

HEALTHY PEOPLE.
HEALTHY PLANET.
HEALTHY BUSINESS



2016 Toronto-Dominion Centre Sustainability Report



HEALTHY PEOPLE, HEALTHY PLANET, HEALTHY BUSINESS

Message from the General Manager

Now that the conversation around sustainability has found its way into the mainstream, it's incumbent upon companies that see themselves as leaders to go beyond what is merely expected of them, and to set their sights on ever more ambitious goals.

At TD Centre, a relentless focus on the future is at the heart of who we are. Five years ago, we published our industry's first property-specific sustainability report—a snapshot of TD Centre's performance on all fronts. Each subsequent year, we've released a report that builds on the last, making for increasingly dynamic accounts of our progress.

This year's report, our fifth, paints a more complete picture than ever of how our efforts are translating into far-reaching benefits for our occupants and their businesses. In the Human Capital section, we describe how changes to our physical structures, operations and programs offered to tenants benefit TDC's 21,000 occupants daily. Our health and wellbeing initiatives are in many respects compatible with the WELL™ Building Standard, which uses innovative, research-backed strategies to advance health, wellness and productivity in the workplace. As an example, our team's efforts supported TD Bank to obtain the world's first WELL Certification under v1 New and Existing Interiors.

Furthermore, in the report's Sustainability Top 20, we list twenty sustainability leadership initiatives that each stands out in its own right. Collectively they contribute to the highest level of LEED® - Leadership in Energy and Environmental Design – certification, which all TD towers have achieved.

We invite you to learn more about our efforts to support sustainability for People, Planet and Business in the following pages and on our interactive website. Should you have any questions or feedback, I invite you to contact me personally.

Yours sincerely,

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David Hoffman

General Manager, Toronto-Dominion Centre

TDC Sustainability at a Glance

TOP ACHIEVEMENTS 2016

FINANCIAL CAPITAL







HUMAN CAPITAL





REAL CAPITAL





600 CARS OFF

BRAND CAPITAL

90%
TENANT
SATISFACTION
RATE





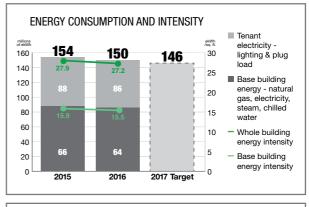
Environmental performance

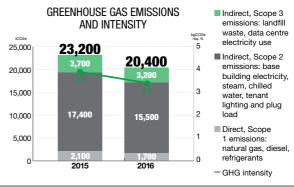
2015-2016

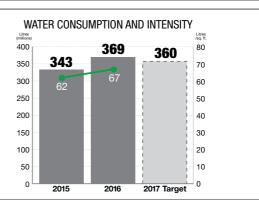
We continue to find efficiencies in our resource use. Between 2015-2016, TDC achieved the following:

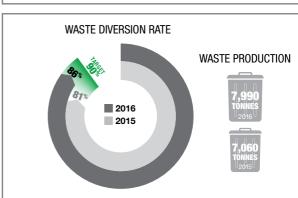
- Energy use decreased by 2.7%, exceeding our GREEN AT WORK target of 2.5%
- Greenhouse gas emissions decreased by 2,800 tonnes of CO₂e or 14% over 2015. Since 2008, we have reduced our carbon footprint by more than 20,000 tonnes
- Despite the team's hard work, water consumption increased 7.5%. We have strategies to reverse this in 2017 to meet our target reduction of 2%
- Waste diversion increased by 5 percentage points to 86%, meaning we sent less waste to landfill in 2016. Our target is 90%

Note: Energy, water and waste numbers have been adjusted since our 2015 report as energy and water data has been normalized to the 2016 performance year. The Additional Information sheet on our website provides a full explanation of performance data methodology.









THE FOUR CORNERSTONES OF BUSINESS



ENHANCING PROFITABILITY

Operational costs are contained through operational efficiency initiatives such as energy, carbon, water and waste management.



ENHANCING HUMAN HEALTH AND PRODUCTIVITY

Occupant well-being and productivity are supported through building structure, operations and programs which positively impact the health of individuals.



ENHANCING THE WORKPLACE ENVIRONMENT

Building performance, appearance and operating capabilities are improved through capital investments and process changes.



ENHANCING REPUTATION

Reputation, customer and employee loyalty and market perceptions are enhanced through differentiated engagement programs and building certifications.



Investing for business and environmental benefits

In 2016 we continued to focus on reducing our environmental footprint. We made investments in infrastructure, technology and programs with dual benefits: we improve our tenants' financial capital by decreasing operational costs and minimize the complex's impact on the environment.

TDC'S RELAMPING RETROFIT

We completed Canada's largest light replacement program, totalling about \$1.6 million in investments.

Using Toronto Hydro's incentive program, we switched 55,000 fluorescent T8 lights to LEDs, which use 40% less energy and provide better, more consistent light for occupants. The upgrade will pay for itself in less than five years through energy savings of 2.5 million ekWh per year or about \$250.000.

WORKING TOWARDS ZERO WASTE

We continued to work towards increasing the buildings' waste diversion rate in 2016. To do this, we focused on several key areas:

- Waste auditing: We worked with our service provider to audit garbage, recycling and organic material from our buildings and identify opportunities for better sorting. The audit revealed that ongoing occupant and visitor education on TDC's practices is the key factor moving forward
- Collaboration with cleaning staff: TDC's cleaning staff plays an integral role in our diversion performance. To bring awareness to their contributions, we shared the waste diversion results and celebrated a strong year
- **Construction waste reports:** As this is a substantial portion of TDC's waste and to ensure that 70% or more waste is diverted from landfill, we monitor results through tenant construction project waste reports

Our efforts paid off – in 2016 we achieved a complex-wide diversion rate of 86%. This means that only 14% of waste produced went to landfill and nearly 7,000 tonnes were recycled or composted.

Looking ahead, we will work to improve organic recycling in the Food Hall. We know this is a challenge and that the key to success is continued occupant, visitor and staff education and awareness raising.



Enhancing human health and wellbeing

Human capital is an important cornerstone of business, accounting for over 80% of costs in many industries. Evidence shows the profound impact the built environment has on people's physical and mental health.

From our perspective, the health and wellbeing of an individual is made up of three interconnected components – Body, Mind and Experience. As a landlord, we know we can impact occupant health and wellbeing through building Structure, Operations and Programs.

These pages show examples of health and wellbeing strategies that are currently in place or planned for the future at TDC.

STRUCTURE

Physical features of the building that can enhance human health and wellbeing

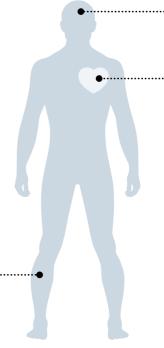
OPERATIONS

Policies and practices that contribute to human health and wellbeing

PROGRAMS

Property initiatives that create awareness, knowledge and action to improve human health and wellbeing

FOCUS ON HEALTH AND WELLBEING OF 21,000 BUILDING OCCUPANTS



FOCUS ON MIND

We want to positively affect the emotional balance, attitude and cognition of individuals that call TDC their workplace. Evidence shows that a person's immediate environment can decrease stress and anxiety and improve happiness, sleep quality, brain function and creativity.

STRUCTURE

- Exterior noise control (e.g. exterior noise exclusion and construction restrictions)
- Biophilic design elements like natural materials, natural light and views of nature

OPERATIONS

- Access to health and wellbeing resources
- Short response time to service requests

PROGRAMS

- Health-related tools for tenants (e.g. stress management, sleep quality)
- Canadian art in all building lobbies

CASE STUDY

THE INDOOR ENVIRONMENT SUPPORTS COGNITIVE FUNCTION

A recent study done by Harvard University and State University of New York supports the positive correlation between a high-quality indoor environment and productivity. The COGfx study



showed that participants' cognitive function test scores doubled in indoor environments with improved indoor environmental quality, which have higher air and water quality, increased access to daylight and comfortable temperatures.



FOCUS ON BODY

The body contains several systems that work together to maintain human function. Core requirements for healthy body function include clean air and water, light, movement and healthy food.

STRUCTURE

- Outdoor green space
- Active transportation facilities (bike parking)
- Ventilation quality (higher grade air filtration, adequate fresh air intake)

OPERATIONS

- Indoor air and water quality testing
- Ongoing commissioning of HVAC and other building systems
- Controls around introduction of pollutants to indoor environment (materials, green cleaning)
- Construction pollution management practices

PROGRAMS

- Activities to encourage movement and fitness (yoga and stairwell fitness classes)
- Nutrition-oriented workshops
- Alternative transportation events and resources (bike repair clinics and tools)

CASE STUDY

FITNESS WHERE YOU WORK

TDC is encouraging occupants to be active right where they work.



In 2016, we held yoga classes in our outdoor courtyard and fitness classes in the building stairwells. Both were done in partnership with our tenant, the Toronto Athletic Club. Participation was high and we plan to organize more fitness programs in the future.

FOCUS ON EXPERIENCE

Experience is built upon building structure, operations and programs that engage, facilitate social interaction, build human connections and create a strong sense of place and belonging for occupants.

STRUCTURE

- Aesthetically pleasing spaces that celebrate art, culture and beauty
- Inclusive design (e.g. non-denominational religious amenity) and spacious common area for social interaction

OPERATIONS

- Sharing air quality test results with occupants
- Daytime cleaning services
- Conducting occupant feedback surveys on facilities and programs

PROGRAMS

- Inclusion in groups and programs such as the tenant-led Green Council
- Opportunities to participate in charitable activities and connect with fellow occupants

CASE STUDY

TD BANK OBTAINS FIRST WELL CERTIFICATION

In 2016, our tenant TD Bank earned the world's first WELL Certification under v1 New and Existing Interiors for its TD23 floor. In partnership with Cadillac Fairview, the space was



renovated and fitted out to align with the WELL Building Standard. The floor incorporates various health and wellbeing features for the tenants that occupy it including air quality, collaborative workspaces, educational signage and healthy food options.



Boosting service with investments in technology and processes

Through operational enhancements and ongoing investments, we improve tenants' Real Capital. In 2016 we made improvements to systems and processes, enhancing building management and our ability to respond to requests.

TARGETED RESPONSE TIME FOR SERVICE REQUESTS

TD Centre's Service Centre, to Assist, is responsible for helping tenants with their building operational needs.

The dedicated team logs requests in Maximo®, our work order tracking system, to ensure tenant needs are addressed efficiently. If required, they dispatch maintenance staff to attend to issues and escalate reoccur-



ring issues to our Tenant Relations or Operations Manager. Our goal is a one-hour response time and 24-hour completion of service requests. Currently, 96% of service requests have met these targets.

MANAGING ENERGY USING A SMART SYSTEM

Energy is a significant cost for our tenants. Energy efficiency is therefore a priority for our Operations Team. To manage this, we are implementing a software integration platform, Iconics, to enable our team to make the best operations decisions to meet tenant needs and conserve. The system aggregates and displays energy consumption and operational data, allowing our team to see trends and identify opportunities to increase building performance. It also has a fault detection system that notifies team members of issues causing inefficiency, allowing them to be promptly addressed.



Recognized for sustainability achievements

At TDC, we have always invested in sustainability because it adds value to our tenants' businesses. We seek to confirm our status as a conscious, high-calibre landlord through the most prestigious building certifications and sustainability awards. This sets us apart and enhances our tenants' reputations among their customers and employees.

Our sustainability efforts and successes were recognized with several awards in 2016.



BOMA TOBY Award (local and national)

The TOBY Awards recognize excellence in building management, operational efficiency, green policies and procedures, tenant ency planning and community impact. They are presented at the

retention, emergency planning and community impact. They are presented at the local, national and international level to BOMA BEST®-certified buildings.

TDC received the TOBY Award for an office building over one million square feet at both the local (Toronto) and national level, for achieving the highest score on its BOMA Certificate of Excellence in 2016.

BOMA

BOMA Earth Award

The Earth Award, presented by BOMA Toronto, recognizes buildings and their teams for excellence in environmental management. Awards are presented in various building categories using the scoring from the BOMA BEST program.

In 2016, TDC was the recipient of the BOMA Earth Award for an office complex, validating the building operations team's commitment to strong environmental management practices.



CaGBC Innovation in LEED® Award

The CaGBC Innovation in LEED Awards program recognizes projects and individuals that demonstrate advancement in the green building industry in Southern Ontario.

TDC was honoured with the Innovation in LEED Award (Existing Buildings: Operations & Maintenance) for its Platinum certification of the complex. TDC is one of the largest complexes to be certified to LEED Platinum in North America and one of the first in Canada.



Clean50 Top15 Project

Each year, Clean50 honours individuals and teams that have contributed to clean capitalism in Canada. The Clean50 Top15 Projects

are selected based on level of innovation and ability to inform and inspire continued progress towards sustainable development, clean technology and sustainability.

TDC was named a Clean50 Top15 project in 2016 for its LEED Platinum certification. The project demonstrated team collaboration and tenant engagement and achieved strong sustainability impacts (for example, a 30% energy reduction).

TORONTO-DOMINION CENTRE SUSTAINABILITY TOP 20



LED LIGHTING UPGRADES

In 2016, we undertook one of the largest lighting retrofits in North America. We upgraded 55,000 lights to energy-efficient and higher quality LED technology. LEDs significantly reduce burned out bulbs and waste because they don't need to be replaced as often.

REAL-TIME ENERGY SUBMETERING

We have smart metering technology to monitor real-time energy consumption for base building systems and individual tenant spaces, providing a feedback loop

INTERDISCIPLINARY ENERGY MANAGEMENT TEAM

Collaborative and interdisciplinary, our Energy Management Team, chaired by our Embedded Energy Manager, is made up of operators, management staff, suppliers and contractors. Their focus: continuously reduce our energy consumption and meet the GREEN AT WORK® reduction target of 2.5% per year.

PROGRESSIVE RECYCLING

Our waste and recycling performance exceed industry standard. We collect and recycle organic materials, batteries and old electronics. We also specify recycling requirements for tenant construction and renovation waste.

PROXIMITY TO TRANSIT

Did you know that fewer than 10% of our occupants use a car for their daily commute? That's because TDC is connected to Toronto's transit network. It's conveniently close to the subway, GO Transit and several TTC streetcar routes.

Located in the heart Toronto's financial district, TDC is an easy walk from anywhere in the downtown core.

BIKE FACILITIES

We cater to the fast-growing community of bicycle commuters with ample bike racks at each tower's entrance and secure bike parking underground. Our bike

OUTDOOR COURTYARD

For both building occupants and visitors to the downtown core, our outdoor courtyard offers a welcome connection to nature. The diverse combination of lawn, trees, seating and artwork attracts people all day long – for an outdoor lunch, a mental break, even meetings.

INDOOR ENVIRONMENTAL QUALITY

We strive to provide our occupants with the best indoor environmental quality. We regularly audit indoor air quality and share third-party quality test results with all our tenants. We also proactively manage issues and provide ongoing education on pesticides, scents and healthy procurement practices.

10 DAYTIME CLEANING

Daytime cleaning, offered to all tenants, is an innovative approach to everyday caretaking. Cleaning during business hours reduces energy consumption and operational costs, improves security, and allows our cleaning staff to have a more balanced work life.

ENERGY-EFFICIENT WINDOWS

Our massive window replacement program has seen thousands of singleglazed windows replaced with better-insulated double-glazed versions. This has significantly improved energy efficiency.

12 ELECTRIC VEHICLE CHARGING STATIONS

Electric vehicle charging stations allow TDC occupants and visitors to live a lower-carbon lifestyle by encouraging low-pollution transportation.

ENWAVE DEEP LAKE WATER COOLING

The Enwave Deep Lake Water Cooling system uses cold water from Lake Ontario as a reliable, renewable cooling source. This eliminates our need for energyintensive chillers.

14 SMART IRRIGATION AND LANDSCAPING

To maintain our outdoor green spaces with minimal watering, we use a smart irrigation system, which relies on sensors to detect when water is required. 15 LOW-FLOW FIXTURES AND WATER SENSORS

To conserve water, all of our water fixtures and toilets are low-flow. Faucet sensors prevent taps from being left on. 16 ZIPCAR PARKING SPACES

Sustainable commuting options include convenient access to Zipcar, the leading North American car-on-demand service.

22,000 square feet of greenery in the city! One of Toronto's largest, our green roof

delivers a trifecta of benefits. It reduces building cooling requirements, minimizes storm water runoff and improves downtown Toronto's air quality. **GREEN AT WORK PROGRAM**

GREEN AT WORK® is Cadillac Fairview's comprehensive national sustainability program. It sets targets for all properties and mandates best practices for energy, water and waste management, environmental protection, sustainable procurement and communication. It also tracks and benchmarks all properties.

OCCUPANT ENGAGEMENT PROGRAM AND GREEN COUNCIL

The Green Council is responsible for our award-winning Occupant Engagement Program. Through engagement, education and outreach, this tenant sustainability and wellness steering committee inspires and drives positive change in tenant practices and behaviours.

HIGHEST LEVEL OF BUILDING CERTIFICATIONS

Achieving LEED Platinum for the entire TDC complex proves that existing buildings can be sustainability champions. This, coupled with the highest levels of BOMA BEST certification, confirms TDC's status as one of Canada's commercial real estate sustainability leaders.







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