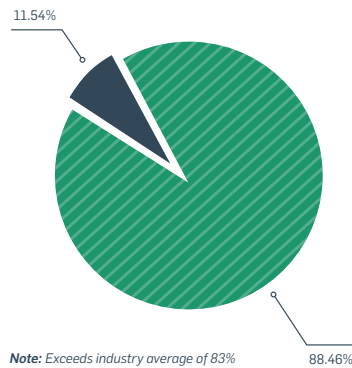
(Asset Class, %)

■ RETAIL ■ OFFICE ■ 2017 YEAR END TARGET



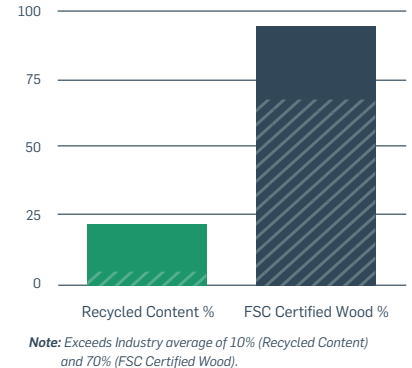
WASTE DIVERSION EN23 (Development Projects)

■ WASTE ■ RECYCLED



MATERIALS USED (Development Projects)

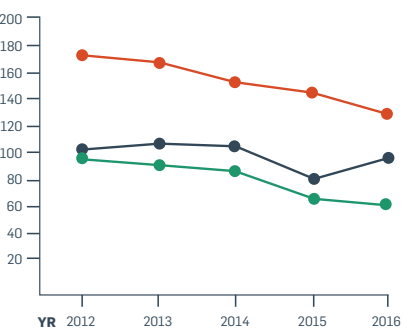
/// INDUSTRY AVERAGE



WATER USE CRE2, EN8

Asset Class (intensity in L/ft²)

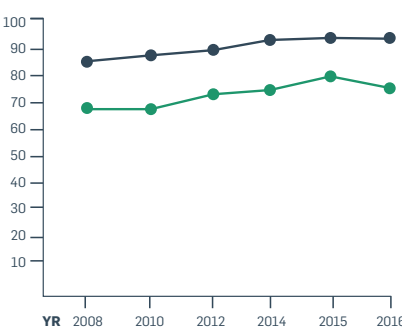
■ RETAIL ■ OFFICE ■ RESIDENTIAL



CUSTOMER SATISFACTION PR5

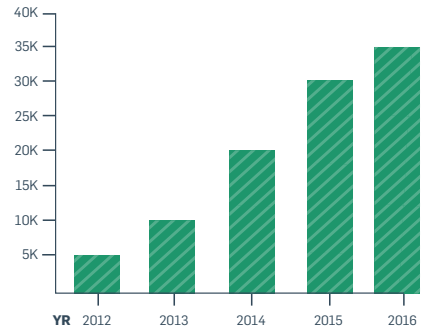
(as per Altus InSite, %)

■ OXFORD PERFORMANCE ■ INDUSTRY AVERAGE



CUSTOMER SUSTAINABILITY ENGAGEMENT

(# of interactions, by year)



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 sustainable.oxfordproperties.com



PEOPLE & COMMUNITIES

THE OMERS FOUNDATION

100% Employee lead initiative

The OMERS Foundation helps create vibrant communities where we work and live. By engaging the OMERS Community, we are able to identify and support programs that help secure strong and sustainable futures.

For more information, please visit:

WWW.OMERSGIVES.ORG

FORT MCMURRAY WILDFIRES

On May 1, 2016, a wildfire began southwest of Fort McMurray, Alberta. It forced the largest wildfire evacuation in Albertan history, displacing 88,000 people. Recognizing the sheer volume of evacuees that would require help, Kingsway Mall reached out to the

City of Edmonton and within days had turned its vacant Target space into the main distribution centre for evacuees from the fires, providing almost 31,000 people with basic supplies. Not only did the Kingsway team assist in the activation of the space (65,000 SF stocked and open in less than two days), they volunteered their own time while continuing to keep the mall running in a first class fashion.



EXPERIENCING NEW CULTURES THROUGH OXFORD'S VOLUNTEER SPONSORSHIP PROGRAM

Preeti Varma, Manager, Learning Solutions, travelled to the Maasai Mara in Kenya, as part of Me to We's 'Adopt a Village' Development Program. She worked alongside representatives from the tribe to understand their challenges and be a part of the long-term sustainable solutions to empower communities trying to break out of poverty.

"I am so lucky to work for an organization that cares so deeply about others and who believes in taking action to impact change" says Preeti. "In representing Oxford on my volunteer sponsorship opportunity, I continued to develop as a community leader and an ambassador for Oxford in our global community."

Preeti Varma
Manager, Learning Solutions



SUSTAINABLE INTELLIGENCE AWARDS – 2016 WINNERS

SI PROPERTY OF THE YEAR
(2 WINNERS)

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

RBC WATERPARK PLACE

Office

RBC WaterPark Place has achieved an ENERGY STAR score of 100 – a distinction never before achieved in an office building of this size in Canada. With an energy performance of 12 equivalent kWh per SF, RBC WaterPark Place is the most energy efficient large office building in Ontario. Leading edge smart and connected technologies, including a digital metering and sub metering systems allow tenants to manage their own consumption. The building has introduced daytime cleaning, a comprehensive recycling program, and the launch of a tenant energy consumption dashboard. The team has demonstrated an impressive capacity to attract and retain the best customers, and introduce projects that enhance their customers' comfort while achieving their goal of being a leader in sustainability.

LAKESIDE PLACE

Residential

Lakeside Place delivered on Oxford's commitment to sustainability in 2016 by implementing two key energy saving initiatives. The team implemented an auto transformer project (Harmonizer) which safely reduces the building's extra voltage while keeping within the standard industry specifications. This unique project was a first in Oxford and has reduced the site's annual electrical consumption by 314,000 kWh over one year! This translated into \$40,000 in savings, with zero noticeable impact on resident comfort. The site also implemented lighting upgrades, with new LEDs saving 40,000 kWh annually and providing brighter spaces. Both of these challenging projects were implemented in a truly professional manner and have a combined payback period of approximately 5 years.

SI 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.

Kristian is a champion for sustainability when it comes to procurement. Through his efforts, 100% of Oxford's paper is sourced from responsibly managed or "FSC-certified" sources, plastic water bottles and other non-recyclables have been eliminated from Oxford's kitchens and meeting rooms, and a sustainable catering option for meetings at Head Office was implemented. Working with Grand and Toy, he educates employees to select green options when making purchases, resulting in Oxford leading the industry with 40% of spend on office supplies containing sustainable content, and a reduction of

overall purchases by 15%. Through his passion and strong dedication to sustainability, Oxford received Grand & Toy's (G&T) first ever 'Leadership in Greener Purchasing Award' for the Real Estate & Construction Industry.



Kristian Valmeo,
Office Services, Toronto Corporate Office

CASE STUDIES

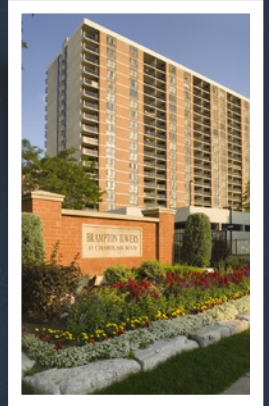
OXFORD FIRST TO PILOT CRBP LIVING GREEN TOGETHER STANDARDS

Oxford's Greater Toronto Area (GTA) multi-residential managed portfolio is made up of seven properties and over 3,000 units. In December 2016, it was the first multi-residential portfolio to successfully achieve the Federation of Rental-housing Providers of Ontario's (FRPO) Certified Rental Building Program (CRBP) Living GREEN Together™ standard requirements.

Developed by FRPO, the CRBP provides tenants with quality assurance that their property is well-managed and environmentally responsible. The Living GREEN Together™ Program standards are now part of the CRBP quality

assurance commitment and include ten new environmental standards of practice.

The standards focus on enhanced environmental management practices relating to purchasing, waste management, energy efficient operations, employee and resident engagement, and policy. Over the past few years, Oxford's GTA properties have implemented EcoLogo™ certified (or equivalent) cleaning products, ENERGY STAR in-suite appliances, low flush toilets and faucets, LED lighting, and use of low-VOC paints in an effort to reduce their impact on the environment.



ELEVATED EATS AT YORKDALE



In the summer of 2016, in partnership with City TV's Frank "Frankie Flowers" Ferragine and others, Yorkdale installed a rooftop urban farm called Elevated Eats. The urban farm set out to donate all grown food to local food banks, and create a space to serve as an educational playground for the area youth.

To celebrate the launch, Frankie Flowers and his team were on-hand, assisting the team with planting and education. Throughout the summer, Frank and 10 volunteers tended to the garden. Volunteers developed 10 lesson plans for children in grades one through three, which looked at nutrient recycling, hands-on gardening skills, pollination, healthy soils, plant anatomy and more.

During the first harvest in June, Elevated Eats was able to fill 5 crates with leaf and butter crunch lettuce. Over the course of the growing season, the garden produced more than 30 varieties of seasonal vegetables and fruits including green beans, swiss chard, cucumbers, eggplant, kale, lettuce and tomatoes. Employees working in the office tower were also able to enjoy the space on their lunch breaks.

Elevated Eats would not have been possible without the support of Frankie Flowers, Bradford Greenhouses, Garden Gallery, Scotts Miracle Gro Canada, Southwest Greens, IFCO, and Bonnie Plants.

OXFORD PLACE OFFERS WORLD CLASS EXPERIENCE FOR OUR CUSTOMERS

In the summer of 2016, four Oxford buildings in downtown Vancouver came together to offer customers a truly world class experience. Oxford Place, made up of MNP Tower, Oceanic Plaza, Marine Building and Guinness Tower, offers an unmatched set of amenities including a best-in-class fitness centre, bicycle facility, conference rooms, a climbing wall, yoga and fitness classes, convenient parking, numerous restaurants and a corporate concierge.

Oxford Place provides a world class experience for our customers through:

LEED GOLD CERTIFICATIONS

Oceanic Plaza, Guinness Tower, and the historic Marine Building achieved LEED (Leadership in Energy and Environmental Design) Gold certification in 2016. LEED certification means enhanced energy efficiency, increased comfort and indoor air quality, and responsible resource and waste management. The certification process involved working with customers to gather data on energy usage and waste diversion – a joint effort between all.

CONNECTIVITY TO THE CITY

Working with the City of Vancouver, a crosswalk was installed linking Guinness Tower to Oceanic Plaza allowing for interconnectivity between buildings. The crosswalk allows customers to safely cross West Hastings Street when moving between buildings. By adding the crosswalk, Oxford Place has markedly increased a sense of connectivity.

FOCUS ON BUILDING COMMUNITY

As part of the official launch of Oxford Place, the complex put in new outdoor Ping Pong tables for customers to use, as well as an indoor Ping Pong table at Oxford Playground in MNP Tower. Customers were given personalized paddles and balls to get them excited about this new amenity and provide a new space to connect and foster positive competition and activity.



TARGETS & ACHIEVEMENTS

 WHAT WE MEASURE	 CURRENT TARGET	 PROGRESS
Green Building Certification – Office (% of buildings)	Increase LEED certified office space to 90% by end of 2017	In Progress
Green Building Certification – Retail (% of buildings)	Increase BOMA BEST certification across retail portfolio to 100% by end of 2017	In Progress
Green Building Certification – Hotels (% of buildings)	Increase Green Keys certification across hotels portfolio to 100% by end of 2017	In Progress
Energy Consumption Intensity - Office (ekWh/ft ²)	Reduce energy consumption on a per square foot basis by 10% by 2017 (relative to a 2013 base year)	Achieved
New Technologies (# of projects)	Complete construction of one solar photovoltaic (PV) rooftop pilot installation by the end of 2017	In Progress
Waste Diversion Rate (% of office and retail portfolio)	Maintain a minimum national diversion rate of 65% in office and 60% in retail in 2017	In Progress
Water Consumption Intensity (m ³ /ft ²)	Reduce water consumption on a per square foot basis by 10% by 2019 (relative to 2014 base year)	In Progress
Sustainability Standards – New Construction & Major Renovations (completion)	Document sustainability standards for new developments and major renovations by the end of 2016	Not Achieved
Sustainability Standards - Operations (completion)	Develop and launch sustainability operating standards for all asset classes by the end of 2016	Achieved
Well Building Certification (completion)	Achieve WELL Building Standard™ certification at one office building by the end of 2016	Achieved
Customer Engagement (completion) Sustainability Campaigns (completion)	Implement customer sustainability engagement programs for managed office, retail and residential portfolios in 2017	In Progress

ABOUT OXFORD

Oxford Properties Group is one of the world's premier real estate investment, development and management companies. Established in 1960, Oxford manages over \$40 billion of real estate assets on behalf of its co-owners and investment partners, with a global portfolio spanning over 60 million square feet. We have offices across Canada and in London, Luxembourg, Boston, Washington DC and New York, with regional investment, development and management professionals who have deep real estate expertise and local market insight. Oxford is the global real estate arm of OMERS, the pension plan for Ontario's municipal employees.

Sustainability performance data is reported from January 1, 2012 to December 31, 2016, except where otherwise noted.

For more information:
sustainable.oxfordproperties.com



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