

Bentall Corporate Governance

CASE STUDY

ABOUT BENTALL

Bentall LP is one of the largest real estate services organizations in Canada with offices in Vancouver, Seattle, Calgary, Edmonton, Winnipeg, Toronto, Ottawa and Montreal. Assets under management include more than 750 properties, representing close to 83 million square feet of office, industrial and retail space, and approximately 5,000 multi-family residential units. The company is privately held, with SITQ (a subsidiary of the Caisse de dépôt et placement de Québec), British Columbia Investment Management Corporation (bcIMC) and senior management each owning one third of the company.



World Exchange Plaza in Ottawa's financial core.

LOCATION

ADDRESS: 55 University Avenue, Suite 300, Toronto, Ontario

PHONE: 416-681-3400

WEBSITE: www.bentall.com

CORPORATE GOVERNANCE – CORPORATE SUSTAINABILITY

“Bentall is committed to developing and implementing a continuous improvement strategy of best practices based upon the principles of environmental sustainability, social and economic responsibility for our Real Estate Services.”

Bentall's ForeverGreen Sustainability and Corporate Responsibility Mission Statement

Foresight, leadership and engagement are the cornerstones of Bentall's sustainability and corporate responsibility strategy. Environmental sustainability and social and economic responsibility are integrated into the company's asset management, property management, leasing and development services through a continuous improvement philosophy.

One of the “50 Best Employers in Canada” for four years running, the company's engaged workforce and a tradition of environmental and social accountability, has positioned it as an influential advocate for sustainability issues. Leading the industry and sharing best practices along

the way, Bentall is a recognized leader in building certification programs including BOMA, BEST and LEED, and it has successfully achieved carbon neutrality for its corporate business operations (including business travel, employee commuting, and energy use at corporate offices).

BENTALL'S BUSINESS CASE FOR SUSTAINABILITY

At Bentall, the business case for sustainability is three-fold: profitability, fit with core values, and market leadership. Energy represents as much as 30 per cent of a building's operating costs with lighting, office equipment and HVAC (heating, ventilation and air conditioning) systems being the major energy users. Eco-efficiencies for sustainability increase profitability for building owners, tenants and managers.

Sustainability also builds on Bentall's longstanding commitment to the environment and employee engagement. "As one of the '50 Best Employers' our employees tell us that sustainability is important to them," says Giselle Gagnon, VP National Real Estate Services. "We have an enduring commitment to environmental stewardship; building on this foundation through responsible property management and investment practices is a logical extension to the way we do business."

In addition, the development of Bentall's sustainability strategy has presented significant opportunities. Today, Bentall has received more than 15 prestigious awards for being a pioneer of environmentally and socially responsible standards, best practices and new technologies. Recently Bentall was awarded top honours in a benchmarking initiative in the Canadian real estate industry completed by Jantzi Sustainability. The study measured performance in the three dimensions of sustainability: environmental, social and governance. Bentall's scores outperformed industry averages in the United States, Europe and Australia.



Employees at Carlson Court complete a 20 Minute Makeover at the Pearson Corporate Centre

BEING A "GAME CHANGER" FOR A SUSTAINABLE WORLD

Promoting positive transformation can be game changing. It can nudge a paradigm in a new direction. Bentall's sustainability initiatives are intended to do just that. By demonstrating proof of concept within the company and the industry, Bentall looks to expand the boundaries of what is possible. The company has implemented leading technologies, like a rainwater recovery system at the World Exchange Plaza in Ottawa; proven that tenant engagement can be an effective means of increasing awareness at Bentall Centre in Vancouver's financial district, and established that community involvement, through programs like Hands Up Canada in support of the Canadian Paralympics, is gratifying for all involved.

Commencing with an internal vision shared by employees and senior management, Bentall launched its branded sustainability strategy, ForeverGreen. This strategy lays out a mission for

the initiative tying together environmental sustainability with social and economic responsibility. Through a three-year rolling plan, the strategy establishes goals for utilities, waste management, building certifications, information sharing, communication & education, indoor environment and social issues. Strategically, they look to advance programs that reduce energy and water use, minimize waste and contribute to the overall health and well being of the buildings they manage, the tenants that occupy them and the communities where they reside. “Our mandate is to stay at the forefront of sustainability”, says Gagnon.

Linking the Old with the New

Transformational change can sometimes cause anxiety within a company or an industry. But Bentall has successfully blended incremental and transformational change, first by building on existing core competencies. For instance, Bentall’s utility tracking system was augmented to become ECO-Tracker, which is one of the dynamic tools that the company has created to equip employees with real-time monitoring of environmental performance. The system benchmarks properties against one another; tracks progress year-over-year; and includes a greenhouse gas calculation tool that incorporates all utilities and waste. By transforming the old and familiar into something new, sustainability becomes a unifying umbrella under which different efforts can fall.

Carbon Neutrality

Bentall’s goal of Carbon Neutrality broadcasts its intention to lead the pack in responsible real estate services. In the beginning, the company retained a carbon footprint consultant and chartered a Green Team to measure the greenhouse gases (GHGs) at its corporate office facilities. This Team took the company through the GHG planning, development and management process.

Bentall’s GHG footprint includes Scope 1, 2 and 3

Scope 1:

Direct greenhouse gases from fuel combustion such as natural gas for building heat, and fuel for corporately owned vehicles.

Scope 2:

Indirect greenhouse gases from purchased electricity, steam, and chilled water.

Scope 3:

Other indirect greenhouse gases from business travel, and employee commute.

Common Steps to GHG Planning & Management

Planning Stage

1. Secure management support
2. Inventory standards
3. Establish a team
4. Prepare a budget
5. Define inventory boundary
6. Determine sources of emissions

Development Stage

1. Select baseline
2. Collect data
3. Ensure data quality
4. Determine emission factors
5. Calculate emissions

Management Stage

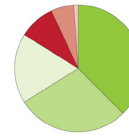
1. Identify emission reduction opportunity
2. Decide on target type (absolute or intensity)
3. Decide on target level
4. Implement emission reduction activities
5. Publically report complete inventory information

The Green Team measured its corporate carbon footprint on scope 1, 2 and 3 parameters. The result was a series of programs aimed to increase energy efficiency and employee engagement processes. The GHG reduction strategy led to the purchase of 100 per cent green electricity from Bullfrog Power™ for Bentall's Calgary and Toronto corporate offices. Any remaining GHG's were offset through Carbonzero in support of energy efficiency programs for social housing. The company plans to file its first sustainability report in 2010 in which it will highlight sustainability achievements in 2009.

Employee Engagement - Caught Green Handed

Recognizing the importance of employee engagement for sustainability, the company launched its Caught Green Handed Program in 2009. This initiative aims to build upon employee engagement and help change the environmental impact of how Bentall employees interact at work. Some key elements of Caught Green Handed include:

- Measurement of individual employee work related carbon footprint through Bentall's One Minute Calculator;
- Energy reduction by centrally and systematically shutting off monitors and lights, and programming printers and photocopying for double sided printing;
- Launching Bentall's "Ride Shark" ride share program, a web-based commuting initiative; and,
- Leveraging alternative travel modes and technologies for client and team meetings.



Caught Green Handed - Bentall's employee engagement program

TOOLS AND BEST PRACTICES IN THE RIGHT PLACES

The company's "inside/outside" strategy enables internal and external best practices and tools to be used to service building owners and their tenants. Bentall's property teams are armed with internal innovative guidance documents and tools for greening their buildings; a few examples include:

1. Green Specifications for janitorial, landscaping and snow removal services – specifying environmentally friendly products and best practices in these service sectors.
2. Environmentally Preferable Purchasing (EPP) program – directs employees on how to incorporate environmental criteria into traditional purchasing considerations like price, performance and availability.
3. Waste Management RFP – promotes strategic partnerships with proactive, committed service providers to contribute to resource efficiency through innovation and best practices in waste and recycling program at the property.
4. "Eco-tracker" – Bentall's proprietary online utility, waste and GHG emissions tracking system that provides a 'real time' view of a building's carbon footprint along with energy and waste diversion performance for benchmarking and reporting purposes.

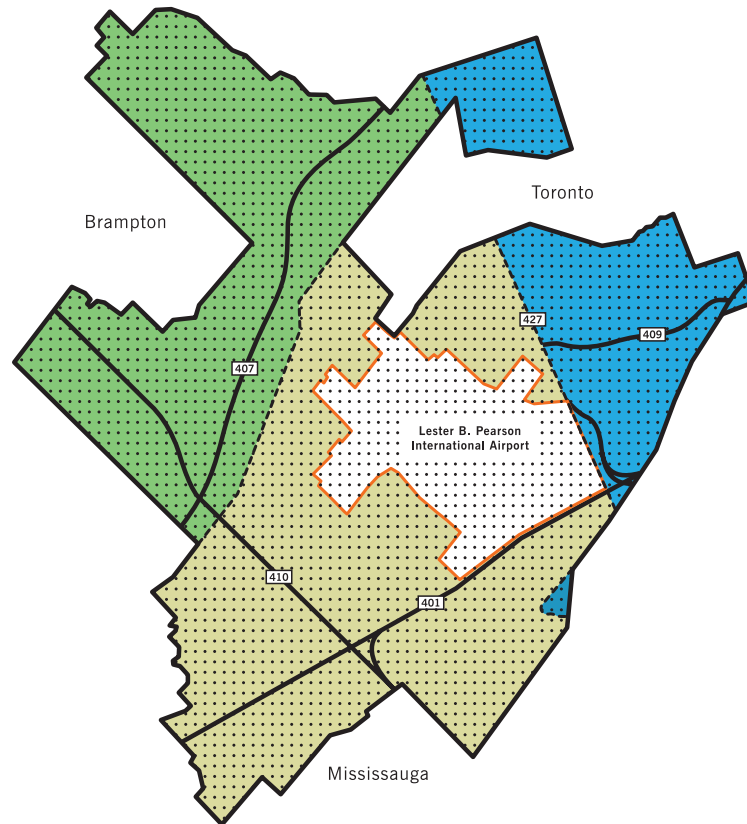
More importantly, Bentall is using and advancing these tools and best practices within the organization. The strategy is affecting change for sustainability by: 1) redesigning infrastructure, 2) adjusting feedback loops, 3) improving information flows, 4) changing policies, procedures and rules, 5) enabling self-organization, 6) modifying goals and 7) shifting the mindset of stakeholders.

WHAT IS PARTNERS IN PROJECT GREEN?

Opportunities to gain a competitive advantage through sustainable business practices are more attainable than you think. Partners in Project Green is a growing community of businesses working together to green their bottom line by creating an internationally-recognized eco-business zone around Toronto Pearson.

Through new forms of business-to-business collaboration, Partners in Project Green delivers programming that helps businesses reduce energy and resource costs, uncover new business opportunities, and address everyday operational challenges in a green and cost-effective manner.

PEARSON ECO-BUSINESS ZONE



www.partnersinprojectgreen.com