A brighter future.
Meet you there.
As a progressive sustainability leader, Cadillac Fairview (CF) is committed to fulsome and transparent sustainability reporting in accordance with the Global Reporting Initiative (GRI) Standards. Please visit our Responsibility web page to see all components of our 2018 Corporate Responsibility Report.

As part of our Corporate Responsibility reporting, our 2018 GRI Supplement discloses our management approach and performance in the environmental, social and governance (ESG) topics that are most material to our organization. Our Corporate Responsibility Report, in conjunction with this GRI Supplement is prepared in accordance with the GRI Standards: Core option.

Our GRI Supplement contains two sections:

1. General Disclosures provide a general overview of CF as well as our materiality process
2. Topic-Specific Disclosures cover information about the sustainability topics that have been identified as material. This consists of:
   a. Topic overview – Explanation and importance
   b. Management approach – How the topic is managed
   c. Topic-specific indicator – Specific disclosures outlined in the GRI Standards

For a list of all GRI Disclosures and content location, please see our GRI Content Index.
General Disclosures

Indicator | Disclosure
--- | ---
102-1 | Name of organization
The Cadillac Fairview Corporation (CF)

102-2 | Activities, brands, products and services
CF is one of North America’s largest owners, operators and developers of commercial real estate. Our mission is to own, operate and develop best-in-class retail, office and mixed-use properties to generate long-term, stable cash flow and risk-adjusted returns.

102-3 | Location of headquarters
CF’s headquarters is located at CF Tower, 20 Queen Street West, Toronto, Ontario, Canada.

102-4 | Location of operations
CF owns and operates real estate property across North America. Our portfolio also includes investments in retail, mixed-use and industrial real estate in Brazil, Colombia and Mexico.

102-5 | Ownership and legal form
CF is wholly owned by the Ontario Teachers’ Pension Plan.

102-6 | Markets served
CF operates office, retail and mixed-use properties across North America. Our portfolio also includes investments in retail, mixed-use and industrial real estate in Brazil, Colombia and Mexico.

102-7 | Scale of organization
Number of properties: 68 properties
Total leasable area: 37 million square feet
Total asset value: $30 billion CAD

102-8 | Information on employees and other workers
a. Total number of employees by employment contract (permanent and temporary), by gender:

<table>
<thead>
<tr>
<th>Employment type</th>
<th>Male 2017</th>
<th>Male 2018</th>
<th>Female 2017</th>
<th>Female 2018</th>
<th>Total 2017</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>606</td>
<td>593</td>
<td>490</td>
<td>478</td>
<td>1,096</td>
<td>1,071</td>
</tr>
<tr>
<td>Contract</td>
<td>11</td>
<td>6</td>
<td>21</td>
<td>21</td>
<td>32</td>
<td>27</td>
</tr>
</tbody>
</table>
b. Total number of employees by employment contract (permanent and temporary), by gender:

<table>
<thead>
<tr>
<th>Employment type</th>
<th>Toronto 2017</th>
<th>Ontario 2017</th>
<th>Western 2017</th>
<th>Eastern 2017</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>151</td>
<td>384</td>
<td>343</td>
<td>218</td>
<td>1,096</td>
</tr>
<tr>
<td>Contract</td>
<td>6</td>
<td>3</td>
<td>13</td>
<td>5</td>
<td>27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment type</th>
<th>Corporate Portfolio 2017</th>
<th>US Portfolio 2017</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>355</td>
<td>2</td>
<td>357</td>
</tr>
<tr>
<td>Contract</td>
<td>29</td>
<td>0</td>
<td>29</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Employment type</th>
<th>Male 2017</th>
<th>2018</th>
<th>Female 2017</th>
<th>2018</th>
<th>Total 2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>707</td>
<td>686</td>
<td>575</td>
<td>578</td>
<td>1,282</td>
<td>1,264</td>
</tr>
<tr>
<td>Contract</td>
<td>58</td>
<td>73</td>
<td>113</td>
<td>108</td>
<td>171</td>
<td>181</td>
</tr>
</tbody>
</table>

Excludes: contract employees

Supply chain
Due to the nature of our work, geographically-diverse locations and requirements for specialist services, CF relies on many suppliers. Suppliers typically provide utility, construction, professional and property services. Additionally, CF purchases products for property and office use, ranging from mechanical equipment to paper. For more information, please see Sustainable Development section in this document.
Indicator Disclosure

102-10 Significant changes to organization’s structure
- Announced plans for new developments and major projects
  - Construction of 46-storey office tower at 160 Front Street West
  - BMO Financial Group to revitalize the commercial space at CF Toronto Eaton Centre
  - TD Bank to open a corporate office at CF Champlain
  - Expansion and major restoration of 2 Queen Street West

- Started new developments and revitalization projects
  - Tour des Canadiens 3 condominium project in Quad Windsor, Montreal
  - $17 million investment to revitalize the CF Chinook Centre food court

- Acquired 100% ownership of Ritz-Carlton in Toronto

102-11 Precautionary principle or approach
CF maintains a comprehensive and precautionary approach to risk management, which we term Enterprise Risk Management (ERM). For more information, please see Risk Management section in this document.

102-12 External initiatives
CF subscribes to and/or endorses many external initiatives:

- GRESB, The ESG Benchmark for Real Assets (GRESB)
  - Real Estate Assessment participant since 2016
  - 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 Owners and Managers 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
Memberships of associations

CF and/or our employees hold memberships in the following national associations:

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

Statement from senior decision maker

Please see our 2018-2019 Responsibility Report.

Governance structure

See Sustainability Governance section in this document for information.

List of stakeholder groups

CF’s key stakeholder groups include:

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

Through our business processes we engage with most stakeholder groups on an ongoing basis, (e.g., regular collaboration, communications programs, meetings, surveys, etc.).
Indicator | Disclosure
--- | ---
102-41 | Collective bargaining agreements
| CF does not report externally on employees covered by collective bargaining agreements.
102-42 | Identifying and selecting stakeholders / Approach to stakeholder engagement
| We have ongoing dialogue with key stakeholder groups, such as our owner, employees, contractors, suppliers, joint venture partners and clients. We survey our employees, clients and shoppers every 1-2 years using satisfaction surveys.
102-43 | In 2015, we undertook a significant stakeholder engagement process to identify sustainability factors material to our business. In more than 30 interviews, we asked our Executive Management Team, senior management from 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 CF 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 matrix in 102-44.
102-44 | Key topics and concerns raised
| Through the stakeholder engagement process described above, we identified key sustainability topics and concerns shown in the materiality table below. We have also identified alternative energy and climate resilience as additional topics which we will monitor and integrate into our Corporate Responsibility programs.

Material aspects are managed by the Corporate Responsibility (CR) Management Council and Steering Committee. The CR Management Council consists of senior leaders within CF, and has a mandate 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.

LEGEND

- Environmental
- Social
- Governance

CF EXTERNAL STAKEHOLDERS

CF INTERNAL STAKEHOLDERS

HIGHER PRIORITY ASPECTS

LOWER PRIORITY ASPECTS
Entities included in consolidated financial statements
CF’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’s Annual Report and consolidated financial statements for more information.

The 2018-2019 Responsibility Report and GRI Supplement cover our Canadian-owned properties managed by CF.

Defining report content and topic boundaries
To develop the list of sustainability topics for our materiality assessment, we reviewed the GRI guidance and the Construction and Real Estate Sector Disclosures (CRESD), the GRESB Real Estate Assessment, global peer reporting and CF’s existing sustainability programs and reporting. We also considered GRI’s 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 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)
- **Completeness:** we have included multiple internal parties in developing the report to ensure that we provided complete information for each material aspect. Unless otherwise noted, information pertains to the reporting period September 1, 2017 to August 31, 2018
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<tr>
<th>Indicator</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-47</td>
<td>List of materials</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Environmental management system (EMS)</td>
<td>• People and culture</td>
<td>• Financial performance</td>
</tr>
<tr>
<td>• Energy</td>
<td>• Responsible employment</td>
<td>• Ethics</td>
</tr>
<tr>
<td>• Greenhouse gas emissions</td>
<td>• Client satisfaction</td>
<td>• Risk management</td>
</tr>
<tr>
<td>• Water</td>
<td>• Health &amp; safety</td>
<td>• Sustainability governance</td>
</tr>
<tr>
<td>• Waste</td>
<td>• Occupant wellness</td>
<td>• Regulatory compliance</td>
</tr>
<tr>
<td>• Building certifications</td>
<td>• Community impact</td>
<td></td>
</tr>
<tr>
<td>• Air quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sustainable development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Responsible procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Green leases</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lower priority aspects omitted from report and supplement</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Natural resources</td>
</tr>
<tr>
<td>• Biodiversity</td>
</tr>
<tr>
<td>• Climate adaptation</td>
</tr>
</tbody>
</table>

102-48

**Restatements of information**
2017 energy and water data are adjusted for occupancy and degree days to be comparable to 2018.

102-49

**Changes in reporting**
There are no significant changes from previous reporting periods.

102-50

**Reporting period**
September 1, 2017 to August 31, 2018
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Disclosure</th>
</tr>
</thead>
</table>
| 102-51    | Date of last report  
March 2, 2018 |
| 102-52    | Reporting cycle  
CF reports corporate responsibility performance annually. |
| 102-53    | Contact point for questions about the report  
Please contact Karen Jalon, Senior Director, Sustainability & Energy Management (karen.jalon@cadillacfairview.com) with questions regarding this report. |
| 102-54    | Claims of reporting in accordance with the GRI Standards  
This report has been prepared in accordance with the GRI Standards: Core option. |
| 102-55    | GRI Content Index  
Please see the GRI Content Index. |
Topic-specific Disclosures

Environmental Management System

Topic Overview

An environmental management system (EMS) is a framework for identifying, mitigating, managing and measuring an organization’s environmental impacts. Implementing an effective EMS is important to our operational efficiency and sustainability leadership. Our EMS ensures we operate best-in-class assets while continually reducing our environmental footprint.

Management Approach

We manage our environmental impact through:

- Our Corporate Responsibility Policy
- Our award-winning Green at Work® program
- Regulatory compliance

Corporate Responsibility Policy

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

Green at Work®

CF’s environmental sustainability management system is the Green at Work® (GAW) program. The program sets requirements for sustainability management at all Canadian properties. Since its establishment in 2008, this program has resulted in a total reduction of 39% in GHG emissions and a savings of $45 million in energy and water costs.
The GAW program integrates incentives at many levels to ensure all members are engaged in the process of implementing projects to improve performance in the five Pillars of environmental impact:

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Description</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>Use energy conservation techniques, leading operational standards and efficiency technologies where possible.</td>
<td>3% reduction per year for LEED AAA office. 2.5% reduction per year for retail and non-LEED office.</td>
</tr>
<tr>
<td>Waste Management</td>
<td>Implement an industry-leading approach to waste diversion and waste minimization</td>
<td>Waste diversion rate: LEED AAA office (90%); Retail (70%); Non-LEED office (75%);</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td>Focus on minimizing adverse impacts from our activities, products and services on land, air and water through management of hazardous materials, greenhouse gas emissions, air quality and water</td>
<td>2% water reduction per year.</td>
</tr>
<tr>
<td>Responsible Procurement</td>
<td>Use environmentally preferred products and services and follow best management practices whenever possible.</td>
<td>Embed sustainable procurement practices into our processes and policies.</td>
</tr>
<tr>
<td>Stakeholder Collaboration</td>
<td>Collaboration with key stakeholders to inspire and drive positive change, share information about our sustainability initiatives and involve partners to contribute to the program’s success.</td>
<td>Inform, educate and build partnerships for sustainability success with our clients, shoppers, employees, communities and industry.</td>
</tr>
</tbody>
</table>

Each GAW Pillar specifies tactics, which are similar to operational brand standards. Properties are required to submit a report for each Pillar semi-annually.

To satisfy the program, each property must:

- Form and mobilize a Green Team
- 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)

Regulatory compliance

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

Future Plans

Moving forward, we will continue to update GAW with initiatives and Pillars that are material to our stakeholders.
Energy

Topic Overview

A significant amount of energy is used to heat, cool, ventilate and power our 37 million square feet of office and retail space. Approximately 70% of the managed energy is consumed at our office buildings with the balance consumed in our retail portfolio (common area).

Energy consumption ultimately results in the generation of greenhouse gas emissions. Energy reductions are environmentally beneficial, contribute to a reduction in operating and client costs.

Management Approach

We manage our energy consumption through:

- Corporate programs and policies
- Operational practices
- Capital investments

Corporate programs and policies

Our energy management requirements are set in the Green at Work® program. Our annual energy reduction targets are 2.5% for Non-LEED office and retail properties, and a 3.0% for LEED AAA offices.


Operational practices

Our operations team manages energy on a daily basis through practices including scheduling and preventative maintenance. Our property teams communicate energy management tips to tenants and implement programs such as night-time audits to identify reduction opportunities.

Capital investments

Property teams identify measures to counter rising energy costs and allocate capital to find efficiency upgrades and new technologies as a part of the annual budgeting process.
In 2018, we achieved an overall portfolio energy reduction of 4.0%, surpassing our target of 3% (LEED AAA office) and 2.5% (retail and non-LEED). This reduction can largely be attributed to our new Energy Smart Operations platform that helps analyze and mobilize real-time energy information. The information portal allows our operations team to see trends and identify opportunities to increase building performance with the purpose of increasing occupant comfort and saving time and energy. It also has a fault detection system that notifies team members of issues causing inefficiencies, allowing them to be promptly addressed.

For more information on our 2018 energy performance, please refer to our 2018-2019 Responsibility Report - Green at Work® section.

Future Plans

We will continue to invest in energy reduction measures while continually engaging key stakeholders to detect system anomalies in order to proactively capture energy inefficiencies.
We have implemented numerous corporate and property initiatives to complement the Statement of Principles:

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Policy</th>
<th>Operational practice</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy, Water and Waste Reduction Policy</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green at Work®</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Green Teams</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data management system</td>
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<td></td>
<td></td>
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<tr>
<td>External review of GHG data</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Property</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LED lighting retrofits</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Smart building operations system</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Alternative energy implementation (e.g., geo-thermal system, deep lake water cooling, cogeneration)</td>
<td></td>
<td></td>
<td>✓</td>
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</table>

**Topic-specific indicator: Scope 1, 2 and 3 GHG Emissions**

**Scope 1 emissions**: Direct GHG emissions from activities at company-owned properties, including combustion of natural gas in boilers and furnaces, the use of gasoline in generators and vehicles and refrigerant losses.

**Scope 2 emissions**: Indirect GHG emissions from the generation of electricity, steam and chilled water purchased by the company.

**Scope 3 emissions**: GHG emissions from company operations, but from sources not owned or controlled by company (e.g., landfill waste, water and waste transportation and data centres.)

Between 2017 and 2018, our GHG emissions increased by 3%. This increase is due, in part, to weather factors which are beyond our control. However, since 2008, we have reduced our annual GHG emissions by 75,000 tonnes despite increasing our portfolio by over four million square feet. This reduction is equivalent to removing 15,600 cars off the road for one year.

For more information on our 2018 greenhouse gas emission performance, please refer to our 2018-2019 Responsibility Report - Green at Work® section.

**Future Plans**

Moving forward, we will continue to explore alternative energy options to reduce our GHG emissions.
## Water

### Topic Overview

Changing global weather patterns affect precipitation and create greater water stress in some regions where we operate. We must continue to reduce water usage at properties to conserve this natural resource, lower operating costs and take the strain off of municipal water and sewage infrastructures.

#### Management approach

We manage water through:

- Corporate programs and policies
- Operational practices
- Capital investments

#### Corporate programs and policies

Our Energy, Water & Waste Reduction Policy outlines our commitment to reducing water consumption. Our Green at Work® program mandates water consumption targets of 2% reduction year-over-year, conservation strategies and ongoing tenant education.

#### Operational practices

The building operations team manages water consumption through ongoing maintenance, leak checks and cooling tower water management plans.

#### Capital investments

As water continues to be relatively inexpensive, the business case to invest in water-efficient technologies and programs can be a challenge. Regardless, many CF properties complete water audits to further identify opportunities for conservation and consider upgrades during capital planning and budgeting.

### Topic-specific indicator: Water consumption

Between 2017 and 2018, we achieved our Green at Work® target with a portfolio-wide reduction of 4.6%, compared to a target of 2%. This is equivalent to 820,000 regular sized bathtubs.

For more information on our 2018 waste performance, please refer to our [2018-2019 Responsibility Report - Green at Work® section](#).

### Future Plans

We will continue to evaluate water conservation opportunities throughout our portfolio.
Waste

Topic Overview

Our ability to divert solid waste from landfill remains a fundamental environmental and operational performance indicator. Shoppers, guests, building occupants and our own employees practice sound recycling behaviours, and it is their expectation that waste produced at our properties is recovered and removed responsibly for disposal or recycling.

Management approach

We manage waste through:

- Corporate programs and policies
- Operational practices
- Capital investments

Corporate programs and policies

Waste targets and waste management initiatives are established through Green at Work®, which provides recycling amenities at all properties and education programs for our clients and shoppers. The program also sets targets to minimize our landfill waste:

- LEED AAA Office: 90% diversion
- Non-LEED Office: 75% diversion
- Retail: 70% diversion

Operational practices

Waste data is collected through haulage reports and invoices, and contractors are required to submit reports that track waste data for specific construction projects.

Capital investments

We have invested in many initiatives to reduce waste consumption and improve diversion, including assisted waste sorting and composters.
In 2018, we did not meet our long-term diversion targets for LEED AAA offices (90%) or non-LEED offices (75%). We experienced a decrease in office and retail diversion rates. This is due to changes in waste management processes in Canada, which have led waste haulers to review waste streams with more scrutiny.

For more information on our 2018 water performance, please refer to our 2018-2019 Responsibility Report - Green at Work® section.

Future Plans

We will continue to work with stakeholders to reduce waste generation and increase waste diversion at our properties.

<table>
<thead>
<tr>
<th>Certification</th>
<th>Asset class</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEED</td>
<td>AAA offices</td>
<td>100%</td>
</tr>
<tr>
<td>BOMA BEST or LEED</td>
<td>Regular office and retail properties</td>
<td>100%</td>
</tr>
</tbody>
</table>
Please see [2018-2019 Responsibility Report](#) - Building Certifications for a list of our building certifications.

AAA office properties that are not currently certified are registered for certification. Upon completion, 100% of all AAA offices will be LEED certified. In our portfolio, 93% of all managed Canadian properties are either BOMA BEST or LEED-certified.

### Future Plans

We will continue to evaluate third-party sustainability certifications for appropriateness at our properties.

### Air Quality

#### Topic Overview

The link between poor air quality and asthma, allergies and upper respiratory diseases is indisputable, making indoor air quality an important consideration for clients. Research has revealed that a low-VOC, high-ventilation office can lead to an increase in cognitive function (Delos, founder of the WELL building standard).

#### Management Approach

Our Green at Work® program addresses air quality management under the Environmental Protection Pillar with properties establishing indoor air quality (IAQ) audits and plans. An audit tests indoor and outdoor air quality and reviews schematics and specifications to determine whether the space meets minimum ventilation requirements. Audits also identify materials and substances that “pollute” the indoor air.

### Topic-specific indicator: Air quality audits

#### Future Plans

We will continue to complete air quality testing at our properties.
Sustainable Development

Topic Overview

Sustainable development includes implementing sustainability measures in new construction and major renovations through supplier selection, site considerations, material selection and design. It is key to preserving and adding value over the long term.

Management Approach

We integrate sustainability into our development process through:

- Development standards
- Expert consultation
- Certifications

Development standards

Our development standards incorporate best practices into all aspects of designing, building and operating our properties. These best practices address aspects such as community engagement, placemaking, wellness, accessibility, smart building technology, energy, water, waste and GHG emissions management, security and life safety. These aspects are usually interconnected and considered at the earliest stages of planning.

Expert consultation

We engage sustainability experts, architects, consultants, engineers and contractors to embed best practices into the development process.

Topic-specific indicator: Electric vehicle (EV) charging stations

We recognize that Canadians will rely more on electric vehicles for transportation and as a result, we currently have 296 charging stations across our portfolio.

Future Plans

We will continue to evaluate stakeholder demands for EV charging stations and deploy them throughout our portfolio, as appropriate.
Responsible Procurement

Topic Overview
Sustainable sourcing of services and materials brings positive benefits to the economy by reducing the environmental impact of the supply chain and promoting responsible business practices and fair labour principles.

Management Approach
We aspire to embed responsibility within:

• Corporate programs and policies
• Procurement practices

Corporate programs and policies
Responsible Procurement is a Green at Work® Pillar and includes required and best practice property procurement tactics.

Procurement practices
In 2018, CF finalized making procurement procedures electronic. By doing so, we integrate 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.

Topic-specific indicator: Suppliers screened using environmental criteria
CF employs a third-party prequalification program for all contractors from over 100 trades, to assess their policies and procedures, training and insurance compliance.

Future Plans
We will ensure that the Responsible Procurement Pillar is up to date in all new iterations of Green at Work®.
Green Leases

Topic Overview

Green leases align the financial and environmental benefits of landlords and clients, enabling all parties to work together to save money, conserve resources and ensure efficient building operations. Green lease clauses help us to improve the operational efficiency and sustainability of our properties by addressing aspects ranging from energy efficiency and water usage to recycling and indoor air quality.

Management Approach

CF is recognized as the first landlord in Canada to execute a green lease with a key client, the Royal Bank of Canada, at RBC Centre in Toronto. In 2015, we integrated green clauses in our standard office lease and in 2017, we rolled out a standardized green lease for retail properties.

Sustainability-specific requirements found in our office and/or retail green lease include:

- Environmental initiatives – client and CF agreement to meet annually to discuss environmental objectives
- Metering – clients agree to install energy and water sub-meters for performance monitoring
- Energy, water and waste management – client and landlord agreement 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

Future Plans

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. 100 per cent of new leases will be ‘green.’

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of all leases signed</td>
<td>12.1%</td>
<td>25.0%</td>
<td>54.7%</td>
</tr>
<tr>
<td>% of office space under green lease</td>
<td>27.6%</td>
<td>30.6%</td>
<td>38.0%</td>
</tr>
<tr>
<td>% of retail space under green lease</td>
<td>0.0%</td>
<td>1.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>% of total GLA under green lease</td>
<td>19.2%</td>
<td>21.2%</td>
<td>20.6%</td>
</tr>
</tbody>
</table>
People & Culture

Topic Overview

We attribute much of our progress in meeting corporate responsibility goals from our strong culture and ability to develop engaged employees and leaders. Empowering our people is especially significant when engaging a multi-generational workforce. Understanding employment expectations and how best we can meet those in an inclusive environment is a key component of delivering an optimal employee experience.

Management Approach

Our culture, which enables our achievements, is fostered and made possible through:

- Our Values
- Our Value Proposition to Employees
- Our Commitment to Develop our People

Our Values

1. Aim higher
2. Own your expertise
3. Collaborate Effectively
4. Engage with empathy
5. Embrace change

For more information on our Values, please visit our website.
**Our Value Proposition to Employees**

1. **Strong reputation:** CF is financially strong with premier assets and best practices; employees feel we are the best at what we do.
2. **Great culture:** The culture is friendly, fun and flexible and we have a work environment that accepts individual differences.
3. **Interesting work:** Employees feel challenged with new and interesting projects and they feel their skills and experiences are aligned with their roles.
4. **Commitment to building leaders:** There is support for leadership development at every stage of an employee’s career so that people can excel in their work and grow in their career.
5. **Total rewards:** CF offers a broad array of competitive cash and non-cash compensation programs and best-in-class benefits packages.

**Our Commitment to Develop our People**

We offer many programs that contribute to the development of our employees:

- **CF Building Leaders Coaching Program:** Every CF leader commits to meeting with their employees quarterly (at a minimum) and coaches on the behaviours that have the greatest impact on business results.
- **Onboarding Program:** The CF onboarding experience is individualized and aims to accelerate the learning curve and productivity in their role.
- **Tuition Reimbursement Program:** CF will reimburse education up to $2,500 per year per employee. Reimbursement is available to all active, full-time or part-time employees (working 20 or more hours per week).
- **Continuing Professional Development Training:** CF has an extensive online Learning Hub which all employees have access to. It offers many learning and development tools, like online courses, registration for in-class courses and workshops, career resources and a virtual library.
- **Compliance Training:** All CF employees have access to the compliance training catalogue through the online system.

**Topic-specific indicator: Employee development programs**

Please see the “Our Commitment to Develop our People” section above.

**Future Plans**

We will update our value proposition and development programs when necessary to meet employee expectations and to maintain our culture and position as a best-in-class employer.
Responsible Employment

**Topic Overview**

CF aims to be a responsible employer through responsible hiring practices, regularly engaging our employees, and providing best-in-class benefits and work environment. We believe that being a responsible employer is a fundamental step to ensuring satisfied employees.

**Management Approach**

CF’s pension plan assists employees with preparing for retirement and is one of the most generous pension plans in Canada. CF’s commitment to employee health & well-being is supported with multiple policies and programs including:

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

We have 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.
### Topic-specific indicator: Hiring and turnover rate

Total Number of Employees (as at August 31, 2018): 1,500

Total number and rate of new employee hires during the reporting period, by gender and region:

<table>
<thead>
<tr>
<th>New Hires/Rehires</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Rate</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>By location</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td>26</td>
<td>38</td>
<td>58</td>
<td>44</td>
<td>84</td>
</tr>
<tr>
<td>Toronto Office</td>
<td>10</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Portfolio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario Portfolio</td>
<td>36</td>
<td>61</td>
<td>63</td>
<td>45</td>
<td>99</td>
</tr>
<tr>
<td>Western Portfolio</td>
<td>41</td>
<td>34</td>
<td>51</td>
<td>41</td>
<td>92</td>
</tr>
<tr>
<td>Eastern Portfolio</td>
<td>22</td>
<td>36</td>
<td>39</td>
<td>46</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>135</td>
<td>177</td>
<td>214</td>
<td>179</td>
<td>349</td>
</tr>
</tbody>
</table>
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Total number and rate of employee turnover during the reporting period, by age group, gender and region:

<table>
<thead>
<tr>
<th>Termination</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Rate</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
<td>2017</td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Corporate</td>
<td>19</td>
<td>34</td>
<td>44</td>
<td>42</td>
<td>74</td>
</tr>
<tr>
<td>Toronto Office Portfolio</td>
<td>5</td>
<td>9</td>
<td>1</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Ontario Portfolio</td>
<td>54</td>
<td>58</td>
<td>75</td>
<td>42</td>
<td>117</td>
</tr>
<tr>
<td>Western Portfolio</td>
<td>25</td>
<td>35</td>
<td>53</td>
<td>45</td>
<td>89</td>
</tr>
<tr>
<td>Eastern Portfolio</td>
<td>28</td>
<td>41</td>
<td>46</td>
<td>29</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>131</td>
<td>177</td>
<td>219</td>
<td>163</td>
<td>354</td>
</tr>
</tbody>
</table>

CF does not disclose employee hiring and turnover by age, due to the confidential nature of this data.

Future Plans

We aim to advance our best-in-class employee policies and programming to continue to recruit and retain top talent.
Client Satisfaction

Topic Overview

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, our ability to add value, and keep clients and shoppers satisfied. With the launch of an ambitious strategic plan and new values that will guide our actions and behaviors, we are taking our next step in activating our purpose.

Management Approach

Client satisfaction involves our entire company – decisions made by properties, corporate departments and portfolios can affect the overall client experience.

We manage client satisfaction by:

1. Analyzing data insights
2. Implementing programs to improve satisfaction

Data insights:

CF 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) and track results as a key performance indicator. 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
- 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 property and portfolio action plans to improve operational procedures and the client experience.
Programs to improve satisfaction

We implement numerous programs to ensure client satisfaction:

1. **Property upgrades**: We invest heavily in our properties, redesigning many properties to provide more natural light, modern décor, comfortable seating areas.

2. **Client collaboration**: We regularly collaborate with our clients to deliver an enhanced experience. As an example, at CF Pacific Centre and CF Toronto Eaton Centre, we worked with clients 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.

3. **National Service Centre**: An efficient and consistent call answer process to respond to requests, and support extended hours of operations with 24/7 bilingual service and improved continuity planning.

4. **Property-specific websites**: Sites help communicate building information to current and prospective clients: leasing availability, building services and amenities (e.g., fitness clubs, bike parking), local shops and food options, sustainability information (e.g., building certifications, energy and water performance), resources for clients (e.g., client manual) and contractors (e.g., service work permit).

5. **Green building certifications**: Academic studies show the relationship between green-certified office buildings and higher occupancy rates, lower lease turnover and higher net rents.

**Topic-specific indicator: Customer survey results**

We experienced strong results with our customer satisfaction surveys:

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Results</th>
</tr>
</thead>
</table>
| Office    | - Office occupant satisfaction was high with a reported 93% satisfaction rate  
            - Tenant representatives were more positive with 94% satisfied and of that 1/4 were very satisfied |
| Retail    | - Shopper satisfaction score increased from 79% to 84% between 2015 and 2018  
            - Most shoppers rank their CF shopping experience as "very satisfied" |

**Future Plans**

Moving forward, we will invest in processes and systems to address customer feedback even more quickly and effectively. CF Connect will introduce embedded “thermometers” into the emails tenants receive upon completion of a service request. This provides them with an immediate opportunity to report their overall satisfaction with the end-to-end response to their service request.
Health & Safety

Topic Overview

Health & safety encompasses the programs, policies, disclosures and practices relating to the safety and wellbeing of customers, employees and suppliers. Effective stewardship of health & safety is our priority because of the inherent operational risks. Our ongoing focus is to move the mindset from “compliance” to a proactive and progressive “culture of “safety” – an approach aligned with our clients, their customers, and our Board.

Management Approach

We manage health & safety through:

1. Corporate committees and policies
2. Program and compliance assessments
3. Employee input and training

Corporate committees and policies

At the top level, our National Health and Safety Committee made up of property peer leaders encourages and supports properties in assuming an anticipatory and intuitive problem-solving approach. This leads to early identification and resolution of health & safety issues, in contrast to a compliance mindset, where issues are exposed through an external audit or oversight program.

Our comprehensive environmental health & safety manual defines our policy, procedures and practices, which incorporate elements of OHSAS 18001 and builds on the internationally leading ISO 9001 and ISO 14001 standards. Elements that are addressed include:

- Hazardous material management
- Contractor safety
- Safe equipment operation
- Harassment, discrimination and workplace violence
- Worker rights and work refusal
- Employee training, protection and orientation
- Hazard recognition and control
- Accident prevention, reporting and investigation
Program and compliance assessments

CF undertakes a comprehensive internal health, fire safety and emergency management audit program that ensures our Occupational Health & Safety program aligns with operational risk management efforts, including a national program to standardize all fire safety inspection and evaluation processes to the highest national standards. This internal audit program also identifies property best-practices to share throughout the company.

To ensure objectivity and accountability, CF employs a third-party health & safety consultancy for independent, annual on-site assessments and deployment of an online compliance management tool. All third-party and internal reports are reviewed by each property, the respective portfolio managers and our head office team. Our properties target full compliance through the internal and external evaluation programs with actual compliance rates continually above 90%.

Employee input and training

Regional health & safety committees hold monthly to quarterly safety meetings to collect employee input. If a work-related incident occurs, we conduct a root cause analysis to determine incident causes and recommendations to prevent re-occurrence.

CF adheres to all legislative requirements for employee health & safety training. Training topics are risk based and task specific. We also conduct general environmental health & safety training.

Topic-specific indicator: Description of health & safety management system and training

Please see “Employee input and training” section above.

Future Plans

Our long-term focus is on driving a culture shift – from a mindset of “compliance” to a proactive and progressive culture of safety. This is an approach aligned with and valued by our clients, their customers and our Board.

Our current priority is the development of a consolidated protocol for collecting health & safety metrics. While this data is currently captured, we seek to increase the degree of analysis required to deliver meaningful insights. We contracted a third-party to develop an incident reporting service. This program has capabilities to identify health and safety metrics for first aid, lost time, near misses, and absenteeism. Additionally, we are implementing a safety award for properties demonstrating a high level of compliance. Award criteria includes legislative compliance, training requirements and internal and external audit results.
Topic Overview

Occupant wellness is about developing workspaces that enhance occupant health and wellbeing through physical features and programming. This is an emerging aspect in real estate, with reports demonstrating that the design of an office impacts the health, well-being and productivity of its occupants. With the average person spending 90% of their time indoors (according to Delos, founder of the WELL building standard), CF believes in the importance of addressing and enhancing occupant wellness in our properties.

Management Approach

CF manages occupant wellness through:

- Corporate programs
- Property features, operations and programming

Corporate programs

Our Green at Work® program’s Responsible Procurement Pillar mandates green contractors, chemical reduction strategies, and low emissions products and equipment. National Security Operations completes audits, property training and evaluates exemplary practices for universal accessibility.

Select property features, operations and programming

<table>
<thead>
<tr>
<th>Health &amp; wellness concept</th>
<th>Practices</th>
</tr>
</thead>
</table>
| Air                       | • Raised floors and upgraded ventilation systems  
|                           | • Indoor air quality audits |
| Water                     | • Free, accessible water  
|                           | • Water quality audits |
| Nourishment               | • Functional kitchens in office properties  
|                           | • Healthy food retailers in retail properties |
| Light                     | • High-quality, energy efficient lighting  
|                           | • Natural daylight harvesting and large windows |
| Fitness                   | • Fitness programming  
|                           | • Bike racks and changing facilities |
| Comfort                   | • Temperature and humidity monitoring and control |
| Mind                      | • Art and design features  
|                           | • “Green” walls |
In 2016, GRESB launched its Health & Well-being module to evaluate and benchmark the leadership and actions of real estate companies related to health and wellbeing in their buildings and among their workforces. In 2018, CF scored 90 out of 100, far surpassing the GRESB average of 62 and placing us at the top of our peer group.

Future Plans
CF continues to monitor and implement leading industry practices for improving occupant wellness. In 2019, we are benchmarking and inventorying our practices for the purpose of evaluating a formal framework for health & wellness.

Community Impact

Topic Overview
CF aims to have a positive impact on the communities in which we operate by supporting local citizens, businesses and charities. The spirit of our individual employees, their contributions and dedication, are ultimately reflected at a CF corporate level. CF aims to put our collective values into action for many causes important to us and our stakeholders, creating mutually beneficial relationships that contribute positively to our communities.

Management Approach
We manage our community impact through our:

- Building Communities program
- National Charitable Donations program
- Corporate partnerships

Building Communities program
Building Communities is CF’s charitable program supporting employee volunteerism where CF employees can request a corporate contribution of up to $5,000 for a charity based on personal volunteer hours.

National Charitable Donations program
Our corporate community investments are evaluated and governed by a National Charitable Donations Committee, which oversees the community-oriented Charitable Donations program. The National Charitable Donations Committee receives thousands of support requests each year from many important organizations and causes. Evaluating each request is a time intensive process, but one that CF is committed to completing in a disciplined manner.
Corporate partnerships
Through our philanthropic partnerships, we are investing in making meaningful change across Canada with a strong focus on empowering and inspiring youth so they can make a positive impact in their community and the lives of others.

**Topic-specific indicator: Summary of community engagement programs**

To see the results of employee and corporate driven community engagement programs, please see the [2018-2019 Responsibility Report](#) - Community First section.

**Future Plans**

We will continue to create corporate partnerships with philanthropic organizations that align with our overall corporate responsibility strategy.

**Financial Performance**

**Topic Overview**

Our ability to provide value to our stakeholders and be a leader in corporate responsibility depends on our ability to not only remain financially viable but to thrive. Financial performance is ranked by both internal and external stakeholders as one of our most material indicators.

**Management Approach**

CF 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 and initiatives. CF’s Green at Work® program encourages properties to budget for initiatives which would help meet energy and water reduction targets – thereby reducing overall costs for the organization.
Topic-specific indicator

Direct economic value generated and distributed

CF 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 for more information.

Ethics

Topic Overview

CF is committed to keeping all aspects of our business in line with high legal and ethical standards. We expect 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.

Management Approach

Our ethical standards and ability to respond to infringements are governed by our:

- Code of Business Conduct
- Anti-Corruption Policy
- Ethics Reporting Hotline
Code of Business Conduct

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 up to and including termination of employment for cause. The Code is comprehensive and mandates that employees must:

- Follow the laws wherever CF does business
- Not put themselves or CF 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 CF policies and guidelines

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

Anti-Corruption Policy

The Anti-Corruption 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. The policy is communicated electronically and is applicable to all directors, officers, employees, agents, representatives and other associated persons of CF. Each employee must review and sign the Anti-Corruption Policy in conjunction with their review of the Code of Business Conduct.

Ethics Reporting Hotline

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.
Topic-specific indicator: Anti-corruption policy

Please see “Anti-Corruption Policy” section above.

Future Plans

We will continue to work diligently to maintain the highest ethical standards.

Risk Management

Topic Overview

We define risk management as our competency to manage uncertainty and to proactively address threats to minimize their impact on our assets. We believe risk management is central to all that we do. Our responsibilities are varied and include managing 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 view ERM as the ability to further maximize our value by using risk identification and mitigation plans to create opportunity and competitive advantage.

Management Approach

We manage risks through our:

- Enterprise Risk Management process
- Policies and procedures
- Corporate programs
Enterprise Risk Management process

Our ERM process uses a rigorous framework to evaluate, capture and consolidate all of 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. It then 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 report which monitors key risk indicators against established limits to help us assess the changing risk profile.
- On a quarterly basis, we report to the Board of Directors 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.

In response to the evolving risk of disruptive innovation we have hired an Executive Vice President, Digital Innovation. This role will enhance our understanding of a rapidly evolving landscape and help CF deliver against new opportunities.

Policies and procedures

We have a robust set of policies and procedures for 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 a 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.

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 ensures our buildings follow national, provincial and municipal regulations. These activities also include instituting corporate best practices and mandate adherence to the CF Standard Operating Procedures.

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.
Corporate programs

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

Properties are 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 developed and implemented an anti-corruption and anti-bribery program that incorporates key components identified by regulatory bodies. It includes an in-person training program that trained nearly 200 executives and employees in key risk areas.

We have a pre-contract due diligence screening and review program and an anti-corruption and anti-bribery compliance contract provision for third-party business partners.

In 2018, we continued to focus on a group of initiatives to strengthen CF’s ability to prevent cyber security issues from occurring, improve our ability to detect threats against our systems and network and prepare recovery actions in the case of a breach to minimize damages. By taking these actions, we protect our data and information from theft or misuse.
We acknowledge that climate change poses physical, economic and social risks to our organization and community.

<table>
<thead>
<tr>
<th>Risk or opportunity</th>
<th>Impact</th>
<th>Management methods</th>
<th>Cost of action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in precipitation extremes and drought</td>
<td>- Damaged assets from flooding and ice storms</td>
<td>• Insurance</td>
<td>Increased operational</td>
</tr>
<tr>
<td></td>
<td>- Increased snow and precipitation pose safety risk</td>
<td>• Business continuity strategies</td>
<td>cost</td>
</tr>
<tr>
<td></td>
<td>- Business disruption for us and tenants (liability) and will</td>
<td>• Operational guidelines and training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- result in higher costs to operate our assets</td>
<td>• Capital investment strategies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Water reduction</td>
<td></td>
</tr>
<tr>
<td>Change in temperature extremes</td>
<td>- Changes in heating and cooling requirements of buildings, resulting in increasing cost for clients</td>
<td>• Energy and waste reduction</td>
<td>Increased operational/</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Equipment upgrades</td>
<td>capital cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Capital investment strategies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• GHG reporting</td>
<td></td>
</tr>
<tr>
<td>Carbon cap and trade systems</td>
<td>- New regulatory frameworks that may differ from province to province</td>
<td>• Energy reduction</td>
<td>Increased operational</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Energy reporting and assurance</td>
<td>cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Development methods to reduce carbon load of new buildings</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Capital investment strategies</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• GHG reporting</td>
<td></td>
</tr>
<tr>
<td>Energy and water reporting regulation</td>
<td>- Minimum energy and water performance and mandatory reporting</td>
<td>• Energy and water reduction</td>
<td>Increased operational</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Energy and water reporting and assurance</td>
<td>and compliance cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Direct tenant billing to promote a culture of awareness and reduction</td>
<td></td>
</tr>
<tr>
<td>Market demand for &quot;climate protected buildings&quot;</td>
<td>- Customer preferences for high-efficiency buildings that are not subject to disruptions from climate events</td>
<td>• Green at Work® (GAW) program</td>
<td>Increased occupancy</td>
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<td></td>
<td></td>
<td>• Corporate Responsibility initiatives</td>
<td>retention/net rent</td>
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<td></td>
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<td>• Capital investment strategies</td>
<td></td>
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<tr>
<td>Market demand for alternative energy</td>
<td>- Customer preferences for energy from renewable sources and buildings with green certifications to meet sustainability goals</td>
<td>• GAW program</td>
<td>Increased operational</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Corporate Responsibility initiatives</td>
<td>costs</td>
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<td></td>
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<td>• Capital investment strategies</td>
<td></td>
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<td></td>
<td></td>
<td>• Renewable energy credits purchases &amp; GHG reporting</td>
<td></td>
</tr>
</tbody>
</table>
Future Plans

In 2019, we are evaluating our portfolio’s exposure to climate change and extreme weather risks and completing an inventory of our resilience practices to identify opportunities to improve.

Sustainability Governance

Topic Overview

Sustainability governance encompasses the processes and practices used to integrate environmental, social and governance (ESG) objectives and oversight into the organization. We recognize the interrelationship between ESG practices and their impact on the communities in which we operate. We channel CF’s core values and the capabilities of our people to positively impact these communities and influence change while creating value for our clients, partners and shareholder.

Management Approach

Sustainability is governed and integrated into our organization through our:

- Corporate Responsibility Policy
- Responsibility committees

Corporate Responsibility Policy

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 as follows:

1. To reinforce and 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.
Responsibility committees

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. The plan is aligned with Enterprise Risk Management and strategic/business planning objectives. The process is governed by two committees:

- The CF Responsibility Steering Committee is 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 CF 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.

Topic-specific indicator: Committees for ESG decision-making

Please see “Responsibility committees” section above

Future Plans

We will continue to evolve policies and committees where appropriate to ensure that sustainability remains fully integrated into our business strategy.
Regulatory Compliance

Topic Overview

Regulatory compliance includes adherence to laws, regulations, guidelines and specifications relevant to our business. Ensuring regulatory compliance has financial and reputational implications.

Management Approach

CF complies with all laws and regulations in all jurisdictions. Our internal policies, procedure guidelines or operational standards often exceed laws and regulation. There is a Board committee responsible for overseeing regulatory compliance, including environmental and health and safety laws.

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

We use 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 issues are tracked and addressed.

Topic-specific indicator: Fines or sanctions related to non-compliance

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

Future Plans

We will continue our strong regulatory compliance performance and work with stakeholders to anticipate and stay ahead of incoming regulations. Please see “Responsibility committees” section above.