



HOOPP

2018 Real Estate Sustainability Report



HOOPP
Healthcare of Ontario
Pension Plan

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About HOOPP

Since 1960, the Healthcare of Ontario Pension Plan (HOOPP) has been providing a secure retirement income to healthcare workers in Ontario. With over 350,000 members, HOOPP is one of Canada's largest defined benefit pension plans. To deliver on our pension promise, our in-house team of investment professionals focuses on generating long-term, stable returns from our investments.

HOOPP's real estate assets total more than 45 million square feet across Canada, the U.S. and Europe. Those assets – representing 18% of HOOPP's total net assets, at a gross value of \$14.3 billion – contribute significantly to HOOPP's investment strategy and returns. In 2018, we committed more than \$1.4 billion in new investments and posted an 8.9% return. The HOOPP real estate team partners with third parties to develop, manage and operate our properties.



2018 sustainability highlights



Launched three new strategic initiatives



72% of properties have implemented a sustainable procurement policy



Engaged tenants on sustainability at **90%** of properties



Reduced greenhouse gas emissions by **8,000** tCO₂e, which is equivalent to removing over **1,700** cars from the road



14% of portfolio has renewable energy purchased or generated, representing our largest coverage to date

Launching strategic initiatives

to reinforce HOOPP's position as a sustainability leader

To action our Sustainability Policy commitments, we launched three new strategic initiatives in 2018.



- 1) **To stay ahead of the risks posed by extreme weather, we assessed climate change risk and resilience across our global portfolio.** A first of its kind in Canada, the assessment helps HOOPP focus flood resilience planning and flood-protection investments at high-risk properties and prepare all properties to better manage climate change.



- 2) **We also launched our Retail Excellence Program, which brings together representatives from our retail-focused management partners** to discuss sustainability issues and opportunities relevant to retail properties. Building on the success with industrial and retail properties, we will be expanding this initiative to our multi-residential portfolio in the coming years.



- 3) **At HOOPP, we recognize that partnering with our tenants is a key contributor to success.** In 2018, we engaged top office tenants to identify our customers' sustainability priorities and discuss how HOOPP can help them achieve their sustainability objectives.

We continue to deploy strategic initiatives to stay ahead of customer demands and regulation, and find opportunities to add value. We look forward to updating you on our progress in next year's report.

2018 Pillar Scorecard




reports wins for emissions reduction, renewable energy and sustainable procurement

The Pillar Scorecard reflects our most material sustainability indicators. Since 2013, we have used the Scorecard to provide a snapshot of our portfolio's sustainability performance and use the insights to guide our sustainability strategy.

We progressed in several areas in 2018. Our total portfolio greenhouse gas emissions footprint decreased by **5%**. We also increased the share of properties with a sustainable procurement policy (72%), properties issuing tenant satisfaction surveys (73%) and properties purchasing or generating renewable energy (14%).

In 2018, we began tracking new building certifications including Wired, Fitwel® and The WELL Building Standard™; we maintained our coverage of building certifications in our portfolio at **72%**. Our energy performance increased slightly, primarily due to a colder winter and acquiring properties with higher energy consumption. We look forward to working with our new acquisitions to drive down energy consumption through reduction targets and engagement in our sustainability program.



Pillar	Pillar indicator	2017	2018	Progress
 Energy and atmosphere	Energy performance (ekWh/sf)*	25.6	27.1	●
	Renewable energy (% gross floor area)	11%	14%	●
	Greenhouse gas emissions (000s tCO ₂ e)**	152	144	●
 Resource stewardship	Water consumption (litres/sf)	52	49	●
	Waste diversion (average % diverted)	53%	52%	●
	Construction and renovation waste policies (% of properties)	48%	40%	●
	Sustainable procurement policy (% properties)	61%	72%	●
 Engagement and innovation	Tenant engagement (% of properties)	84%	90%	●
	Tenant satisfaction survey (% properties)	70%	73%	●
	Green leases (% GFA)	21%	19%	●
	Building ratings (% GFA)	72%	72%	●
	Sustainable development (% new developments targeting LEED Gold or equivalent)***	41%	43%	●

Notes: All data provided by GreenCheck. Energy and water performance data are for office properties only.

*ekWh refers to equivalent kilowatt hours. This metric is the standard unit of energy consumption used to compare different energy sources by equating them to the standard measure of electrical energy.

**Thousands of tonnes of carbon dioxide equivalent. This metric calculates the total global warming impact of different greenhouse gases by converting them to the standard measure of carbon dioxide.

*** Leadership in Energy and Environmental Design (LEED) is an internationally recognized, third-party certification system which rates a building's site, water and energy efficiency, waste management, material selection, and indoor air quality.



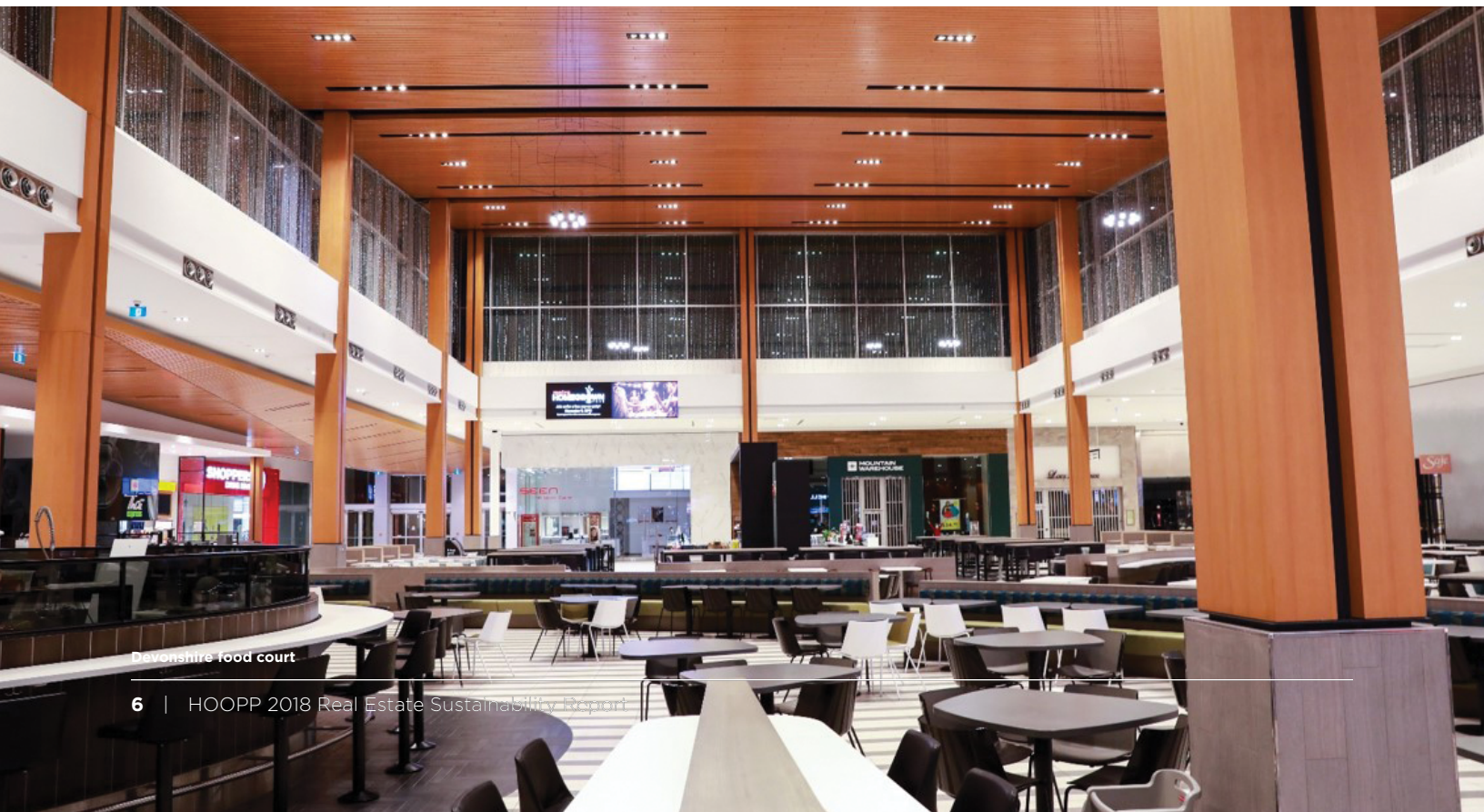
CASE
STUDY

Future-ready buildings

deploying latest technologies and design

HOOPP continually seeks opportunities to invest in technologies to improve the customer experience and resource efficiency. This focus on sustainability was an important driver during the redevelopment of Devonshire Mall in Windsor, Ontario. The redevelopment introduced new features such as solar panels, electric vehicle-charging stations, rainwater harvesting for irrigation, and an advanced lighting control system. The mall is on track to achieve LEED® Gold certification.

A highlight of Devonshire Mall is its new zero-waste food court. The food court re-opened in July 2018 with the goal of diverting at least 90% of waste from landfill. The team at Devonshire has achieved at least 90% diversion each month since its opening and the new food court has enjoyed a positive response from the community. The mall even offers school group tours to showcase its dedication to sustainability, and use of new technologies and designs.



Devonshire food court



CASE
STUDY

Healthy and attractive spaces

sustaining public well-being and value

As a pension plan focused on healthcare workers, we know the importance of preventative health. Fitwel is a new building certification to encourage health and wellness of building occupants.

Our 25 York Street tower in Toronto was the first office building in Canada to earn Fitwel certification. In 2018, our One York tower followed suit. Already LEED Platinum certified, this Fitwel certification validates One York's position as an all-around sustainability leader. Health and well-being features include connection to public transit, bicycle storage, a rooftop garden and programming to encourage tenants to use the stairs for exercise.

As a responsible owner, HOOPP recognizes the role we can play in contributing to the communities in which we operate. In 2018, we unveiled one of our boldest initiatives to date – a 23-storey mural at our Parkside Student Residence in Toronto. Completed by world-renowned Spanish street artist Okuda San Miguel – in collaboration with the charity The STEPS Initiative – the colourful mural captivates passersby and brightens the community. Local artists worked alongside San Miguel on the mural and it has received a very positive response from the community. [Read more about the mural here.](#)

Okuda San Miguel's largest piece, *Equilibrium*, is a 23-storey mural on a building at Carlton and Jarvis.





CASE
STUDY

Addressing climate change

mitigation and adaptation

The impacts of extreme weather caused by climate change pose a risk to people, communities, infrastructure and property. To account for our portfolio's impact, HOOPP has measured its holdings' greenhouse gas (GHG) emissions for 12 years. Since 2014, we have successfully reduced GHG emissions by over 20%; that represents approximately 40,000 tonnes of CO₂e.

In addition to reducing our portfolio's impact, we also acknowledge the need to adapt, which is why we highlighted the business case and best practices for climate change adaptation at our 2018 LEAP Conference. Our annual LEAP (Leadership in Environmental Advancement Program) Conference honours property managers and tenants for sustainability and environmental stewardship. Other 2018 HOOPP initiatives that contribute to climate change adaptation and mitigation include:

➤ Climate change risk and resilience assessment

Last year, we surveyed all properties globally for their exposure to risks from extreme weather and climate change, as well as the properties' preparedness to respond to these hazards and improve resilience.

HOOPP can now use the resilience assessment to determine how to best prepare properties for climate change hazards. We can work with the asset and property teams to invest in appropriate resilience measures and obtain cost-effective insurance.



The City of Toronto recently joined other major cities in releasing its first Resilience Strategy

► Saddleridge stormwater basin

In 2018, we introduced an innovative stormwater filtration system at one of our Calgary developments. This new storm-pond biofiltration technology uses native plant biofiltration systems to treat stormwater, resulting in water suitable for recreational and irrigation purposes. By storing more stormwater on site, this system will help mitigate against drought and storm sewer overflow.



Stormwater filtration system

► Installation of ATB Place co-generation project

In 2017, HOOPP invested in two onsite combined heat and power plants to generate electricity and recapture waste heat at ATB Place in Edmonton. The plants were installed in 2018 and have reduced the property's dependency on electricity grid power; they have also provided financial and environmental benefits by reducing energy costs by up to 50% and annual greenhouse gas emissions by approximately 3,000 tonnes. As a result, the project was awarded the 2019 Building Owners and Managers Association (BOMA) Pinnacle Innovation Award.



Co-gen project at ATB Place

► Low-carbon energy strategy toolkit

Through the LEAP Forward program, we award property managers innovation grants to pilot promising sustainability projects. In 2018, we rolled out a toolkit to all property managers to help evaluate the development potential for onsite renewable energy systems to assess if a property is a good candidate for onsite solar photovoltaic generation. By providing our property teams with the right tools, we are confident that we can accelerate the transition to a low-carbon economy in a cost-effective manner.



Passive solar wall

