

2017 Corporate Responsibility Report GRI Supplement



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INTRODUCTION

As a progressive and transparent sustainability leader in the Canadian real estate industry, Cadillac Fairview has made a commitment to report sustainability information in accordance with the Global Reporting Initiative (GRI) Standards. Our 2017 Corporate Responsibility Report has been prepared in accordance with the GRI Standards: Core option.

To report in accordance with the GRI Standards: Core option, an organization's sustainability report must be based on stakeholder priorities and include prescribed information - General Disclosures, Topic-specific GRI Standards and a GRI Content Index. General Disclosures provide a general overview of Cadillac Fairview as well as our materiality process. Topic-specific GRI Standards cover information about the sustainability aspects that have been identified as material.

The Cadillac Fairview 2017 Corporate Responsibility Report consists of three documents:

1. Corporate Responsibility Report: addresses majority of stakeholder high-priority information
2. Corporate Responsibility Report Supplement: provides more information about Cadillac Fairview as a company, including corporate governance, business management approach, workforce statistics and additional GRI Standards reporting elements
3. Corporate Responsibility Report – GRI Content Index: a reference table for all content and GRI Disclosure locations

GENERAL DISCLOSURES

DISCLOSURES

102-3

CONTENT

a. Location of the organization's headquarters

Cadillac Fairview's headquarters is located at Cadillac Fairview Tower, 20 Queen Street West, Toronto, Ontario.

102-4

a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report

The Corporate Responsibility Report covers asset ownership operations in Canada. However, Cadillac Fairview also holds partial ownership of assets in the United States, Colombia, Brazil and Mexico, which we do not manage.

102-7

a. Scale of the organization

Number of properties: 67

Total leasable area: 38 million square feet

Total asset value: \$29 billion

102-8

a. Total number of employees by employment contract (permanent and temporary), by gender

Employment Type	Male		Female		Total	
	2016	2017	2016	2017	2016	2017
Permanent	594	606	522	498	1,116	1,096
Contract	12	8	3	6	6	14

b. Total number of employees by employment contract (permanent and temporary), by region

Employment Type	Toronto		Ontario		Western		Eastern		Total	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Permanent	148	151	400	384	334	343	234	218	1,116	1,096
Contract	6	6	12	8	13	13	5	5	36	32



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(102-8 continued)

For 102-8a and b, please note data excludes:

Employment Type	2016	2017
Permanent	Corporate Portfolio: 327 US Portfolio: 2	Corporate Portfolio: 355 US Portfolio: 2
Contract	Corporate Portfolio: 28	Corporate Portfolio: 29

c. Total number of employees by employment type (full-time and part-time), by gender

Employment Type	Male		Female		Total	
	2016	2017	2016	2017	2016	2017
Full Time	679	707	586	575	1,265	1,282
Part Time	63	58	117	113	180	171

d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees

Cadillac Fairview uses a large number of contractors and subcontractors for property services, technical consulting, project management and construction. Reporting on these activities is beyond the scope of this report.

e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c

There are no significant variations in the (employee) numbers reported in Disclosures 102-8a, 102-8b and 102-8c.

f. An explanation of how the data have been compiled, including any assumptions made

The data was gathered from onboarding reports and human resources information management systems. No assumptions were made.

102-9

a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services

Due to the nature of our work, geographically-diverse locations and requirements for specialist services, Cadillac Fairview relies on many suppliers. Suppliers typically provide utility, construction, professional and property services. Additionally, Cadillac Fairview purchases products for property and office use, ranging from mechanical equipment to paper. For more information, please see Sustainable Development in the 2017 Corporate Responsibility Report.



102-10**a. Significant changes to the organization's size, structure, ownership, or supply chain, including:**

- Changes in the location of, or changes in, operations, including facility openings, closings, and expansions
- Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)
- Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.

The following portfolio modifications occurred:

- Reached an agreement to sell 50% of stake in Vancouver-based office and retail properties to Ontario Pension Board and The Workplace Safety and Insurance Board
- Completed expansions at CF Galeries d'Anjou, CF Rideau Centre, CF Masonville Place, CF Market Mall and CF Sherway Gardens
- Completed a \$21 million redevelopment investment in CF Shops at Don Mills
- Completed the installation of a bold, new pedestrian bridge at CF Toronto Eaton Centre

102-12**a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses**

Cadillac Fairview subscribes to and/or endorses many external initiatives:

- Global Real Estate Sustainability Benchmark, GRESB (GRESB investor member through our owner Ontario Teachers' Pension Plan, OTPP)
- Principles for Responsible Investing, PRI (PRI investment owner signatory through our owner OTPP)
- Global Reporting Initiative, GRI Standards
- Green Building Council of Canada, CaGBC, LEED green building rating system
- Building Owner and Manager Association, BOMA, BOMA BEST green building rating system
- International WELL Building Institute's WELL rating system
- U.S. Green Building Council, USBGC
- ENERGY STAR administered through Natural Resources Canada

102-13**a. A list of the main memberships of industry or other associations, and national or international advocacy organizations**

Cadillac Fairview and/or our employees individually hold memberships in the following national associations:

- Real Property Association of Canada, REALPac
- Building Owners and Managers Association Canada, BOMA Canada
- Commercial Real Estate Development Association, NAIOP
- Green Building Council of Canada, CaGBC
- Recycling Council of Ontario, RCO
- International Council of Shopping Centres, ICSC
- U.S. Green Building Council, USGBC

102-40**a. A list of stakeholder groups engaged by the organization**

Cadillac Fairview has many important stakeholder groups:

- Shareholder/owner: Ontario Teachers' Pension Plan
- Pension members: represented by the Federation of Teachers
- Employees
- Contractors and suppliers
- Joint venture partners
- Clients
- Shoppers
- Brokers
- Industry associations
- Governments and regulators
- Non-governmental organizations
- Sustainability interest organizations

Our business processes touch and engage with most stakeholders on an ongoing basis, (e.g., regular collaboration, communications programs, meetings, surveys, etc). Many groups have dedicated Cadillac Fairview relationship managers.

102-41**a. Percentage of total employees covered by collective bargaining agreements**

Cadillac Fairview does not report externally on employees covered by collective bargaining agreements.

102-42**a. The basis for identifying and selecting stakeholders with whom to engage**

As an organization that invests in its stakeholder partnerships and is present in many communities across Canada, it is critical that we have formal processes and responsibilities to create and manage important relationships.

We rely on our teams to identify stakeholders relevant to individual projects and initiatives and work with them in a proactive, collaborative manner in order to create shared value.

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102-43

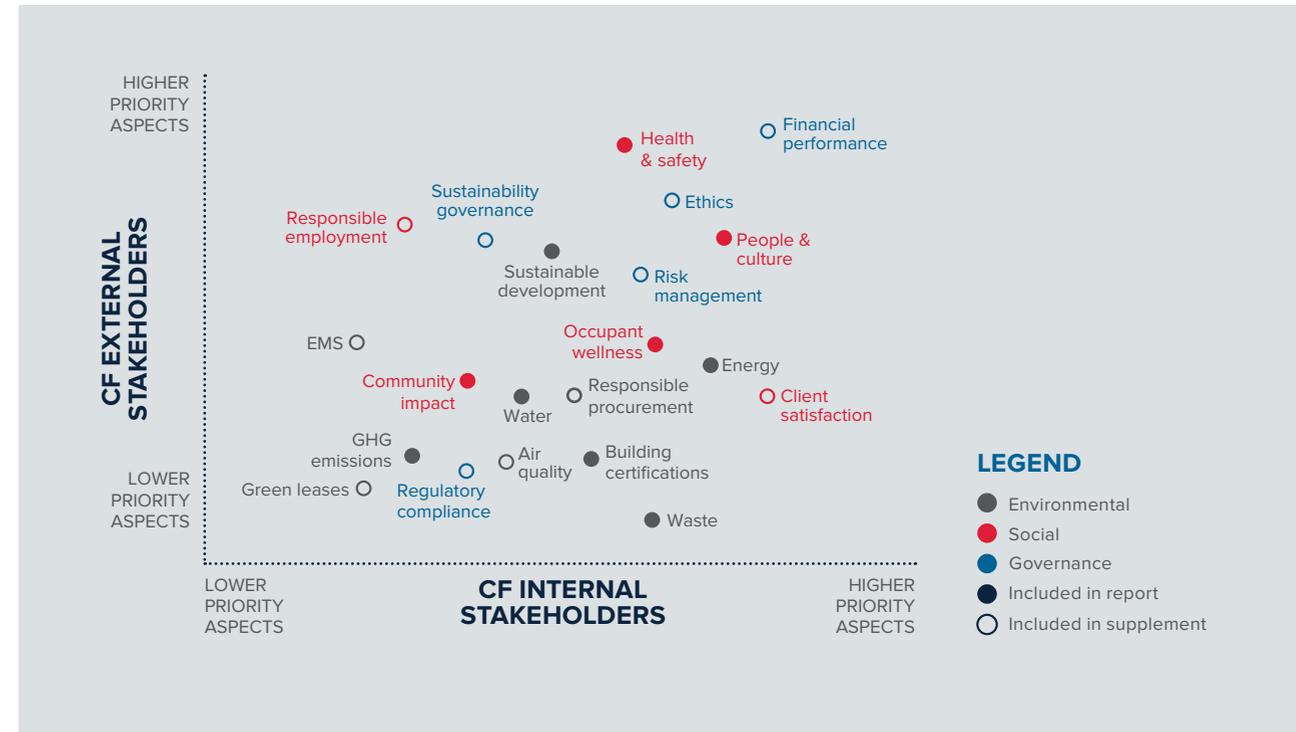
a. The organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process

We have ongoing dialogue with key stakeholder groups, such as our shareholders, employees, contractors, suppliers, joint venture partners and clients. We formally survey our employees, clients and shoppers every 1-2 years using standardized methodologies.

As we prepared for GRI-aligned reporting in 2015, we undertook a significant stakeholder engagement process. In more than 30 interviews, we asked our Executive Management Team, a large number of senior management members from across all business functions and geographies, shareholder and pension member representatives, office and retail clients, suppliers and industry association representatives to define and rank sustainability aspects that Cadillac Fairview needs to manage well to achieve stakeholders’ business objectives. We selected internal stakeholders based on organizational coverage and decision-making ability. We chose external stakeholders based on importance and knowledge of sustainability as a business issue.

The stakeholder engagement results are represented in the materiality table below.

Material aspects are managed by the Corporate Responsibility (CR) Management Council and Steering Committee. The role of the CR Management Council is to identify opportunities, support cross-departmental coordination, report on progress, contribute to internal and external reporting on ESG matters and advance opportunities for consideration to our executive team through the CR Steering Committee.



102-44**a. Key topics and concerns that have been raised through stakeholder engagement**

Through the stakeholder engagement process described above, the key topics and concerns have been identified in the materiality table (shown in 102-43). We have also identified alternative energy and climate resilience as additional topics which are to be monitored.

102-45**a. A list of all entities included in the organization's consolidated financial statements or equivalent documents**

Cadillac Fairview's reporting boundaries include owned and operated properties in Canada and shareholdings in private and public funds, corporations and joint ventures in the Americas. Please see the Ontario Teachers' Pension Plan Annual report and consolidated financial statements for more information.

b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report

The 2017 Corporate Responsibility Report covers our Canadian-owned properties managed by Cadillac Fairview.

102-46**a. An explanation of the process for defining the report content and the topic Boundaries**

In cooperation with external sustainability strategy and reporting advisors, we defined a set of sustainability aspects for evaluation by our stakeholder group. In developing the list of sustainability aspects, we reviewed the GRI guidance and the Construction and Real Estate Sector Disclosures (CRESO), the Global Real Estate Sustainability Benchmark (GRESB) assessment, global peer reporting and Cadillac Fairview's existing sustainability programs and reporting. The content is also cross-referenced with our multi-year Corporate Responsibility Strategic Plan.

b. An explanation of how the organization has implemented the Reporting Principles for defining report content

We have considered the four principles for defining report content:

- **Stakeholder inclusiveness:** we considered all principal stakeholders that we affect in our operations and who contribute to our business success
- **Sustainability context:** we provided information about relevance for each material sustainability aspect included in our report
- **Materiality:** we tailored the report content to the sustainability aspects that our internal and external stakeholders deemed most material through a quantitative assessment and analysis. Similar sustainability aspects have been combined (for example employee development and satisfaction)



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(102-46 b continued)

- **Completeness:** we have included multiple internal parties in developing the report content to ensure that we provided complete information for each material aspect. Unless otherwise noted, information pertains to the reporting period September 1, 2016-August 31, 2017

102-47

a. A list of the material topics identified in the process for defining report content

Environmental	Social	Governance
Higher Priority Aspects Included in Report and Supplement		
<ul style="list-style-type: none"> • Sustainable Development • Energy • Responsible Procurement* • Water • Environmental Management Systems, EMS* • Building Certifications • Air Quality • Greenhouse Gas Emissions • Waste • Green Leases 	<ul style="list-style-type: none"> • Health & Safety • People and Culture • Responsible Employment* • Client Satisfaction • Occupant Wellness • Community Impact 	<ul style="list-style-type: none"> • Financial Performance* • Ethics* • Risk Management* • Sustainability Governance* • Regulatory Compliance*
Lower Priority Aspects Omitted from Report and Supplement		
<ul style="list-style-type: none"> • Natural Resources** • Biodiversity** • Alternative Energy** • Climate Adaptation** 	<ul style="list-style-type: none"> • Regional Economic Impact** 	<ul style="list-style-type: none"> • Public Policy Participation**

* Included in the GRI Supplement
 ** Excluded in reporting due to lower stakeholder priority



102-48**a. The effect of any restatements of information given in previous reports, and the reasons for such restatements**

- 2016 energy and water data has been adjusted with occupancy and degree days to be comparable to 2017
- Square footage and intensity information from previous years has been updated due to improved data availability

102-49**a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries**

There are no significant changes from previous reporting periods.

102-51**a. If applicable, the date of the most recent previous report**

March 2, 2017

102-52**a. Reporting cycle**

Cadillac Fairview reports corporate responsibility performance annually.

102-53**a. The contact point for questions regarding the report or its contents**

Please contact Karen Jalon, Senior Director, Sustainability & Energy Management (karen.jalon@cadillacfairview.com) with questions regarding this report.

102-54**a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards**

This report has been prepared in accordance with the GRI Standards: Core option.

102-55

a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report

b. For each disclosure, the content index shall include:

- The number of the disclosure (for disclosures covered by the GRI Standards);
- The page number(s) or URL(s) where the information can be found, either within the report or in other published materials
- If applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made

The **GRI Content Index** has been prepared as a separate document.

102-56

a. A description of the organization's policy and current practice with regard to seeking external assurance for the report

Utility and GHG data is provided by Energy Advantage, an energy services company. Environment, Health and Safety compliance is monitored by RiskCheck, a risk management service provider. All report content is reviewed by Quinn & Partners, a sustainability consultancy, which is familiar with Cadillac Fairview's assets, operations and sustainability programs through an ongoing advisory relationship.

TOPIC-SPECIFIC STANDARDS

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MANAGEMENT APPROACH DISCLOSURES

Cadillac Fairview is committed to keeping all aspects of its business in line with high legal and ethical standards and expects all employees and other entities acting on our behalf to uphold this commitment.

As a company, we act with integrity and believe that respect for others and doing the right thing are always good business. Our success depends on the confidence in our competence, honesty and integrity that we maintain with our stakeholders and the general public. CF's Code of Business Conduct outlines the ethical standards our employees must follow to earn and retain this confidence. Any breach of these guidelines is serious and can result in action by Cadillac Fairview, up to and including termination of employment for cause. The Code is comprehensive and mandates that employees must:

- Follow the laws wherever Cadillac Fairview does business
- Not put themselves or Cadillac Fairview in a conflict of interest
- Conduct oneself honestly and with integrity
- Keep communications and information accurate, confidential and secure
- Treat everyone fairly and equitably
- Report any accounting irregularities or fraudulent activities
- Comply with Cadillac Fairview policies and guidelines

The Code is updated regularly and employees are required to acknowledge compliance with the Code annually.

CF has established an Ethics Reporting Hotline, which is an anonymous and confidential on-line reporting system that helps to ensure that each CF employee lives up to the standards outlined in the Code of Business Conduct. The system provides our employees with a safe and comfortable way to anonymously report any concerns they may have about questionable financial reporting and accounting irregularities, unethical conduct and conflict of interest, falsification of data and violations of laws, regulations or company policies.

CF's Code of Business conduct also includes the Anti- Corruption Policy. The policy outlines the parameters for acceptable employee conduct. Topics contained within the policy include bribery, kickbacks, corruption and appropriate processes to manage and escalate these issues.

205-2

a. Total number and percentage of governance body members that the organization’s anti-corruption policies and procedures have been communicated to, broken down by region

The Anti-Corruption Policy, which is a part of the Code of Conduct, is communicated electronically and is applicable to all directors, officers, employees, agents, representatives and other associated persons of CF.

b. Total number and percentage of employees that the organization’s anti-corruption policies and procedures have been communicated to, broken down by employee category and region

The Anti-Corruption Policy is communicated to all employees.

c. Total number and percentage of business partners that the organization’s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region

The Anti-Corruption Policy is communicated to all agents, representatives and other associates of Cadillac Fairview.

d+e. Total number and percentage of governance body members and employees that have received training on anti-corruption, broken down by region

Each employee must review and sign the Anti-Corruption Policy in conjunction with her or his review of the Code of Business Conduct. All senior management employees receive further training.



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RISK MANAGEMENT

MANAGEMENT APPROACH DISCLOSURES

Enterprise Risk Management

At Cadillac Fairview, we believe risk management is central to all that we do and to fulfill our responsibilities to our stakeholders. Our responsibilities are varied and include financial, reputational, health and safety, physical asset, environmental, regulatory, people-related and development risks. To achieve our goals for managing risk, CF maintains a comprehensive and precautionary approach to risk management, which we term Enterprise Risk Management (ERM).

We define ERM as our competency to manage uncertainty and to proactively address threats to minimize their impact on our assets. We also view ERM as the ability to further maximize our value by using risk identification and mitigation plans to create opportunity and competitive advantage.

At Cadillac Fairview, our ERM program uses a rigorous framework to evaluate, capture and consolidate all our risks and risk management activities. We have a comprehensive and well-established process for identifying, prioritizing, monitoring and responding to risks.

- Our process runs on an annual cycle and begins with identifying the universe of risks we are facing and uses a formalized process to rate and assess these risks to establish a priority risk list for the year, which we call the Top Risk list. Top Risks are presented to the Board
- On a semi-annual basis, we refresh the Top Risk list as the internal and external operating environment changes. We employ a risk monitoring dashboard which monitors key risk indicators against pre-established limits to help us assess the changing risk profile
- On a quarterly basis, we report to the Board's Audit Committee on Top Risks regarding changing risk levels, risk mitigation activities and organizational activities impacting our risk profile

Our Risk Management office reports to the CFO and oversees activities, monitors risk and executes on risk management responsibilities. Risk management plans can include a variety of techniques, including transference, avoidance, insurance and mitigation through policies, procedures and controls.

We evaluate the results of our risk mitigation efforts via self-review, internal and external audit, or through third-party assessments, much of which is also reported to the Board and/or the Audit Committee.

Climate change risk

We acknowledge that climate change poses physical, economic and social risks to our organization and community. We will continue to evaluate how climate risk may impact our portfolio.

(Climate change risk continued)

Currently, we work with real estate industry associations to develop a standard set of climate change adaptation best practices and areas of assessment that will enable building owners and managers to understand a building's degree of preparedness with respect to the effects of climate change. We also seek to understand how buildings can collaborate with communities to increase preparedness.

Policies and practices for assessing, addressing and managing corporate, operational, regulatory and strategic risk that might impact financial performance

We have a robust set of policies, procedures and controls for addressing and managing our risks.

Many of our most important corporate and regulatory risks are addressed in our Real Estate Operating Policy which lays out policies and procedures for managing the various risks of the organization and sets out responsibilities of management in managing these risks while also setting limits on certain activities that can be undertaken by management. In addition, we have the Code of Business Conduct, which is read and acknowledged by all employees on an annual basis to ensure that it is adhered to in the conduct of our employees. Please see the Ethics section for more information

The National Security Operations (NSO) team consolidates corporate risk management efforts in the following areas: Physical Security Services, Cyber Security Services, and Occupational, Fire and Life Safety Services. As a national entity, NSO performs a governance and compliance role to ensure our buildings follow national, provincial and municipal regulations. These activities also include instituting corporate best practices and mandate adherence to the Cadillac Fairview Standard Operating Procedures. NSO created and manages a cyber security risk management framework that is a platform to bring together internal technology adopters to resolve identified risks. The framework additionally serves to inform our risk tolerance limits.

NSO also uses a third-party prequalification program when employing third parties to work on our behalf. Any contractors performing on-site services compensated by Cadillac Fairview (excluding tenant constructors and construction) must be certified by the program to satisfy health and safety, training, insurance and our qualification requirements.

Properties are also required to maintain 100% compliance on requirements identified by a third party that audits compliance with environmental and health and safety laws and regulations in all Canadian jurisdictions. The third party recommends procedures to eliminate or control areas of non-compliance, provides annual audit scores, and reports the compliance status of all our properties.

We also have policies regarding due diligence procedures for new acquisitions and developments. They are assessed for sustainability aspects, including building safety and materials, contamination, energy efficiency, natural hazards, climate change adaptation, socio-economic conditions, health and safety, well-being and water supply.

We have developed and implemented an anti-corruption and anti-bribery program that incorporates key components identified by regulatory bodies. Building on our Anti-Corruption Policy, we developed an in-person training program and trained nearly 200 executives and employees in key risk areas. In addition, the development and implementation of a pre-contract due diligence screening and review program and an anti-corruption and anti-bribery compliance contract provision enhanced our approach to third-party business partners engagement.



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(Climate change risk *continued*)

2017 progress

In 2017, we expanded the due diligence screening and contract provision components of our anti-corruption and anti-bribery program to other risk areas within our business.

The Cyber Security program is a group of initiatives to strengthen CF’s ability to manage cyber security risks, to limit the potential for cyber risks from occurring, to improve our ability to detect threats against our systems and networks, and to execute on the cyber incident response plans to effect recovery and minimize damage in the case of a breach.. In 2017, we completed high priority cyber security initiatives. Examples include:

- Cyber security awareness training and reporting program: these monthly interactive training tutorials had an 85% participation rate
- Initial steps in a complex data loss prevention program: classified and inventoried sensitive data requiring protection and defined a data classification and handling standard
- Security incident event management: this program detects cyber threats and enables us to react accordingly. This service has already discovered previously undetected threats in our network which we are working towards addressing
- A comprehensive cyber risk management framework that includes identifying, categorizing, and engaging stakeholders in remediation.

201-2

Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure

Risk or opportunity	Impact	Management methods	Cost of action
Change in precipitation extremes and drought	<ul style="list-style-type: none"> • Damaged assets from flooding and ice storms • Increased snow and precipitation pose safety risk business disruption for us and tenants (liability) and will result in higher costs to operate our assets 	<ul style="list-style-type: none"> • Insurance • Business continuity strategies • Operational guidelines and training • Capital investment strategies • Water reduction 	<ul style="list-style-type: none"> • Increased operational cost



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(201-2 continued)

Risk or opportunity	Impact	Management methods	Cost of action
Change in temperature extremes	<ul style="list-style-type: none"> Changes in heating and cooling requirements of buildings increasing cost for clients 	<ul style="list-style-type: none"> Energy and waste reduction Equipment upgrades Capital investment strategies GHG Reporting 	<ul style="list-style-type: none"> Increased operational/capital cost
Carbon cap and trade systems	<ul style="list-style-type: none"> New regulatory frameworks that may differ from province to province Compliance costs 	<ul style="list-style-type: none"> Energy reduction Energy Reporting and assurance Development methods to reduce carbon load of new buildings Capital investment strategies GHG Reporting 	<ul style="list-style-type: none"> Increased operational cost
Energy and water reporting regulation	<ul style="list-style-type: none"> Minimum energy and water performance and mandatory reporting Compliance costs 	<ul style="list-style-type: none"> Energy and water reduction Energy and water reporting and assurance Direct tenant billing to promote a culture of awareness and reduction 	<ul style="list-style-type: none"> Increased operational and compliance cost
Market demand for “climate protected buildings”	<ul style="list-style-type: none"> Customer preferences for high-efficiency buildings that are not subject to disruptions from climate events Increased competition for “climate protected” new buildings 	<ul style="list-style-type: none"> Green at Work® (GAW) program Corporate Responsibility initiatives Capital investment strategies 	<ul style="list-style-type: none"> Increased occupancy retention/net rent
Market demand for alternative energy	<ul style="list-style-type: none"> Customer preferences for energy from renewable sources and buildings with green certifications to meet sustainability goals 	<ul style="list-style-type: none"> GAW program Corporate Responsibility initiatives Capital investment strategies Renewable energy credits purchases & GHG reporting 	<ul style="list-style-type: none"> Increased operational costs

FINANCIAL PERFORMANCE

MANAGEMENT APPROACH DISCLOSURES

Policies and practices for assessing and managing corporate, operational, regulatory and strategic risk that might impact financial performance.

Cadillac Fairview undertakes an annual strategic planning and budgeting process. It is lead by our Corporate Development and Finance Teams and includes participation from the Executive Team, the Risk Management Office, Portfolio teams, functional departments, etc. the plan and budget are approved annually by the Executive Team.

Environment, social and governance aspects which may have a financial performance impact are managed through a variety of programs / initiatives. CF's Green at Work® program encourages properties to budget for initiatives/projects which would help meet energy / water reduction targets – thereby reducing costs for the organization.

For information on our comprehensive approach to risk, please see the [Risk Management](#) section. For detailed information on our management approach to Corporate Responsibility, please see the [Sustainability Governance](#) section.

Policies and practices regarding maintenance and capital expenditure in plant equipment or property

The investment, development and portfolio teams prepare major investment proposals for the Board. As a part of the budgeting process, each property develops a 1-10 year capital plan, which is approved by the Portfolio team.

201-1

a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:

- Direct economic value generated: revenues
- Economic value distributed: operating costs, employee wages and benefits payments to providers of capital, payments to government by country, and community investments
- Economic value retained: 'direct economic value generated' less 'economic value distributed'

b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance

Omitted. The Cadillac Fairview Corporation Limited is privately owned by the Ontario Teacher's Pension Plan (OTPP). Please see financial information disclosed in the OTPP annual report and audited financial statements.



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SUSTAINABILITY GOVERNANCE

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a. Governance structure of the organization, including committees of the highest governance body

b. Committees responsible for decision-making on economic, environmental, and social topics

CF’s Corporate Responsibility Policy supports our commitment to our core values and the capabilities of our people to positively impact and influence our communities, while creating value for our stakeholders. It outlines our Corporate Responsibility objectives:

1. To reinforce and a promote a culture where CF employees feel connected to our Corporate Responsibility strategic plan and empowered to positively impact the communities in which they live and work
2. To achieve the highest environmental, social and governance industry standards relevant to our portfolio
3. To have a positive impact on the communities in which we operate and engage our clients, customers and other stakeholders so they fully understand our commitment
4. To ensure we operate with good management practices and rigorous oversight to protect our employees, clients, shareholders and other stakeholders

Historically, the National Operations team has driven the implementation of our Corporate Responsibility commitments.

In 2015, we developed a process where the Senior Director of Sustainability and Energy Management works to develop and implement the Corporate Responsibility strategic plan. It is guided by the Responsibility Management Oversight Process, which is aligned with Enterprise Risk Management and strategic/business planning objectives. The Process is governed by two committees:

- The Cadillac Fairview Responsibility Steering Committee, composed of all members of the Executive Team. The Committee reviews progress on initiatives, provides direction as required and understands new industry expectations as input to future planning.
- The Cadillac Fairview Responsibility Management Committee is led by the Operations Department, but includes leaders from all departments, including human resources, communications, legal and finance. The Committee reports on relevant progress, receives and shares information between departments, evaluates new opportunities, and monitors industry expectations.

Accountability for the various initiatives that support responsibility activities remains with the associated departments. Please see “[Corporate Responsibility Strategies at CF](#)” in the 2017 Corporate Responsibility Report for more information.



RESPONSIBLE EMPLOYMENT

MANAGEMENT APPROACH DISCLOSURES

At Cadillac Fairview, we strive to make our people a competitive advantage. We believe responsible employment practices is a fundamental step to engaged employees. Our “promote from within” culture fosters career development and professional growth. Tailored learning and development programs, tuition reimbursement, coaching and career planning are important components that support our employees in achieving their career goals.

CF’s pension plan assists employees with their responsibility in preparing for retirement and is one of the most generous in Canada. Cadillac Fairview’s commitment to employee health & wellbeing is supported between multiple policies and programs including:

- Health and dental benefits
- Health care spending account
- Short and long-term disability
- Life insurance
- Employee assistance plan

We gauge the interests and values of our employees through regular engagement surveys and periodic focus groups. In our offices, we consider different factors that may impact the employee experience such as acoustic and thermal comfort, air quality, lighting, ergonomic design and ability to socially interact with colleagues.

In 2016, Cadillac Fairview introduced a benefits program for full time employees on contract for a one-year duration or longer. Contract employees have access to health and dental programs, accident insurance, sick leave and vacation entitlement. This change allows us to be more consistent in our talent management process and to attract top talent to temporary, contract roles.

Contractors and subcontractors are required to adhere to all applicable labour/employment regulations in the jurisdiction in which they are conducting work on behalf of Cadillac Fairview. In addition, we have extensive contracts with these parties, which are reviewed by internal legal counsel.

Policy for increasing direct contribution to overall economic development for workforce

As part of the budget process, managers allocate monies for external training programs and courses and we offer a wide range of internal training. Cadillac Fairview also reimburses employees who are seeking continuing education or working to maintain professional designations. As part of the budget process, managers allocate monies for external training programs and courses and we offer a wide range of internal training. Cadillac Fairview also reimburses employees who are seeking continuing education or working to maintain professional designations.

Policy and practices on employment of daily workers

All workers are governed by specific, agreed upon terms and conditions related to their role. These terms comply with labour/employment regulations in the related jurisdiction.

Policy regarding costs and logistics for the return of foreign workers to their place of origin

Cadillac Fairview occasionally employs individuals that meet this criterion. As a practice, we have specialized immigration consultants to ensure we are fully compliant with applicable regulations.

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a. Total number and rate of new employee hires during the reporting period, by age group, gender and region

Total Number of Employees (as at August 25, 2016): 1,509

Total Number of Employees (as at August 31, 2017): 1,514

New Hires/Rehires	Male		Female		Total		Rate	
	2016	2017	2016	2017	2016	2017	2016	2017
By age group:								
Traditionalist	0	1	0	1	0	2	0%	0.13%
Baby Boomer	3	8	3	6	6	14	0.40%	0.92%
Generation X	66	38	60	45	126	83	8.35%	5.48%
Millennial	128	88	165	162	293	250	19.42%	16.51%
	197	135	228	214	425	349	28.16%	23.05%
By location:								
Head Office	41	26	32	58	73	84	4.84%	5.55%
Toronto Office Portfolio	14	10	7	3	21	13	1.39%	0.86%
Ontario Portfolio	59	36	75	63	134	99	8.88%	6.54%
Western Portfolio	48	41	68	51	116	92	7.69%	6.08%
Eastern Portfolio	35	22	46	39	81	61	5.37%	4.03%
	197	135	228	214	425	349	28.16%	23.05%

Traditionalist - Born before 1943

Baby Boomer - Born 1943-1960

Generation X - Born 1961-1981

Millennial - Born after 1981

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b. Total number and rate of employee turnover during the reporting period, by age group, gender and region

New Hires/Rehires	Male		Female		Total		Rate	
	2016	2017	2016	2017	2016	2017	2016	2017
By age group:								
Traditionalist	1	2	1	1	2	3	0.13%	0.20%
Baby Boomer	15	27	11	28	26	55	1.72%	3.63%
Generation X	32	35	48	53	80	88	5.30%	5.81%
Millennial	83	71	98	137	181	208	11.99%	13.74%
	131	135	158	219	289	354	19.15%	23.38%
By location:								
Head Office	19	30	28	44	47	74	3.11%	4.89%
Toronto Office Portfolio	5	8	5	1	10	9	0.66%	0.59%
Ontario Portfolio	54	42	42	75	96	117	6.36%	7.73%
Western Portfolio	25	36	40	53	65	89	4.31%	5.88%
Eastern Portfolio	28	19	43	46	71	65	4.71%	4.29%
	131	135	158	219	289	354	19.15%	23.38%

Traditionalist - Born before 1943

Baby Boomer - Born 1943-1960

Generation X - Born 1961-1981

Millennial - Born after 1981



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CLIENT SATISFACTION

MANAGEMENT APPROACH DISCLOSURES

Client satisfaction is vital to our financial sustainability and ability to grow our business. With client expectations constantly evolving, we are proud of our track record of innovation to add value, keep clients and shoppers satisfied and loyal, and enhance the long-term value of our portfolio.

Client focus is one of our six core values and we aspire to deliver a superior customer experience. Client satisfaction involves our entire company – decisions by properties, corporate departments and portfolios can affect the client experience.

Data insights

Cadillac Fairview consolidates and analyzes data from a variety sources to improve our understanding of customers and marketplace and to drive innovation.

We conduct office client engagement satisfaction surveys every year (rotating between office decision-makers and occupants every other year) two years and results are tracked as a key performance indicator. For more information please see “practices with regards to customer surveys” further in this section. At retail properties, information customer service desks track customer inquiries and behaviour.

To serve our clients better, we have implemented CF Connect. It is a web-based instant connection to our service program that helps CF deliver a best-in-class client experience and track key service analytics. It provides benefits and efficiencies for both office and retail clients:

- Ability to submit service requests directly by password access
- A real-time connection to service request statuses and reports
- Access to real-time information for internal updates

We use the insights gathered from clients to develop action plans at both property and portfolio levels to improve operational procedures and the client experience. This process includes feedback sessions with:

- Executives
- Portfolio managers
- Property managers
- Individual tenants

Moving forward, we will continue to invest in processes and systems to address customer feedback even more quickly and effectively.





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Programs

We collaborate with our clients and consider the whole client experience in every interaction. As an example, at CF Pacific Centre and CF Toronto Eaton Centre, we worked with tenants to engage them in the design of their new spaces to improve their work environments with features like adjustable desks, break-out areas, soft seating areas and meeting rooms.

Cadillac Fairview invests heavily in the shopping experience, redesigning many properties to provide more natural light, modern décor, comfortable seating areas and water features.

In 2016, we launched a new National Service Centre model to elevate great client service to exceptional client service. The NSC provides our clients with a number of benefits including: an efficient and consistent call answer process for requests, extended hours of operations with 24/7 bilingual service and improved continuity planning.

In 2018, we are rolling out property-specific websites for our office properties. These sites help communicate building information to current and prospective tenants:

- Leasing availability
- Building services and amenities (e.g., fitness clubs, bike parking)
- Local food & shops
- Sustainability information (e.g., building certifications, energy and water performance)
- Resources for tenants (e.g., tenant manual) and contractors (e.g., service work permit)

We are encouraged by an increased correlation between client satisfaction and satisfaction with our sustainability initiatives. Academic studies have shown the relationship between green-certified office buildings and higher occupancy rates, lower lease turnover and higher net rents. This is why Cadillac Fairview is devoted to aligning our sustainability goals with those of our clients – to deliver mutually beneficial results.

Practices with regards to customer surveys

Portfolio	Practice
Office	<ul style="list-style-type: none"> • Measured using an internal system and a global market research company that uses a standard methodology
Retail	<ul style="list-style-type: none"> • CF is looking to reinstate the retail client satisfaction survey this year • Focused on direct interactions with our clients vs. always interacting through a survey tool





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Report who the organization’s customers are

Cadillac Fairview customers are different in our office and retail properties. Our office customers include the companies that rent space at our properties and their employees. Our retail customers include retail chains, independent shopkeepers and their customers. Cadillac Fairview conducts surveys for both office and retail customers.

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As part of the key topics and concerns raised by stakeholders, this disclosure can include the results or key conclusions of customer surveys

Portfolio	Results
Office	<ul style="list-style-type: none"> Office occupant satisfaction was high with 91% of occupants satisfied with CF Offices Facility Tenant Representatives were higher with 97% satisfied and of that 1/3 were very satisfied
Retail	<ul style="list-style-type: none"> Retail tenant surveys have a response rate of 77% Shopper satisfaction score increased from 79 to 85% between 2015 and 2017 Most shoppers rank their Cadillac Fairview shopping experience as “very satisfied”

RESPONSIBLE PROCUREMENT

MANAGEMENT APPROACH DISCLOSURES

Sustainable sourcing of services and materials benefits the economy in many ways. It creates better jobs and reduces the environmental impact of the supply chain. Responsible Procurement is a Green at Work® pillar and we aspire to embed responsibility within the broader corporate procurement policy and procedures.

In 2017, CF continued the process of making procurement procedures electronic. By doing so, we integrated sustainability considerations into procurement across our operations and measure adoption of these principles. Implementing sustainable procurement on a wide scale is challenging due to lack of information, differing levels of supplier engagement and complexity of supply chains.



ENVIRONMENTAL MANAGEMENT SYSTEMS

MANAGEMENT APPROACH DISCLOSURES

Implementing effective environmental management systems is important to Cadillac Fairview's operational efficiency and sustainability performance. Our environmental management system ensures we operate best-in-class assets while continually reducing our environmental footprint. The system also manages and mitigates risk by proactively identifying opportunities for performance improvement and integrating upcoming legislation.

For example, our environmental management system has prepared Cadillac Fairview for the incoming, mandatory energy and water reporting legislation. The Ontario Energy and Water Reporting and Benchmarking regulation stipulates annual energy and water consumption reporting for large properties beginning in 2018. With our portfolio-wide energy and water management practices, we are well prepared for this regulation.

Policies and practices to mitigate environmental and end user human health impacts during all stages of the lifecycle

Cadillac Fairview's Corporate Responsibility Policy stipulates that senior management is responsible for developing and implementing an environmental management system, specifying training of employees to carry out their duties in compliance with all applicable environmental laws and regulations. National Operations monitors compliance with this policy and reports to the Executive Committee on environmental actions, initiatives and issues affecting the operation of our environmental management system.

Organization-wide environmental initiatives in place to design new assets which minimize environmental and end user human health impacts, and to redevelop existing assets to such standards and organization-wide environmental management initiatives to manage existing buildings and construction sites efficiently

Cadillac Fairview's national environmental sustainability management system is the Green At Work® (GAW) program (see Green At Work® in the 2017 Corporate Responsibility Report for more information). The program sets requirements for sustainability management at all Canadian properties and was first launched in 2008.

GAW is organized in five areas of activity (Pillars): energy, waste management, environmental protection, responsible procurement and stakeholder collaboration. Each Pillar has yearly targets, a progress tracker, detailed requirements and supporting resources to enable similar implementation across our portfolio.

Each GAW Pillar specifies tactics, which are similar to operational brand standards. Properties are required to submit a report for each Pillar semi-annually. In general, to satisfy the GAW Program, each property must:

- Form and mobilize a Green Team (See Green Teams in the 2017 Corporate Responsibility Report for more information);
- Plan and implement projects to address mandatory tactics for each Pillar
- Achieve short and long-term performance targets for each Pillar
- Pursue either LEED certification (for AAA offices) or BOMA BEST certification (for all non-AAA offices and shopping centres)



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In September 2016, we launched the next evolution of the program – Green at Work 2.1. Property, portfolio and national level teams collaborated to revise the program. Green at Work 2.1 aims to:

- Enhance collaboration among our property Green Teams with a new structure
- Better support properties by leveraging National and Portfolio-led initiatives
- Focus more on key best practices to drive performance and support industry standards
- Increase focus on engagement, training and support from National teams

Property energy, water, waste and greenhouse gas emissions data is recorded, verified and summarized by a third-party environmental data management system.

Cadillac Fairview uses a third-party risk consultancy to track regulatory environment, health and safety information and conduct periodic on-site visits.

Organization-wide end user engagement initiatives as implemented by design professionals, building or construction personnel, and building operators

The majority of properties have engagement programs with suppliers and tenants, where the parties work together to improve the sustainability of the building's operations, the footprint of its customers and the contribution to the local community. GAW provides a tenant engagement standard.

REGULATORY COMPLIANCE

MANAGEMENT APPROACH DISCLOSURES

Cadillac Fairview complies with all laws and regulations in all jurisdictions. Often our internal policies, procedure guidelines or operational standards go beyond laws and regulation. Each employee and department is responsible for regulatory compliance. There is a Board committee responsible for overseeing regulatory compliance, including environmental and health and safety laws.

Cadillac Fairview provides annual compliance training to employees relating to key policies. There are compliance courses on AODA (Accessibility for Ontarians with Disabilities Act), WHMIS (Workplace Hazardous Materials Information System) and the Cadillac Fairview Harassment, Discrimination and Workplace Violence Policy. These courses are available online for all employees.

Cadillac Fairview uses a third-party Environmental, Health & Safety online compliance portal coupled with an annual audit to help our business follow regulations. This system includes annual assessments of all properties and workplaces and ensures that any identified potential issue is tracked and addressed.

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a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:

- Total monetary value of significant fines
- Total number of non-monetary sanctions
- Cases brought through dispute resolution mechanisms

b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient

Omitted. Due to our status as a privately-owned company, Cadillac Fairview does not disclose this information.

GREEN LEASES

MANAGEMENT APPROACH DISCLOSURES

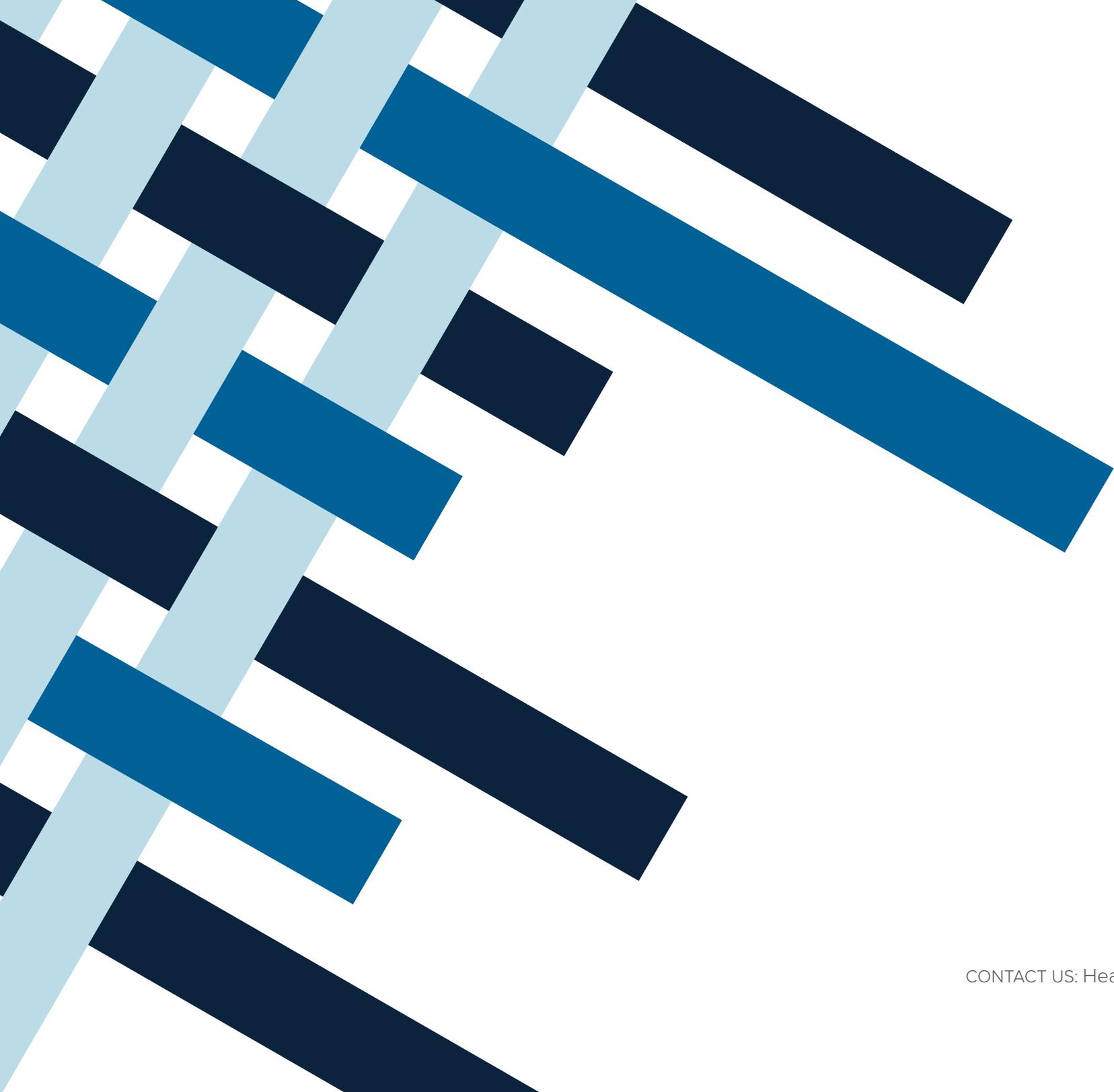
Content in green leases addresses fundamental aspects of sustainability, ranging from energy efficiency and water usage to recycling and indoor air quality.

CF is recognized as the first landlord in Canada to execute a green lease, and in 2015 we standardized a green lease for office properties. In 2017, CF rolled out a standardized green lease for retail properties.

The green leases include sustainability-specific requirements for:

- Environmental initiatives: tenants and CF agree to meet annually to discuss environmental objectives
- Metering: tenants agree to install energy and water sub-meters for performance monitoring
- Energy, water and waste management: tenant and landlord agree to support efficient use of resources
- Indoor environmental quality: CF may conduct air quality tests on the premises
- Sustainable procurement and cleaning: the property is maintained using products that satisfy environmental criteria

To date, 31% of leasable office space, 1% of leasable retail space and 21% of CF's total leasable area is covered by green clauses. CF will continue to implement green lease content during renewals and leases with new clients. We will continue to promote a deeper understanding of the intent, implications and legal language of the leases to our retail clients who may be reluctant to commit to green standards, citing concerns about store design and operations.



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