



GENERAL

ESG Objectives and Progress

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We aspire to be one of the global sustainability leaders in the real estate industry. Striving for leadership means striving to increase our knowledge base to better serve our clients and tenants.

Through sustained effort and commitment, we are delivering enhanced environmental, social and governance results that encourage a sustainable way of living and doing business. We prioritize our efforts on those issues where we have the greatest impact, an increased ability to influence, and that are most relevant for our stakeholders. Outlined below are some examples of how we enhanced operational excellence across our portfolio in 2017, and how we plan to continue those efforts in 2018.



Environmental

We are expanding our measurable targets and objectives for key performance data. Environmental performance targets are set internally being mindful that client performance is theirs to disclose.* Objectives include reducing resource use and costs, reducing waste and increasing the number of certified buildings in the portfolio we manage on behalf of our clients.

**Please note there are constraints on our ability to disclose environmental performance targets as a third-party manager of assets, and as a private subsidiary of a public company.*

Better Data and Reporting

We recognize that to manage performance effectively, we need robust and reliable data to enable reporting. The quality of data is critical to providing our stakeholders with useful and reliable reports. Good data also empowers our managers to drive better performance. We track environmental performance data, human resources information, and are continuing to develop ways to measure the social attributes of our assets.

We have confidence in the data that we publish and in 2017 (as in prior years) we engaged KPMG LLP (KPMG) to provide limited assurance over selected performance indicators. We look to continually improve as we discover new opportunities requiring different pieces of data, and we find ways to enhance our data collection and analysis capabilities. To that end, we implemented a number of initiatives in 2017 to enhance our data collection, analysis, and ultimately our reporting to stakeholders.

Completed

- Onboarded the Sun Life U.S. portfolio on to Eco Tracker and Eco View, enabling more insight into utility consumption and energy usage trends and integration with the broader Bentall Kennedy sustainability programs to drive performance.
- Expanded our property-level energy efficiency target-setting initiatives to include the U.S. multi-family portfolio, as well as the Sun Life U.S. office portfolio. This extends the program to encompass the entire office, enclosed retail and multi-family portfolios across North America.
- Launched the Benchmarking Survey & Diagnostic to the Bentall Kennedy portfolio across North America to track and benchmark property-level sustainability performance to inform budget decisions, drive business performance and improve reporting for clients. The Diagnostic informs the sustainability strategy for each property, and indicates where the property sits within Bentall Kennedy's portfolio. The Diagnostic also recommends next steps to take action to improve a property's sustainability performance.
- Developed more specific guidance for each asset type on the data which should be tracked.
- Improved the sustainability data management system within Eco Tracker to enhance the cross-functionality between various initiatives, including the Benchmarking Survey, BOMA BEST, IREM and LEED EB:O&M certification modules.

Planned

- In 2018, we will focus on increasing effective participation in Eco Tracker, our proprietary sustainability data management system, as is appropriate for specific groups and expand data coverage across portfolios.
- Following Natural Resources Canada announcement that the ENERGY STAR certification program is expanding to Canada in 2018, Bentall Kennedy will evaluate its portfolio for eligible assets (i.e., properties with a score of 75 and higher) and pursue certification, where possible.
- Bentall Kennedy's Climate Change Resilience project is intended to evaluate climate risk through portfolio-specific climate change impact data. This project seeks to inform both adaptation and risk mitigation strategies.

Social

Engagement with our key stakeholders can take many forms. By planning and enabling engagement, dialogue, and sharing ideas, we create conditions to foster innovation. We are also working on investing in employees in particular through leadership, training and development programs. Learn more about our stakeholder engagement process [here](#).

Completed

- Together with Sun Life Financial, Bentall Kennedy launched the Sustainability Innovation Lab to enable ideation and execute initiatives that encourage innovation and value creation. The Lab draws on employees' ideas designed to enhance the performance of our buildings, reduce risk of obsolescence, strengthen tenant loyalty and reduce emissions to protect the environment.
- Bentall Kennedy became an official Fitwel Champion in 2017, demonstrating our commitment to effective property certification and helping our tenants advance their health and well-being goals.
- In 2017, we continued our Energy Efficiency Certificate Program, which is a multi-course training that empowers property management teams with the right tools and analytics to deliver continuous improvements in energy efficiency.
- Our Tenant Engagement Program, ForeverGreen, continues to be implemented in all asset types across North America, including a variation for multi-family properties, called ForeverGreen@Home. Resources such as posters and newsletters are created to equip both property managers and tenants with actionable content around monthly sustainability and health and wellness themes.

Planned

- Improve our orientation process for property managers to be more engaged across North America and allow new staff to quickly familiarize themselves with the ESG objectives of Bentall Kennedy and the tools that are available to them to help meet those objectives.
- We understand that tenants gravitate toward buildings with green credentials and amenities. We engage tenants as part of our community within the building and help them meet their sustainability goals, attract talent, and engage employees. We will continue to improve our resource offering through the ForeverGreen Tenant Engagement Program to include customized and asset-class specific resources, integrating health & wellness themes, and equip property managers with the tools and knowledge to effectively engage tenants on these topics. In 2018, we repackaged the concept of sustainability to increase our focus on wellness into the ForeverGreen program, because green and healthy go hand in hand.

Governance

We forge strong relationships with our clients through good governance practices, accountability and transparency - all of which are central to our fiduciary role and core responsibilities.

Completed

- We updated and expanded Bentall Kennedy's Sustainability Governance Framework in 2017. In this detailed framework, Sustainability Governance Committees specifically encourage information sharing, awareness and engagement; assess sustainability risk and opportunity; provide strategic guidance and oversight of sustainability decisions and actions; and track progress as it aligns with investment strategy.
- We have an ISO 14001 certified Environmental Management System (EMS) to ensure successful implementation of programs and continual improvement.
- We disclosed sustainability performance and practices to GRI, GRESB, and UN PRI.

Planned

- Continue to maintain ISO 14001 Environmental Management System certification.
- Implement the Sustainability Governance Framework.
- Continue to demonstrate our commitment to transparency by disclosing sustainability performance and practices to rigorous global reporting standards such as the GRI, GRESB, and UN PRI.