

Vision

To be renowned for creating sustainable shopping environments that become the heart of our communities.



Shopping For Everyday Life 

LOCATION
LOCATION
LOCATION®



Shopping For Everyday Life 

LOCATION
LOCATION
LOCATION®



A MESSAGE FROM THE PRESIDENT AND CEO

Our Commitment to Corporate Responsibility and Sustainability – A Report on Our Progress

2013 was another busy and productive year at First Capital Realty. We invested over \$571 million and \$2.4 billion, respectively, in acquisitions, development, redevelopment and property expansion programs in 2013 and over the past three years. The Company has maintained a disciplined strategy to build our presence in urban markets where demographic and economic trends ensure that our retail properties serve the needs of consumers “Shopping for Everyday Life”®, today and for years to come.

However, First Capital Realty is more than a portfolio of high quality urban retail-centred properties. It is a company of hard-working and dedicated people. With their skills, expertise and knowledge, these individuals working collectively as a team, singular in focus, are responsible for the Company’s tremendous growth and success.

It is important to achieve results without compromising our integrity. Our Code of Conduct and Ethics, policies, practices and governance structure are focussed on ensuring that we maintain and deliver this standard. This philosophy makes good business sense and continues to ensure the long-term value of our Company and our assets.

Embedded in our success is the Company’s approach to corporate responsibility and sustainability. We strive “to do more with less” by integrating corporate responsibility and sustainability into our operations. Our intensification and “live, work, play” strategy supports more asset types, more amenities, and more gross leasable area (GLA) per acre of land. Using fewer resources to achieve our goals increases efficiency, maximizes value and generates higher profits. Our corporate vision is “to be renowned for creating sustainable shopping environments that become the heart of our communities.”

First Capital Realty (TSX: FCR) is Canada’s leading owner, developer and manager of well-located, high quality urban retail-centred properties where people live and shop for everyday life. As at December 31, 2013, the Company owned interests in 164 properties, including four ground-up development projects, totaling approximately 24.5 million square feet of gross leasable area (GLA), and one land site in the planning stage for future retail development. First Capital Realty has an enterprise value of over \$7.3 billion and trades on the Toronto Stock Exchange.

www.firstcapitalrealty.ca

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I would like to highlight several accomplishments achieved over the past year:

- The Sustainability Council developed and approved a 2013-2015 Sustainability Strategy to achieve our sustainability vision “to enhance the long-term value of the Company by minimizing our impact on the natural environment and positively affecting our people and the communities in which we live and work.”
- Leaside Village (85 Laird) in Toronto, Ontario received a Gold Maple Leaf Award for Design and Development Excellence from the International Conference of Shopping Centres (ICSC). The Company transformed a former contaminated industrial property with an abandoned building, historically used as a railway locomotive maintenance shop, into a pedestrian friendly community neighbourhood shopping centre.
- Fairview Mall in St. Catharines, Ontario was recognized with a Breaking the Barrier Award from the Ontario March of Dimes for the construction of a new pedestrian walkway from the main street to the mall entrance. This award is given to individuals, businesses or organizations that have promoted the integration of equal access to persons with disabilities.
- Shops at New West in New Westminster, British Columbia won the Royal City’s Builders’ Building of the Year Award and Modern Commercial Building Award from the City of New Westminster and the Chamber of Commerce. These awards acknowledge outstanding projects completed in 2012.
- The City of Langford in British Columbia acknowledged First Capital Realty’s redevelopment of Langford Centre with a Golden Award for Excellence for Development and Revitalization.

- 37 properties comprising 3.6 million square feet of GLA received Building Owners and Managers Association (BOMA) Building Environmental Standards (BEST) certification.
- 15 projects comprising more than 400,000 square feet of GLA were certified to Leadership in Energy and Environmental Design (LEED) standards.
- During the 2013/2014 school year, the Company expanded and incorporated the First Capital Realty Annual Sculpture Competition to Concordia University in Montréal, Québec and Emily Carr University of Art and Design in Vancouver, British Columbia.

We made significant progress on our sustainability program in 2013 and I look forward to reporting next year on the Company’s achievements in 2014.

Dori J. Segal
PRESIDENT AND CEO

GRI REPORTING PARAMETERS

REPORTING PROFILE	
3.1 Reporting Period	January 1, 2013 to December 31, 2013
3.2 Date of most recent previous report	2012 Corporate Responsibility and Sustainability (CRS) Report (as of December 31, 2012)
3.3 Reporting Cycle	Annual
3.4 Contact point for questions regarding the report or its contents	Rosemary Martin, Chief Sustainability Officer rosemary.martin@fcrms.ca
3.5 Process for defining materiality, including determining materiality, prioritizing topics within the report and identifying stakeholders who the organization expects to use the report	<p>The Sustainability Council reviewed the list of GRI indicators.</p> <p>The purpose of the review was to identify which indicators were material, could be reported on or required the development of data collection and reporting systems in the future.</p> <p>Materiality was determined based on an analysis of GRI-compliant CRS reports in the real estate sector, a review of REALpac's "A Guide to Corporate Responsibility and Sustainability in the Canadian Real Property Sector," regulatory developments and the professional judgment of the Council.</p> <p>The EVP and CFO and the Chief Sustainability Officer prioritized the topics within the report based on the current data collection and reporting systems and the Company's efforts during the reporting period.</p> <p>The Company expects investors, tenants, the community and employees to use the report.</p>

REPORTING PROFILE	
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	<p>The Company used operational control to establish the report boundaries. It includes all major subsidiaries of the Company:</p> <ul style="list-style-type: none"> • First Capital Asset Management LP • FCR Management Services LP, and • First Capital Holdings Trust.
3.7 State any specific limitations on the scope or boundary of the report	<p>The report excludes assets that were not managed by First Capital Realty and suppliers' activities.</p> <p>The following joint ventures were excluded: College Square in Ottawa, Ontario; McLaughlin Corners Assets in Brampton, Ontario; Les Galeries de Lanaudière in Lachenaie, Québec; West Oaks Mall in Abbotsford, British Columbia; Main and Main Developments.</p> <p>These joint ventures represented approximately 800,000 square feet of GLA based on 100% ownership or 3% of the Company's entire portfolio.</p>
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Refer to Data Assumptions and Methodologies.

GRI REPORTING PARAMETERS

REPORTING PROFILE	
3.10 Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatements (e.g., mergers/acquisitions, change of base years, periods, nature of business, measurement methods).	2012 water and energy consumption and costs, and GHG emissions were updated to reflect the Company's portfolio as of December 31, 2012 for comparability purposes.
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	Not applicable
3.12 Table identifying the location of the Standard Disclosures in the report.	Refer to GRI index.
3.13 Policy and current practice with regard to seeking external assurance for the report.	The Company sought the services of Ernst & Young LLP to provide "limited assurance" on the following six indicators: EN3 – Direct energy consumption by primary energy source EN4 – Indirect energy consumption by primary source EN8 – Total water withdrawal by source EN16 – Total direct and indirect GHG emissions by weight LA1 – Total workforce by employment type, employment contract and region, broken down by gender LA12 – Percentage of employees receiving regular performance and career development reviews, by gender.

The Chief Sustainability Officer has determined that this report complies with an Application Level B+ GRI compliant report.

REPORT APPLICATION LEVEL		C	C+	B	B+	A	A+
STANDARD DISCLOSURES	PROFILE DISCLOSURES	Report on: 1.1 2.1–2.10 3.1–3.8, 3.10–3.12 4.1–4.4, 4.14–4.15	REPORT ON EXTERNALLY ASSURED	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5–4.13, 4.16–4.17	REPORT ON EXTERNALLY ASSURED	Same requirements for Level B	REPORT ON EXTERNALLY ASSURED
	DISCLOSURES ON MANAGEMENT APPROACH	Not Required		Management Approach disclosed for each Indicator Category		Management Approach disclosed for each Indicator Category	
	PERFORMANCE INDICATORS & SECTOR SUPPLEMENT PERFORMANCE INDICATORS	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic and environment.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, product responsibility.***		Respond on each core and Sector Supplement* Indicator with due regard to the materiality principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

* Sector supplement in final version.

** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines.

*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines.

STATEMENT OF ASSURANCE

Independent Limited Assurance Report To the Board of Directors and Management of First Capital Realty Inc. (FCR)

Our Responsibilities

Our limited level assurance engagement has been planned and performed in accordance with the *International Standard on Assurance Engagements ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and with the *International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410")*, published by the International Auditing and Assurance Standards Board.

Scope of our engagement

We have carried out the following assurance activities, as agreed with management:

- **Subject matter 1:** A limited assurance engagement in relation to the following selected performance indicators for the year ending December 31, 2013 reported by FCR in its Global Reporting Initiative ("GRI") Filing entitled 'First Capital Realty 2013 Corporate Responsibility and Sustainability' report (the "Report"):
 - EN3 – Direct energy consumption by primary energy source
 - EN4 – Indirect energy consumption by energy source
 - EN8 – Total water withdrawal by source
 - LA1 – Total workforce by employment type, employment contract, and region, broken down by gender
 - LA12 – Percentage of employees receiving regular performance and career development reviews, by gender
- **Subject matter 2:** A limited assurance engagement in relation to the following selected performance indicators for the year ending

December 31, 2012 as reported by FCR in the Report:

- EN3 – Direct energy consumption by primary energy source
- EN4 – Indirect energy consumption by energy source
- EN8 – Total water withdrawal by source
- **Subject matter 3:** A limited assurance engagement of FCR's performance indicator EN16 – Total direct and indirect greenhouse gas emissions by weight for the years ending December 31, 2013 and 2012 as reported by FCR in the Report.

Subject matter and criteria

- **Subject matter 1 and 2:** The subject matter consists of the above mentioned social and environmental performance indicators. The criteria used to evaluate the subject matters consisted of the relevant guidance contained within the GRI G3.1 Guidelines, including the Construction and Real Estate Sector supplement.
- **Subject matter 3:** The subject matter consists of FCR's greenhouse gas ("GHG") inventory which includes the total Scope 1, Scope 2 and selected Scope 3 emissions from FCR's total water consumption, with the exclusion of its properties in Québec. FCR's GHG inventory was prepared and calculated in accordance with the GRI G3.1 Guidelines and the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"). The criteria used to evaluate the subject matter consisted of the relevant guidance contained within the GRI G3.1 Guidelines and the GHG Protocol.

FCR management responsibilities

The Report was prepared by the management of FCR, who are responsible for the collection and preparation of the subject matters and the criteria used in determining that the information is appropriate for the purpose of disclosure in the Report. In addition, management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process. There are currently no legislative or regulatory requirements requiring FCR to prepare, publish or have verified a corporate responsibility report.

STATEMENT OF ASSURANCE

Level of assurance

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagements were not designed to provide assurance on internal controls and, accordingly, we express no conclusions thereon.

Work performed

In order for us to express a conclusion in relation to the above subject matters, we have considered the following questions:

Completeness

- Has FCR fairly presented the subject matter with respect to the organizational and operational boundaries and time period defined in the Report?
- Has FCR accurately collated corporate data relating to the subject matter from all material entities in its defined boundary?
- Has FCR collated corporate data relating to the subject matter from all relevant operations level data?

Accuracy

- Is the subject matter accurate and sufficiently detailed for stakeholders to assess FCR's performance?

The procedures we undertook to form our conclusions included, but were not limited to:

- Interviewing selected personnel to understand the key corporate responsibility issues related to the data and processes for the collection and accurate reporting of the subject matter.
- Where relevant, performing walkthroughs of systems and processes for data aggregation and reporting.
- Inquiring of management regarding key assumptions and the evidence to support the assumptions.
- Validating the accuracy of calculations performed, on a sample basis, primarily through inquiry and analytical procedures.

- Validating that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report through observation.

Limitations of our work performed

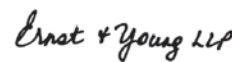
Our procedures did not include providing conclusions in relation to:

- The completeness or accuracy of data sets or information relating to areas other than the subject matters.
- Information reported by FCR other than in its Report, such as information contained on its website.
- Management's forward looking statements.
- The Report being in accordance with requirements of the GRI G3.1 Guidelines other than those contained within the scope of our work, as set out above, or to a particular application level.

Additionally, environmental and energy-use data are subject to inherent limitations given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Our conclusions

Subject to the limitations of our scope noted above, and based on our work as described in this report, we conclude that nothing has come to our attention that causes us to believe that the subject matters are not, in all material respects, fairly presented in accordance with the GRI G3.1 Guidelines, including the Construction and Real Estate Sector Supplement, and the GHG Protocol.



Chartered Accountants
Licensed Public Accountants

Ernst & Young LLP
Toronto, Ontario
July 25, 2014

COMPANY OVERVIEW

First Capital Realty (TSX: FCR) is Canada's leading owner, developer and manager of well-located, high quality urban retail-centred properties where people live and shop for everyday life. First Capital Realty's primary strategy is the creation of value over the long term by generating sustainable cash flow and capital appreciation of its shopping centre portfolio. To achieve its strategic objectives, the Company undertakes selective development, redevelopment and repositioning activities on its properties including land use intensification. First Capital Realty continues to be focussed and disciplined in acquiring well-located properties, primarily centres where there are value creation opportunities and sites adjacent to existing properties in the Company's target urban markets. The Company proactively manages its existing shopping centre portfolio to drive rent growth, increases efficiency and productivity of operations, and maintains financial strength to achieve the lowest cost of capital.

First Capital Realty owns, develops and manages properties that provide consumers with products and services that are considered to be daily necessities or non-discretionary expenditures. Currently, over 80% of the Company's revenues come from tenants providing these daily necessity products and services, including supermarkets, drugstores, banks, liquor stores, national discount retailers, quick service restaurants, fitness, medical and other personal services. Management looks to implement a specific complementary tenant offering at each of its properties to best serve the needs of the local community. The Company is highly focussed on ensuring the competitive position of its assets in various urban and retail trade areas and closely follows demographics and shopping trends for both goods and services.

The Company continues to observe several demographic trends that may affect retail goods and service needs: first, a new and younger generation of consumers whose shopping patterns are influenced by wireless communications and on-line business and information; second, an aging population whose needs will increasingly focus on convenience and health-related goods and services. Another trend that management



COMPANY OVERVIEW

observes relates to lifestyles in urban markets, where consumers choose to incorporate visits to gyms, coffee shops and local restaurants into their everyday life.

In management's view, shopping centres and mixed-use properties located in urban markets with tenants providing daily necessities including non-discretionary services and other personal services will be less sensitive to both economic cycles and the current demographic trends, thus providing stable and growing cash flow over the long term.

First Capital Realty targets specific urban markets with stable and/or growing populations. Specifically, the Company intends to continue to operate primarily in and around its target urban markets of the Greater Toronto Area including the Golden Horseshoe area and London, the Calgary and Edmonton areas, the Greater Vancouver Area including Vancouver Island, the Greater Montréal Area, the Ottawa and Gatineau region, and Québec City. Approximately 95% of the Company's annual minimum rent is derived from these urban markets.

The Company has achieved critical mass in target markets, which helps generate economies of scale and operating synergies, as well as real-time local knowledge of its properties, tenants, neighbourhoods and the markets in which it operates. Within each of these markets, the Company targets well-located properties with strong demographics that management expects will attract quality tenants with long lease terms. First Capital Realty assesses the quality of locations based on a number of factors in the trade area of a property, including demographic trends, potential for competitive retail space and existing and potential tenants in the market.

Inherent in our business strategy is sustainability. First, the Company targets acquisitions and development in existing urban markets supported by public transit rather than greenfield developments which primarily are automobile-dependent. Second, First Capital Realty conducts comprehensive environmental assessments to identify possible environmental contamination prior to acquiring property. Third, the Company pursues intensification on selective properties by constructing mixed real estate assets (i.e., commercial, retail, and residential) on

existing properties. By focussing on existing urban markets, targeting locations with good public transit, and increasing the urban density, the Company is helping to reduce societal energy consumption and GHG emissions and develop good, vibrant neighbourhoods where the public can easily access daily necessities. Fourth, First Capital Realty has committed to develop and certify new projects to LEED¹, and operate them to BOMA BEST. Finally, the Company's mandate to improve operational efficiency aligns with implementing energy and water conservation measures.

First Capital Realty is an active member of the Canadian real estate business community. The Company is a member of the ICSC, the Real Property Association of Canada (REALpac), BOMA Canada, Commercial Real Estate Development Association (NAOIP), and the Canada Green Building Council (CaGBC). It is also an active sponsor of Corporate Real Estate Women (CREW). Many employees are active members in these associations as well.

The EVP and CFO of the Company is a board member of the Ontario Science Centre². The President of FCR Management Services LP serves as a board member of BOMA Toronto, a member of the National Advisory Council of BOMA Canada, the Ontario Chapter of ICSC and the University of Guelph's Real Estate Program Advisory Board.

The Chief Sustainability Officer is a member of REALpac's Corporate Responsibility and Sustainability Committee and University of Toronto's Environmental Finance Committee. She participates on Greening Greater Toronto's Commercial Building Energy Leadership Council and Race to Reduce Working Group.



¹ The Company's policy is to build to LEED standards subject to tenant acceptance.

² This statement refers to the former EVP and CFO whose tenure ended on August 1, 2014.

COMPANY OVERVIEW

Legal Name	First Capital Realty Inc.
Business	Canada's leading owner, developer and manager of well-located, high quality urban retail-centred properties where people live and shop for everyday life.
Headquarters	85 Hanna Avenue, Suite 400 Toronto, Ontario, Canada, M6K 3S3
Ownership	Publicly traded on the Toronto Stock Exchange (TSX: FCR)
Major Shareholder	Gazit-Globe Ltd. and its affiliates 45.3% ownership
Nature of Legal Form	Public corporation
Major Subsidiaries	First Capital Asset Management LP, FCR Management Services LP, First Capital Holdings Trust
Joint Ventures	College Square, McLaughlin Corners Assets, Les Galeries de Lanaudière, West Oaks Mall, 20 Joe Shuster Way (Fuzion), 1100 King Street West (KingsClub), Hunt Club Marketplace, Meadowbrook II, Main and Main Developments, Sherwood Centre, Sherwood Centre 1000 Alder Avenue, Sherwood Towne Square, Village Market, West Springs Village, Crosstown.
Markets	Greater Vancouver Area, including Vancouver Island, Calgary and Edmonton areas, Greater Toronto Area, including the Golden Horseshoe area and London, Ottawa and Gatineau region, Greater Montréal Area, and Québec City
Geographic Concentration by Province (based on GLA)	Ontario (43%), Québec (27%), Alberta (21%), British Columbia (9%) ¹
Occupancy Rate	95.5% ¹
Customers	Canada's leading supermarkets, drugstores, banks, liquor stores, national discount retailers, quick service restaurants, fitness, medical and other personal services
Number of Employees	419 employees
Number of Roll-Up Properties	164 ¹
Number of Individual Properties	294 ¹
GLA	24.5 million ¹

Number of Ground Up Development Sites	4 ¹
Net Operating Income (000s)	\$398,000 ¹
Enterprise Value (000s)	\$7,319,000 ¹
Debt to Enterprise Value	44.3% ^{1, 2}
Awards/Recognition Received	Leaside Village (85 Laird) - Gold Maple Leaf Award for Design and Development Excellence from ICSC Fairview Mall - Breaking the Barrier Award from the Ontario March of Dimes Shops at New West - Royal City's Builders' Building of the Year Award and Modern Commercial Building Award from the City of New Westminster and Chamber of Commerce Langford Centre - a Golden Award for Excellence for Development and Revitalization from the City of Langford
Significant changes during the reporting period regarding size, structure or ownership, including location of or changes in operations, changes in share capital structure and other capital formation.	Shopping centre portfolio's GLA decreased by a net of 500,000 square feet. The Company sold 10 shopping centres comprising 1,105,000 square feet and brought 518,000 square feet on line.
Number of Acres	2,146 ¹
Greenfields	16% ¹
Brownfields	4% ¹
GLA certified to LEED	960,000 ft ² (4%) ¹
GLA to be certified to LEED	2.3 million ft ² (10%) ¹
GLA certified to BOMA BEST	5,046,000 ft ² (21%) ¹
Energy Consumed	160,950 MWh
Water Consumed	1,467,130 m ³
GHG Emissions	34,470 tCO ₂ e tonnes
Net Operating Income/Acre	\$185,500/acre ¹

¹ As of December 31, 2013.

² These measures are not defined by International Financial Reporting Standards (IFRS). Refer to the Company's 2013 Annual Report.

GOVERNANCE STRUCTURE

The Board of Directors believes that sound corporate governance practices are the essential foundation to the well-being of the Company and the promotion and protection of its shareholders' interests. The Company is led by its President and CEO and overseen by a board of directors. At December 31, 2013, the Board was comprised of nine directors, seven of whom were "independent" as defined by National Instrument 52-110 ("NI 52-110"). The Board has elected a Non-Executive Chair who is not independent. For this reason, it has also elected a Lead Director who is responsible for facilitating the functioning of the Board independently of management and ensuring that directors formally have an independent leadership contact.

The fundamental responsibility of the Board is to supervise the management of the business and affairs of the Company with a view to sustainable value creation for all shareholders. The Board promotes full, true and plain reporting, including financial reporting, to shareholders of the Company and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that the Company is best served by a board of directors which functions independently of management and is informed and engaged.

The Company has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and



that the Board functions independently of management. The Compensation and Corporate Governance Committee and the Board periodically review the various components of the Company's overall approach to corporate governance, including corporate governance practices and procedures to ensure that these adequately address the guidelines set forth in National Policy 58-201 – Corporate Governance Guidelines and other significant corporate governance matters.

Board of Directors

The Management Information Circular dated April 2, 2014, available on the Company's website at www.firstcapitalrealty.ca/MeetingMaterials.aspx, identifies and describes the experience of the Company's board members. The Board has adopted a formal written mandate, which reflects the Company's commitment to high standards of corporate governance, to assist the Board in supervising the management and affairs of the Company as required under applicable law and stock exchange rules and requirements.

The main duties and responsibilities of the Board encompass:

1. Overseeing the Company's strategic planning process and overall business strategies and their implementation;
2. Assessing and overseeing the management of the principal risks arising from or incidental to the operations of the Company, including financial, operational, regulatory and environmental risks;
3. Appointing senior management of the Company as deemed appropriate;
4. Overseeing the Company's executive compensation plans and policies and succession planning and reviewing the performance of senior management in line with corporate policies and applicable annual and long-term business strategies and other objectives of the Company;
5. Overseeing shareholder, investor and public communication policies and their implementation, including timely disclosure of material information; and
6. Monitoring and assessing the scope, implementation and integrity of the Company's audit, internal accounting control and management information systems.

GOVERNANCE STRUCTURE

Audit Committee

The Audit Committee is composed of four directors, all of whom are “independent” and “financially literate” as defined by NI 52-110. The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other matters:

- The integrity of the Company’s financial statements;
- The Company’s compliance with legal and regulatory requirements related to financial reporting;
- The internal audit function of the Company;
- The qualifications, independence and performance of the Company’s auditor;
- The design and implementation of internal controls and disclosure controls; and
- Any additional matters delegated to the Audit Committee by the Board.

A further description of matters relating to the Audit Committee is set forth under “Audit Committee” in the Company’s Annual Information Form dated March 9, 2014, which is available on SEDAR at www.sedar.com. As well, the Audit Committee reviews procedures established in the Whistleblower Policy for receipt and follow-up of reports and complaints.

Compensation and Corporate Governance Committee

The Compensation and Corporate Governance Committee is composed of four directors, all of whom are “independent” as defined by NI 52-110.

The Compensation and Corporate Governance Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to:

- The selection and retention of senior management;
- The compensation of senior management;
- Professional development for senior management;
- The management of benefit plans for employees;
- The Company’s overall approach to corporate governance;
- The size, composition and structure of the Board and its committees;
- Orientation and continuing education for directors;
- Related party transactions and other matters involving conflicts of interest; and

- Any additional matters delegated to the Compensation and Corporate Governance Committee by the Board.

Executive Committee

The Executive Committee consists of five directors, including the Chair of the Board, the President and Chief Executive Officer of the Company and three other directors, who are “independent” as defined in NI 52-110.

The Executive Committee has the authority, on behalf of the Board, and subject to certain monetary limits determined by the Board, to:

- Approve investments in and divestitures of real property assets, including:
 - (i) Acquisition and dispositions of property;
 - (ii) Development budgets including the cost of land; and
 - (iii) Acquisitions and dispositions of raw land;
- Approve investments in and divestitures of marketable securities; and
- Approve entering into derivatives for hedging purposes only.

Board Evaluation

The Compensation and Corporate Governance Committee assesses, on a periodic basis, the competencies, skills and effectiveness of the Board, Board committees and individual Board members as well as the operations of the Board and Board committees. In particular, at least annually, the Compensation and Corporate Governance Committee reviews and assesses the Board’s mandate, the charter of each committee and position description of the Chair of the Board and Lead Director. The Compensation and Corporate Governance Committee, on behalf of the Board, maintains a formal process for assessing the competencies, skills and effectiveness of the Board, Board committees and individual directors. The assessment is conducted internally by written self-assessment and peer reviews of the Board, its committees and individual directors.

Share Ownership Guidelines

The Board believes that share ownership by executive officers and the Board is a key element of strong corporate governance. The Board believes that long-term equity ownership further aligns the interests of directors and executives with those of the Company’s shareholders and

GOVERNANCE STRUCTURE

also enables them to share in the long-term growth and success of the Company.

The Company has a Policy on Director and Senior Management Share Ownership that applies to all directors and certain members of senior management. Directors are required to acquire within five years of their appointment and thereafter maintain an equity interest in the Company with a value equal to five times their annual retainer (consisting of their annual cash retainer and deferred share unit grant). The Chair of the Board is required to acquire and maintain an equity interest in the Company with a value equal to three times his/her annual cash engagement retainer. The President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Executive Vice President, Western Canada, Senior Vice President, Central Region, and Executive Vice President, Eastern Canada are each required to acquire over time from grants under the Company's Restricted Share Unit Plan and thereafter maintain Restricted Share Units and Common Shares acquired through the vesting thereof with a value at least equal to six times, three times, two times, 1.5 times, and 1.5 times annual base salary, respectively. Prior to achieving this ownership requirement, members of senior management of the Company are prohibited from disposing of any Common Shares acquired pursuant to the Restricted Share Unit Plan, other than dispositions as they may wish solely for the purpose of paying taxes associated with the vesting of Restricted Share Units. Certain other members of senior management of the Company are similarly required to acquire and maintain an equity interest in the Company equal to one time or 1.5 times annual base salary.

In addition, the share ownership policy provides that the President and Chief Executive Officer continues to be subject to the applicable share ownership requirements for a period of one year following the date he ceases to hold the office of President and Chief Executive Officer of the Company, unless (i) the date he ceases to hold such office for any reason is within 24 months following a change of control (as defined in his employment agreement) or (ii) he ceases to hold such office following death, incapacity or disability.

Related-Party Transactions and Conflicts of Interest

In the case of any transaction or agreement in respect of which a director or executive officer of the Company has a material interest, the director or officer is required to disclose his or her interest. Where applicable, he or she is also generally required to exclude him or herself from any deliberations or votes relating to such transaction or agreement.

The Compensation and Corporate Governance Committee reviews all proposed related-party transactions and situations involving a potential conflict of interest that are not required to be dealt with by an "independent special committee" pursuant to securities law or that have not otherwise been considered by another committee of independent directors. Any member of the Compensation and Corporate Governance Committee who is a party to or has a potential conflict of interest in a proposed transaction or who has a material interest in any related-party transaction must abstain from any vote on that transaction.

Appointment of Directors

The Company supports the appointment of directors nominated by its principal shareholders, independent directors and directors drawn from senior management. This combination leads to a healthy exchange in Board deliberations, resulting in objective, well-balanced and informed discussion and decision making.

Orientation and Continuing Education

All new directors receive a comprehensive orientation, including an overview of the Company's business and strategy, its current year business plan, the role of the Board and its mandate, the roles of the committees and their respective charters, and the role of the Lead Director. Upon appointment or election to the Board, each new director receives a package or is referred to convenient online sources containing up-to-date information on the Company's corporate and organizational structure, recent filings and financial information, corporate governance documents and important policies. A formal orientation session is given to new directors to familiarize them with the Company, its business, industry, senior management team and the contribution individual directors are expected to make.

GOVERNANCE STRUCTURE

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education:

- Directors are provided an opportunity to meet individually in work sessions with senior management to obtain further insight into the operations of the Company, and are involved on a regular basis in discussion with management;
- Education is provided to directors through presentations to the Board and committees by management and outside advisors when key business decisions are sought and at strategic planning meetings; and
- Board members are encouraged to attend conferences, seminars or courses at the Company's expense. Conferences, seminars or courses can deal with any subject matter that is applicable to a director's role on the Board or Board committee or to increase a director's knowledge of developments in the real estate industry.

Directors' Compensation

The Company's director compensation philosophy integrates the following objectives:

- (i) To align the interests of the directors with the interests of the Company's shareholders;
- (ii) To attract, retain and motivate directors who will contribute to the success of the Company;
- (iii) To provide fair and competitive compensation that takes into account the time commitment, risks and responsibilities of the directors; and
- (iv) The types of compensation and the amounts paid to directors of comparable publicly-traded Canadian entities.

Executive Compensation

The objectives of the Company's executive compensation programs are to attract, retain and motivate outstanding executives who are committed to improving the Company's performance and creating value for its shareholders. Four core principles underlie the Company's executive compensation programs:

1. Pay for Performance

The Company structures its executive compensation programs to align executive compensation with the financial performance of the Company and with the performance of its common shares. A significant portion of executive compensation is in the form of at-risk pay. This creates a performance-based corporate culture that rewards individual and team-based contributions to the achievement of the Company's goals and to the increase in shareholder value.

2. Competitive Compensation

Competitive compensation is important as it enables the Company to attract and retain talented and qualified individuals to lead the business. The Company has developed processes to ensure that its executive compensation programs are competitive with market and industry practices and support the attraction, development and retention of high-quality executives.

3. Alignment of Executive Compensation Programs with Long-Term Shareholder Interests

The Company structures its executive compensation programs to align the interests of its executives with those of its shareholders. A significant portion of executive compensation takes the form of long-term equity-based awards. Structuring executive compensation in this manner ensures that executives are properly motivated to increase long-term shareholder value.

4. Effective Risk Management

The compensation program must not encourage management to take excessive or inappropriate risks. Within this philosophy, compensation for individual executives reflects the functions they perform, the short-term and long-term risks associated with their responsibilities, their contributions to the Company, their ability to improve the financial performance of the Company, their commitment to achieving corporate objectives and their ability to create shareholder value. Several measures are implemented to avoid excessive or inappropriate risk-taking by non-executive officers. The Management Information Circular dated April 2, 2014, available on the Company's website at www.firstcapitalrealty.ca/MeetingMaterials.aspx, outlines these measures in detail.

GOVERNANCE STRUCTURE

Performance and Compensation

The Board receives periodic reports on the Company's actual compared to planned financial and operating performance, including social, human resources and environmental initiatives. The Compensation and Corporate Governance Committee uses the actual versus planned annual results to evaluate management performance and to allocate discretionary compensation.

Departure Arrangements

The Management Information Circular dated April 2, 2014, available on the Company's website at www.firstcapitalrealty.ca/MeetingMaterials.aspx, describes the departure arrangements for named executive officers for termination and change of control scenarios.

Shareholder/Investor Communications and Feedback

The Company has in place procedures to effectively communicate with its stakeholders, including its shareholders, employees and the general public. The fundamental objective of these procedures is to ensure an open, accessible and timely exchange of information with shareholders, employees and other stakeholders concerning the business, affairs and performance of the Company. This includes quarterly conference calls open to investors, industry analysts and media representatives in conjunction with the release of the Company's financial results, as well as regular presentations to or meetings with industry analysts and institutional investors. Through the Company's website, shareholders and other stakeholders may access the Company's most recent conference call recording and its most recent presentation made to the investment community. The Company also discloses recent developments via social media (e.g., Facebook or Twitter). In addition, the Company has in place procedures to ensure that inquiries or other communications from investors are answered by an appropriate person in the Company.



CODE OF CONDUCT AND ETHICS

At First Capital Realty, we strive to create an enriching work environment that encourages our employees to perform at their best while at the same time actively supporting their well being. The Company's Vision and Mission Statements define a set of behaviours to guide 'how' we work and establishes objectives designed to provide a solid "people" framework for the organization.

Vision

To be renowned for creating sustainable shopping environments that become the heart of our communities.

Mission

We are Canada's leading owner, developer and manager of well located, high quality, urban retail-centered properties where people live and shop for everyday life.

Some of the fundamental behaviours that support these values are:

- Be respectful of your co-workers - their opinions, feelings, time, areas of expertise and family commitments;
- Be generous with your expertise by always giving your best advice;
- Know your facts, know your business;
- Think and act like an 'owner';
- Do what you are held accountable for, and do it with integrity;
- Strive for excellence; and
- Be positive, be engaged, have fun.

First Capital Realty has clearly defined its expectations of employees, officers and directors in its Code of Conduct and Ethics, Anti-Corruption Compliance Policy and Whistleblower Policy. Employees, officers and directors are required to acknowledge having read these documents and agree to comply with these policies upon joining the organization. Employees are required to acknowledge these documents annually thereafter. The employee's manager is responsible for ensuring that he/

she completes this acknowledgement. The Vice President, Business Process and Risk Management tracks and reports compliance with this directive, which was 95% for 2013, to the EVP and CFO. During the reporting period there were no reported incidents of harassment or discrimination.

The fundamentals of our Code of Conduct and Ethics include:

1. Dealing fairly and honestly with shareholders, tenants, suppliers, competitors and other employees.
2. Behaving in an ethical manner.
3. Showing loyalty to the Company.
4. Avoiding conflicts of interest.
5. Complying with all applicable laws, rules and regulations.
6. Prohibition from the purchase or sale of the Company's securities while aware of material nonpublic information about the Company.
7. Prohibition from disclosing material nonpublic information to others who then trade in the Company's securities.
8. Not offering excessive or inappropriate gifts or other benefits to persons, including public officials and political parties that might influence or be perceived as influencing business decisions.
9. Not accepting excessive or inappropriate gifts or other benefits from persons conducting business with the Company.
10. Prohibition from soliciting, encouraging or receiving bribes or other payment, contribution, gift or favour that could influence any decision.
11. Not taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information or misrepresentation of material facts, or any unfair-dealing practice.
12. Not using their positions improperly to profit personally or to assist others in profiting at the expense of the Company.
13. Zero tolerance for workplace discrimination and harassment.

COMPLIANCE AND LOBBYING

Every director, officer and employee has a duty to report any activity or suspected activity that impairs the integrity of the Company's reputation, including the integrity of its financial reporting, to the Chair of the Audit Committee.

The Whistleblower Policy identifies the types of activities that must be reported:



Any non-compliance incidents with the Company's policy documents were handled in accordance with the directives identified in the policies. First Capital Realty reinforced these policies through several mechanisms, such as company-wide email reminders, and annual attestation requirements.

The Company was not involved directly in public policy development. Through participation in industry associations such as REALpac, ICSC, CaGBC and BOMA, First Capital Realty indirectly contributed to industry-related public policy discussions. During 2013, the Company donated \$960 to a political party. First Capital Realty did not provide any temporary rental space to a political party in 2013.

As a real-estate developer in Canada, First Capital Realty makes submissions to municipal governments to obtain approval for development plans. During the process of obtaining regulatory approvals, First Capital Realty employees and its consultants regularly communicate with municipal staff and politicians to understand regulatory requirements and community feedback on proposed developments, explain the Company's development plans and persuade officials to approve our plans.

APPROACH TO CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Sustainability Vision

To enhance the long-term value of the Company by minimizing our impact on the natural environment and positively affecting our people and the communities in which we live and work.

First Capital Realty believes that living up to our social and environmental responsibilities simply makes good business sense. It gives us a stronger foundation to prosper; it ensures the long-term viability of the properties we own; it helps us to attract and retain the best tenants; and it defines our presence and reputation as a contributor to the communities in which we live and work. We stand by this philosophy. It is right for our business.

The Company has embedded corporate responsibility and sustainability into the organization. First, we have an established Sustainability Council consisting of representatives from various departments. The Council's role is to provide oversight and guidance on national sustainability issues. It meets periodically to review progress on sustainability. Second, the Company is continuing to build and integrate sustainability practices into our operations through various departments such as Legal, Human Resources, Acquisitions and Development, Construction, Leasing, Finance and Property Management. Third, we have a Chief Sustainability Officer to lead the Company with the development and implementation of a strategy to attain our vision.

In 2013, the Sustainability Council identified five principles to guide the development of a three-year sustainability strategy:

ANTHEM PRINCIPLES

- Analyze long-term effects.
- Think globally, act locally.
- Evolve.
- Mitigate risk.
- Maximize value.

Using these principles, the Council developed a 2013-2015 Sustainability Strategy addressing stakeholder concerns and establishing sustainability objectives in each department.

APPROACH TO CORPORATE RESPONSIBILITY AND SUSTAINABILITY

2013 - 2015 Sustainability Strategy

STAKEHOLDERS	OBJECTIVE/TARGET	2013 PROGRESS
Investors	1. Develop and implement Environment, Health and Safety (EHS), life safety, and building code compliance and audit programs.	<ul style="list-style-type: none"> • Hired a consultant to develop a health and safety program. • Developed a health and safety policy and related procedures. • Delivered general health and safety awareness training to the general employee population. • Implemented a third-party contractor program to evaluate contractors' compliance with health and safety legislation. • Lawyer specializing in health and safety provided health and safety awareness training to Construction and Property Management teams. • Conducted hazard assessments of 21 properties, and ranked the findings according to risk.
	2. Enhance investor relations program to target responsible investors.	<ul style="list-style-type: none"> • Participated in responsible investing conference.
	3. Explore relationships with district heating and cooling providers for mixed-use developments.	<ul style="list-style-type: none"> • Attended seminar on district heating and cooling.
	4. Continue to monitor and report on sustainability developments and trends, so emerging sustainability issues can be factored into the Company's business strategy.	<ul style="list-style-type: none"> • Held quarterly Sustainability Council meetings.

STAKEHOLDERS	OBJECTIVE/TARGET	2013 PROGRESS
Tenants	1. Continue to build and certify projects to LEED. ¹	<ul style="list-style-type: none"> • Received LEED certification for 15 projects comprising 414,000 ft² in 2013.
	2. Continue to certify existing portfolio to BOMA BEST or LEED Existing Buildings Operations and Maintenance (EBOM).	<ul style="list-style-type: none"> • Received LEED Silver EBOM certification for 85 Hanna in Toronto, Ontario. • Received BOMA BEST certification for 37 properties comprising 3,616,000 ft² in 2013.
	3. Enhance/develop a formal tenant engagement program.	<ul style="list-style-type: none"> • No progress to date.
	4. Host sustainability forum.	<ul style="list-style-type: none"> • No progress to date.
Employees	1. Develop an employee engagement program.	<ul style="list-style-type: none"> • Conducted employee survey. • Developed sustainability awareness presentation for employees. • Revised on-boarding checklist to include sustainability to ensure managers review sustainability with new hires.
	2. Provide education to construction teams on building science and low impact design.	<ul style="list-style-type: none"> • Awarded contract to conduct six 2-hour courses on building science.
Community	1. Establish a 3-year community initiative plan.	<ul style="list-style-type: none"> • Hosted six e-waste events to celebrate Earth Day. • Participated in Great Canadian Shoreline Cleanup.
	2. Create and implement 3-year charitable donation plan.	<ul style="list-style-type: none"> • Created draft proposal for 3-year charitable donation plan.

¹The Company's policy is to build to LEED standards subject to tenant acceptance.

APPROACH TO CORPORATE RESPONSIBILITY AND SUSTAINABILITY

STAKEHOLDERS	OBJECTIVE/TARGET	2013 PROGRESS
Environment	1. Decrease energy consumption and GHG emissions by 5% by December 31, 2015 reducing our environmental impacts and operating costs. ¹	<ul style="list-style-type: none"> Completed recommissioning investigation of 85 Hanna Avenue, in Toronto, Ontario, our corporate head office, and began implementing recommendations. Identified 9 properties for possible recommissioning, and began investigations. Established monthly energy and water property performance reporting.
	2. Review geothermal installations at Leaside Village, 20 Joe Shuster Way (Fuzion) and Broadmoor Shopping Centre.	<ul style="list-style-type: none"> Waiting for one-year of complete utility data from operating systems to initiate review.
	3. Develop waste/recycling program including reporting metrics for the entire portfolio.	<ul style="list-style-type: none"> Expanded the percentage of GLA reporting waste metrics from 40% in 2012 to 48% in 2013.
	4. Explore opportunities to improve the development and construction process, such as an integrated design process, specifications and standards.	<ul style="list-style-type: none"> Developed Request for Proposal (RFP) for these services.

¹The target is based on a like-for-like portfolio using 2012 as the base year.

Based on the Company's direct and indirect impacts on specific groups, the Company identified and selected stakeholders with whom to engage. First Capital Realty used a number of mechanisms to interact with stakeholders:

STAKEHOLDERS	MECHANISMS FOR ENGAGEMENT
Investors	<ul style="list-style-type: none"> Annual General Meeting Quarterly conference calls on financial results, including question-and-answer period Press releases announcing significant business developments Conferences Meetings Website Dedicated email account for investor relations Environmental social governance surveys
Tenants	<ul style="list-style-type: none"> Annual tenant and industry events Meetings with tenants Website <i>TenantTalk</i> newsletters
Employees	<ul style="list-style-type: none"> Periodic meetings/conference calls with Senior Management Training and education Performance reviews Annual certification – Anti-Corruption Compliance Policy, Code of Conduct and Ethics, Disclosure and Insider Trading, and Privacy Practices Social events Town halls
Community	<ul style="list-style-type: none"> Sponsorship events Earth Day events Municipal urban planning forums Websites Community boards Social media
Environment	<ul style="list-style-type: none"> Environmental assessments Site remediation and site monitoring Participation on REALpac's Corporate Responsibility and Sustainability Committee CaGBC membership Participation on Greening Greater Toronto's Commercial Building Energy Leadership Council and Race to Reduce Working Group Environmental surveys, e.g., 2013 Carbon Disclosure Project

EMPLOYEE DEVELOPMENT

Right People in the Right Places

First Capital Realty believes that it has the right people in the right places to profitably and efficiently manage its operations and its growth. Our national team possesses decades of experience with the right level of skill, expertise and knowledge to execute our business strategy. The Company strives to deliver a rewarding, stimulating and fun place to work where individuals are treated with respect and dignity. To evaluate if First Capital Realty is meeting the objective of having an engaged workforce, the Company conducted an employee engagement pulse survey through the Great Places to Work Organization® in December 2013. The survey focussed on the themes of credibility, respectfulness, fairness, pride and camaraderie. The results will provide a baseline from which to measure our progress over time in meeting this objective.

Employee Training and Education

The Company encourages employees to advance in their careers. Managers are required to conduct annual formal performance appraisals of their employees to ensure that expectations are understood and performance is acknowledged and rewarded. Employees are encouraged to take professional development courses and seminars. The Company also provides internal training related to Company programs and process changes (e.g., new computer software, employee benefit programs).

First Capital Realty offers a number of training and communication programs. Six programs from HarvardManageMentor®: Career Management, Difficult Interactions, Feedback Essentials, Goal Setting, and New Manager Transitions and Delegating Skills were made available to employees. An internal management training program for new and mid-level managers is a standard offering to enhance the skills of our managers. The program is focussed on the role of the manager, onboarding, recruitment and performance management. The Company hosted a number of lunch and learn sessions on employee well-being and posted monthly newsletters from our Employee Assistance Program on the Company's portal.

As a result of our significant growth, many employees have enjoyed opportunities to expand their skills and expertise. The Company offers a generous employee training and assistance program to its full-time permanent employees. Employees can receive up to a maximum of \$1,500 annually towards tuition reimbursement providing the area of study is relevant to his or her current role or will develop new skills of mutual benefit to the Company and individual. Costs that are eligible for reimbursement include tuition for in-class, on-line/distance learning courses, exams and books.

Employee Transition Programs for Retiring and Terminated Employees

First Capital Realty provides transition assistance for retiring and terminated employees. The Human Resources Department and the Company's RRSP service provider offer assistance to employees with pre-retirement planning. The service provider supplies investment information, regulatory expertise and guidance to employees. When a decision is made to terminate an employee, the Company uses a third-party provider to support the employee in this transition. Services include skills assessment and employment counselling. Individual employment contracts and human resources expertise define the basis of the severance pay.

EMPLOYEE DEVELOPMENT

AVERAGE NUMBER OF HOURS OF TRAINING BY GENDER
AND EMPLOYMENT CATEGORY

EMPLOYMENT CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Senior Management	21	20	21	17	23	20	22	24	23	29	5	14
Middle Management	12	11	11	16	22	18	13	16	15	-21	-27	-19
Professional/Technical	12	15	14	6	5	5	14	32	26	129	546	430
Administrative	0	8	8	0	3	3	N/A	21	21	N/A	587	587
Building Support	8	N/A	8	0	N/A	0	34	N/A	34	N/A	N/A	N/A
TOTAL	11	11	11	9	7	8	17	25	22	88	259	171

PERCENTAGE OF EMPLOYEES WHO RECEIVED FORMAL
PERFORMANCE REVIEWS BY GENDER AND EMPLOYMENT CATEGORY

EMPLOYMENT CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Senior Management	100	100	100	100	100	100	100	80	93	0	-20	-7
Middle Management	97	97	97	100	100	100	100	100	100	0	0	0
Professional/Technical	97	94	95	100	100	100	96	97	96	-4	-3	-4
Administrative	100	95	96	75	98	97	100	97	97	25	-1	0
Building Support	95	N/A	95	92	N/A	92	97	N/A	97	5	N/A	5
TOTAL	97	95	96	97	99	98	98	97	97	1	-2	-1

EMPLOYEE PROFILE

I joined First Capital Realty in June 2000. What was supposed to be a temporary contract turned into a permanent job and evolved into a career spanning fourteen years, and still counting! Shortly after starting my contract, I was part of a large transformative transaction for First Capital Realty. New management came on board in August 2000, seizing an opportunity to grow the Company. My experience with this dynamic, entrepreneurial, demanding organization has been extremely rewarding – one that I will always treasure.

Working as the Corporate Administrator, I have met numerous talented, unique individuals and experienced first hand many facets of the Company. I have attended investment committee meetings where the Acquisitions team is focussed and disciplined in executing the Company's strategy. I have participated in many property tours for investors and listened intently to our Leasing teams showcase properties and explain the strategy for developing a particular tenant mix depending on the demographics of the location. I have coordinated various activities and assisted senior management on many projects; they sure keep me on my toes!

I also have been involved in many programs and initiatives. My favourites include:

- The First Capital Realty Sculpture Competition launched in 2011. Through this competition, the Company, working closely with its communities, has provided opportunities to students to display their creativity and enhanced the aesthetics of our properties. It originally started as a pilot project with the Ontario College Art and Design University (OCAD U) in Toronto, Ontario and has now expanded to Concordia University in Montreal, Québec and Emily Carr University of Art and Design in Vancouver, British Columbia.
- The annual Schmooze event in the Central region. When we launched this event many years ago just under 100 people attended, including staff. This productive networking event has now grown to 500 individuals sharing good food and fun times with us.

- Sponsored charity events. Acting as the Company spokesperson at a Company sponsored charity event has been a real privilege. One of my favourite events happens in December when we adopt a family in need. The employees at First Capital Realty are extremely generous. Through this project, I was asked to become a board member in a wonderful non-profit organization.

During my career with First Capital Realty, I have learned first hand about the importance of accountability and its magnitude within a publicly-traded company, good governance, effective management, fairness, diversity and respect. The responsibility of a CEO, CFO and other senior management members is extraordinary, and not surprisingly why we have high expectations of them.



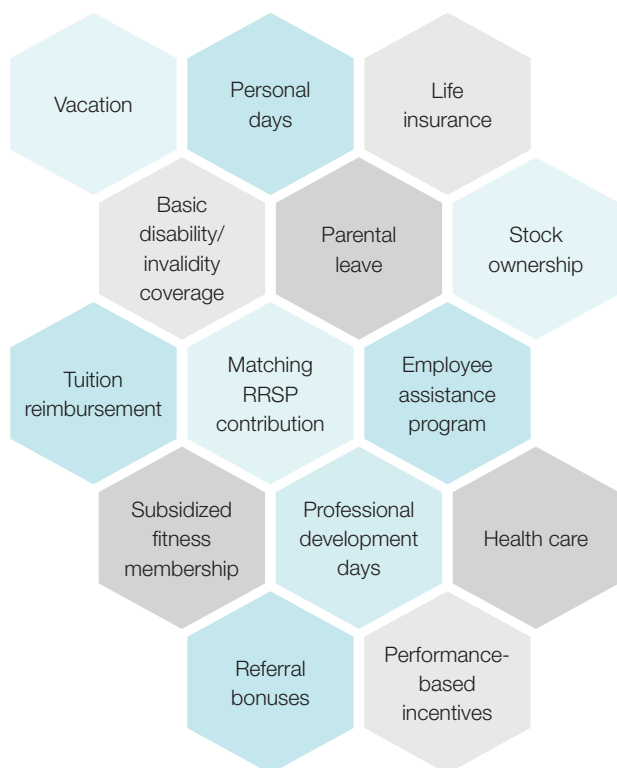
"The diversity of various programs and individuals whom I have encountered has helped me to grow both professionally and personally. I have experienced many wonderful, transformative moments individually and collectively as part of the First Capital Realty team. Most importantly, I have made wonderful personal connections and friendships through my job."

Alex Correia, Corporate Administrator

EMPLOYEE BENEFITS

The Company is dedicated to recruiting the best talent and providing employees with competitive remuneration, generous benefits, training, educational opportunities and career advancement. First Capital Realty provides a comprehensive benefits package to its full-time employees. First Capital Realty does not provide a benefits package to casual and part-time employees. Paid sabbaticals are not currently part of the employment retention plan; however, the Company is exploring other incentives to recognize and reward long-tenured employees.

Employee Benefits



EMPLOYEE BENEFITS

MONETARY VALUE OF EMPLOYEE BENEFITS

EMPLOYEE BENEFITS	2011 MONETARY VALUE OF EMPLOYEE BENEFITS TAKEN BY EMPLOYEES (\$)	2012 MONETARY VALUE OF EMPLOYEE BENEFITS TAKEN BY EMPLOYEES (\$)	2013 MONETARY VALUE OF EMPLOYEE BENEFITS TAKEN BY EMPLOYEES (\$)	2013 VERSUS 2012 CHANGE (%)
Vacation	\$1,372,740	\$1,586,480	\$1,976,010	25
Personal days	\$266,640	\$317,300	\$205,030	-35
Life insurance	\$90,730	\$135,100	\$147,910	9
Health care	\$804,990	\$1,076,770	\$1,179,600	10
Gym membership	\$48,670	\$70,750	\$48,090	-32
Tuition reimbursement	\$30,010	\$40,130	\$39,330	-2
Company's contribution to employee RRSPs	\$610,300	\$705,670	\$728,590	3
Employee assistance program	\$16,180	\$18,720	\$19,680	5
Professional development days	\$16,220	\$24,540	\$23,140	-6
Seminars/courses	\$143,970	\$146,670	\$301,760	106
TOTAL	\$3,400,440	\$4,122,120	\$4,669,150	13

EMPLOYEE BENEFITS	2011 AVERAGE MONETARY VALUE OF EMPLOYEE BENEFITS TAKEN PER EMPLOYEE (\$)	2012 AVERAGE MONETARY VALUE OF EMPLOYEE BENEFITS TAKEN PER EMPLOYEE (\$)	2013 AVERAGE MONETARY VALUE OF EMPLOYEE BENEFITS TAKEN PER EMPLOYEE (\$)	2013 VERSUS 2012 CHANGE (%)
Vacation	\$3,960	\$4,070	\$4,820	18
Personal days	\$790	\$810	\$500	-39
Life insurance	\$270	\$350	\$360	4
Health care	\$2,390	\$2,760	\$2,880	4
Gym membership	\$140	\$180	\$120	-35
Tuition reimbursement	\$90	\$100	\$100	-6
Company's contribution to employee RRSPs	\$1,810	\$1,810	\$1,780	-2
Employee assistance program	\$50	\$50	\$50	0
Professional development days	\$50	\$60	\$60	-11
Seminars/courses	\$430	\$370	\$740	97
TOTAL	\$9,970	\$10,570	\$11,390	8

EMPLOYEE STATISTICS

ENTIRE WORKFORCE

CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Age												
Employees < 30 Years	9	26	35	7	41	48	11	44	55	57	7	15
Employees 30–50 Years	71	143	214	84	149	233	79	150	229	–6	1	–2
Employees > 50 Years	43	55	98	52	66	118	56	79	135	8	20	14
Type of Contract												
Permanent Contract	122	215	337	140	250	390	142	268	410	1	7	5
Casual Contract	1	9	10	3	6	9	4	5	9	33	–17	0
Type of Employment												
Full-time	122	209	331	143	244	387	146	259	405	2	6	5
Part-time	1	15	16	0	12	12	0	14	14	N/A	17	17
Geographic Region												
Western	28	48	76	37	53	90	39	56	95	5	6	6
Central	75	141	216	85	162	247	82	177	259	–4	9	5
Eastern	20	35	55	21	41	62	25	40	65	19	–2	5
Employment Category												
Senior Management	10	5	15	14	9	23	14	10	24	0	11	4
Middle Management	41	34	75	54	42	96	56	56	112	4	33	17
Professional/Technical	36	78	114	35	80	115	31	62	93	–11	–23	–19
Administrative	6	107	113	6	125	131	6	145	151	0	16	15
Building Support	30	0	30	34	0	34	39	0	39	15	N/A	15
TOTAL	123	224	347	143	256	399	146	273	419	2	7	5

EMPLOYEE STATISTICS

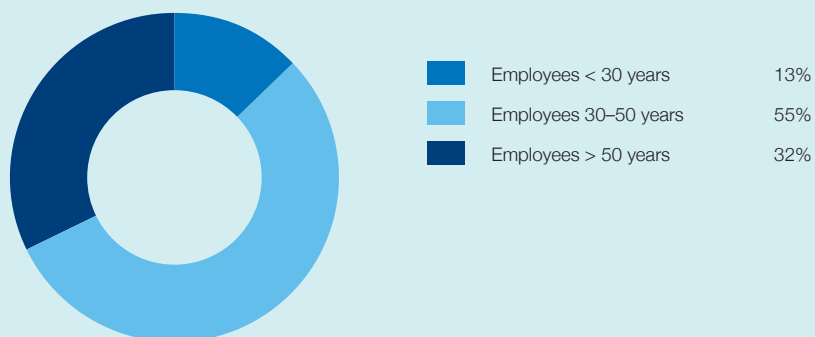
EMPLOYMENT CATEGORY BY AGE

CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	< 30 YEARS	30-50 YEARS	> 50 YEARS	< 30 YEARS	30-50 YEARS	> 50 YEARS	< 30 YEARS	30-50 YEARS	> 50 YEARS	< 30 YEARS	30-50 YEARS	> 50 YEARS
Senior Management	0	10	5	0	11	12	0	10	14	N/A	-9	17
Middle Management	2	41	32	4	57	35	4	70	38	0	23	9
Professional/ Technical	10	84	20	12	84	19	11	64	18	-8	-24	-5
Administrative	22	65	26	30	68	33	39	71	41	30	4	24
Building Support	1	14	15	2	13	19	1	14	24	-50	8	26
TOTAL	35	214	98	48	233	118	55	229	135	15	-2	14

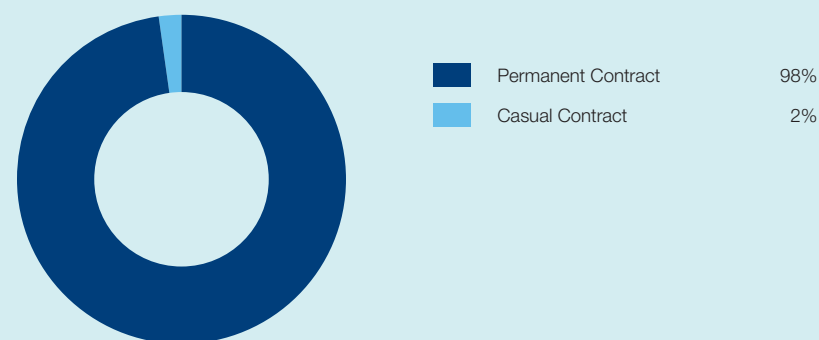
EMPLOYMENT CATEGORY BY TYPE OF EMPLOYMENT

CATEGORY	2011		2012		2013		2013 VERSUS 2012 CHANGE (%)	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
Senior Management	15	0	23	0	24	0	4	N/A
Middle Management	74	1	95	1	112	0	18	-100
Professional/ Technical	112	2	115	0	93	0	-19	N/A
Administrative	100	13	120	11	137	14	14	27
Building Support	30	0	34	0	39	0	15	N/A
TOTAL	331	16	387	12	405	14	5	17

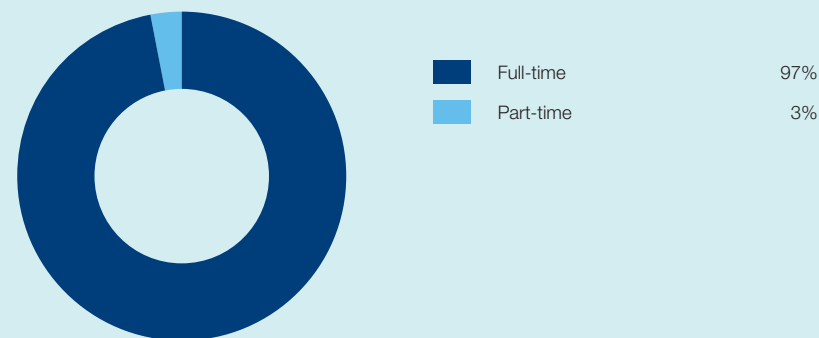
2013 ENTIRE WORKFORCE BY AGE



2013 ENTIRE WORKFORCE BY TYPE OF CONTRACT

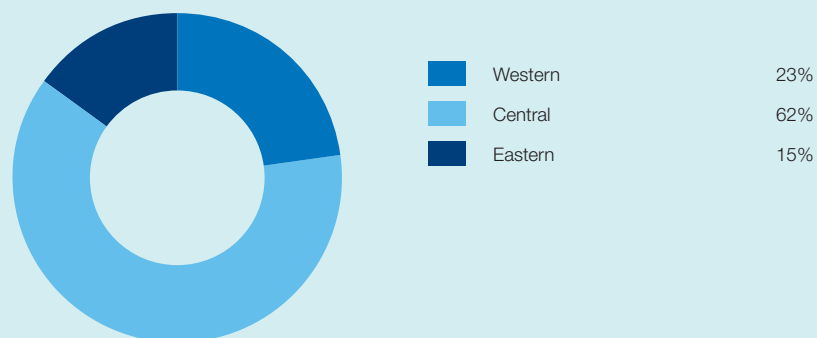


2013 ENTIRE WORKFORCE BY TYPE OF EMPLOYMENT

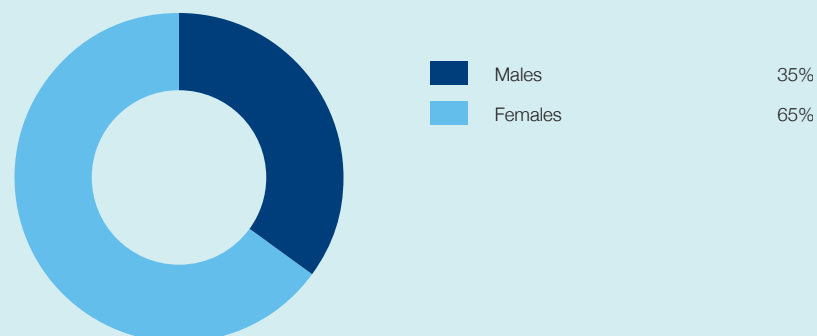


EMPLOYEE STATISTICS

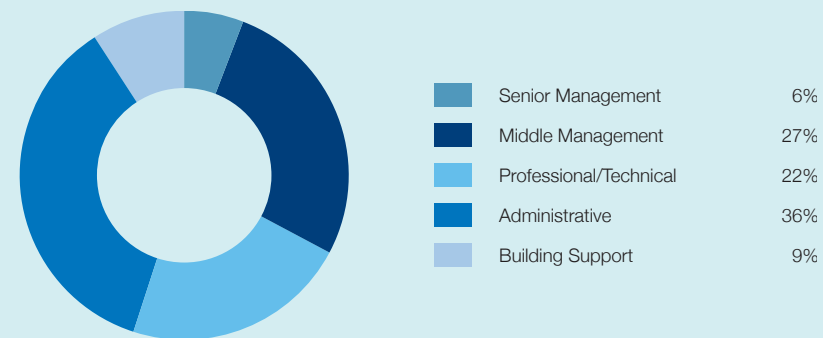
2013 ENTIRE WORKFORCE BY GEOGRAPHIC REGION



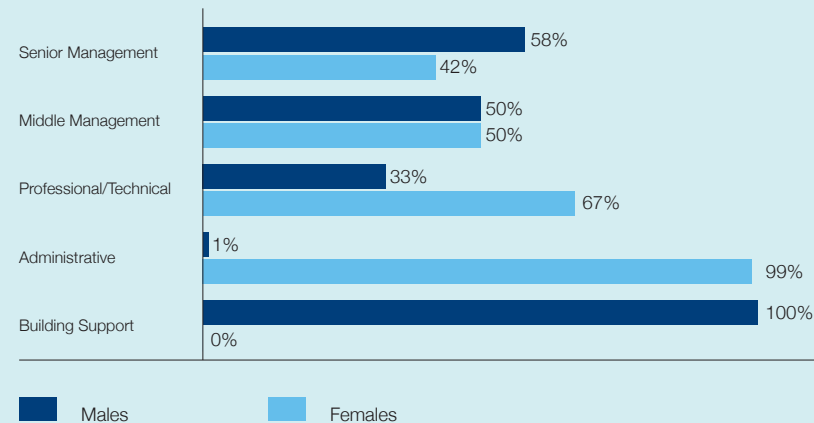
2013 ENTIRE WORKFORCE BY GENDER



2013 ENTIRE WORKFORCE BY EMPLOYMENT CATEGORY



2013 EMPLOYMENT CATEGORY BY GENDER



EMPLOYEE STATISTICS

PERMANENT WORKFORCE

CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Age												
Employees < 30 Years	9	20	29	7	35	42	9	42	51	29	20	21
Employees 30–50 Years	70	140	210	82	149	231	78	147	225	-5	-1	-3
Employees > 50 Years	43	55	98	51	66	117	55	79	134	8	20	15
Type of Employment												
Full-time	121	202	323	140	238	378	142	254	396	1	7	5
Part-time	1	13	14	0	12	12	0	14	14	N/A	17	17
Geographic Region												
Western	27	45	72	35	52	87	36	55	91	3	6	5
Central	75	136	211	85	159	244	81	173	254	-5	9	4
Eastern	20	34	54	20	39	59	25	40	65	25	3	10
Employment Category												
Senior Management	10	4	14	14	9	23	14	10	24	0	11	4
Middle Management	41	34	75	53	42	95	55	56	111	4	33	17
Professional/Technical	36	76	112	34	78	112	30	60	90	-12	-23	-20
Administrative	6	101	107	6	121	127	4	142	146	-33	17	15
Building Support	29	0	29	33	0	33	39	0	39	18	N/A	18
TOTAL	122	215	337	140	250	390	142	268	410	1	7	5

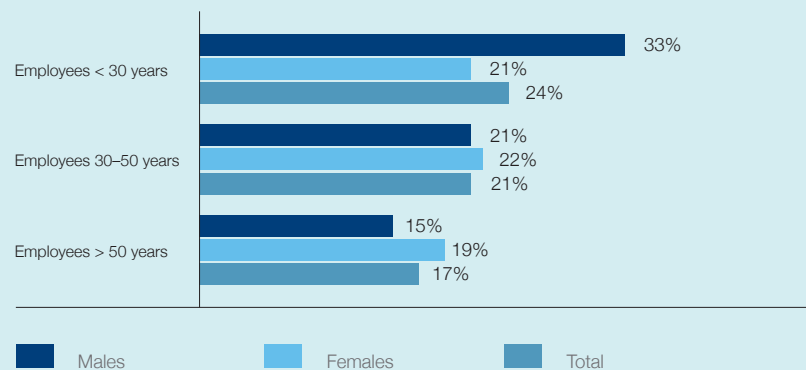
EMPLOYEE STATISTICS

PERMANENT EMPLOYEES LEAVING

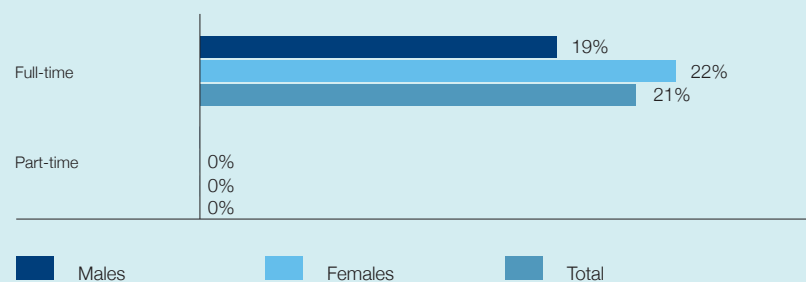
CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Age												
Employees < 30 years	3	4	7	3	5	8	3	9	12	0	80	50
Employees 30–50 years	18	26	44	10	12	22	16	32	48	60	167	118
Employees > 50 years	2	13	15	6	6	12	8	15	23	33	150	92
Type of Employment												
Full-time	23	43	66	19	23	42	27	56	83	42	143	98
Part-time	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A
Geographic Region												
Western	7	16	23	9	7	16	8	16	24	-11	129	50
Central	16	21	37	8	13	21	17	24	41	113	85	95
Eastern	0	6	6	2	3	5	2	16	18	0	433	260
Employment Category												
Senior Management	1	0	1	0	1	1	3	0	3	N/A	-100	200
Middle Management	2	6	8	4	2	6	12	11	23	200	450	283
Professional/Technical	9	7	16	6	6	12	6	11	17	0	83	42
Administrative	4	30	34	1	14	15	0	34	34	-100	143	127
Building Support	7	0	7	8	0	8	6	0	6	-25	N/A	-25
Type of Separation												
Voluntary	15	28	43	11	18	29	23	33	56	109	83	93
Involuntary	8	15	23	8	5	13	4	23	27	-50	360	108
TOTAL	23	43	66	19	23	42	27	56	83	42	143	98

EMPLOYEE STATISTICS

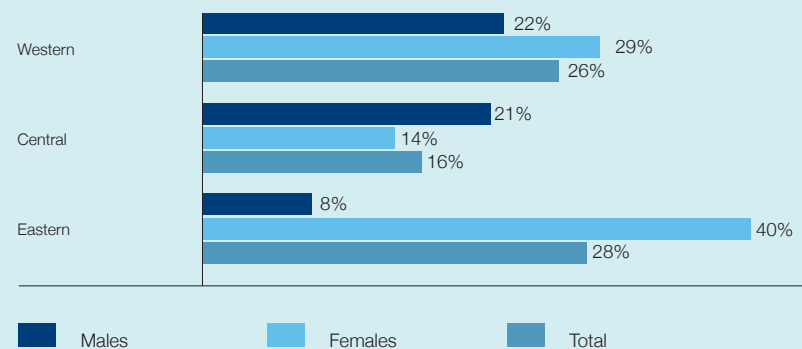
2013 TURNOVER RATES OF PERMANENT EMPLOYEES BY AGE



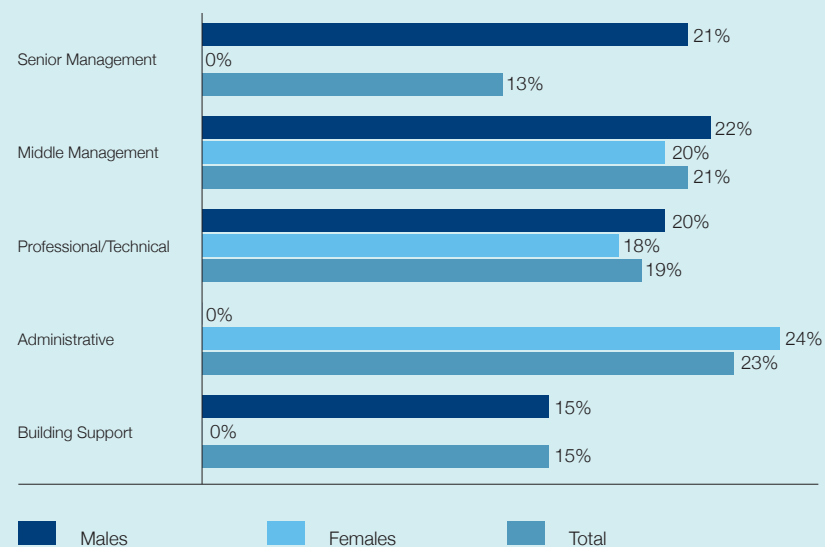
2013 TURNOVER RATES OF PERMANENT EMPLOYEES BY TYPE OF EMPLOYMENT



2013 TURNOVER RATES OF PERMANENT EMPLOYEES BY GEOGRAPHIC REGION

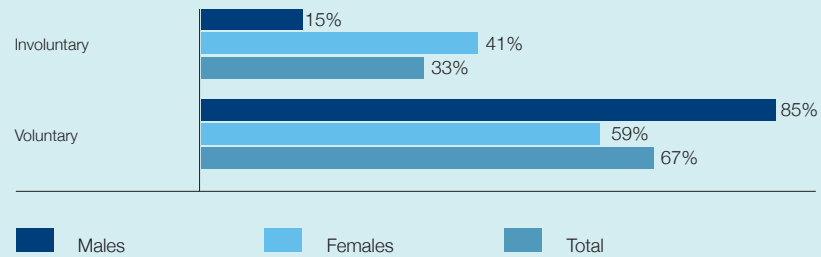


2013 TURNOVER RATES OF PERMANENT EMPLOYEES BY EMPLOYMENT CATEGORY



EMPLOYEE STATISTICS

2013 TURNOVER RATES OF PERMANENT EMPLOYEES BY TYPE OF SEPARATION



CASUAL WORKFORCE

CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Age												
Employees < 30 Years	0	6	6	0	6	6	2	2	4	N/A	-67	-33
Employees 30-50 Years	1	3	4	2	0	2	1	3	4	-50	N/A	100
Employees > 50 Years	0	0	0	1	0	1	1	0	1	0	N/A	0
Type of Employment												
Full-time	1	7	8	3	6	9	4	5	9	33	-17	0
Part-time	0	2	2	0	0	0	0	0	0	N/A	N/A	N/A
Geographic Region												
Western	1	3	4	2	1	3	3	1	4	50	0	33
Central	0	5	5	0	3	3	1	4	5	N/A	33	67
Eastern	0	1	1	1	2	3	0	0	0	-100	-100	-100
Employment Category												
Senior Management	0	1	1	0	0	0	0	0	0	N/A	N/A	N/A
Middle Management	0	0	0	1	0	1	1	0	1	0	N/A	0
Professional/Technical	0	2	2	1	2	3	1	2	3	0	0	0
Administrative	0	6	6	0	4	4	2	3	5	N/A	-25	25
Building Support	1	0	1	1	0	1	0	0	0	-100	N/A	-100
TOTAL	1	9	10	3	6	9	4	5	9	33	-17	0

EMPLOYEE STATISTICS

NEW EMPLOYEES JOINING

CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Age												
Employees < 30 years	5	17	22	6	23	29	10	34	44	67	48	52
Employees 30–50 years	20	38	58	26	23	49	16	38	54	–38	65	10
Employees > 50 years	6	9	15	4	10	14	5	19	24	25	90	71
Type of Contract												
Permanent Contract	30	57	87	34	52	86	26	74	100	–24	42	16
Casual Contract	1	7	8	2	4	6	5	17	22	150	325	267
Type of Employment												
Full-time	31	61	92	36	55	91	31	83	114	–14	51	25
Part-time	0	3	3	0	1	1	0	8	8	N/A	700	700
Geographic Region												
Western	6	19	25	14	11	25	10	24	34	–29	118	36
Central	22	41	63	17	36	53	16	52	68	–6	44	28
Eastern	3	4	7	5	9	14	5	15	20	0	67	43
Employment Category												
Senior Management	2 ¹	2	8	2	3	5	1	0	1	–50	–100	–80
Middle Management	10	7	17	15	6	21	8	13	21	–47	117	0
Professional/Technical	6	18	24	7	16	23	9	13	22	29	–19	–4
Administrative	1	37	38	2	31	33	5	65	70	150	110	112
Building Support	12	0 ²	14	10	0	10	8	0	8	–20	N/A	–20
TOTAL	31	64	95	36	56	92	31	91	122	–14	63	33

¹ In the 2012 CRS Report, the number of new male employees in senior management was listed as 6 instead of 2, the correct value.

² In the 2012 CRS Report, the number of new female employees in building support was listed as 2 instead of 0, the correct value.

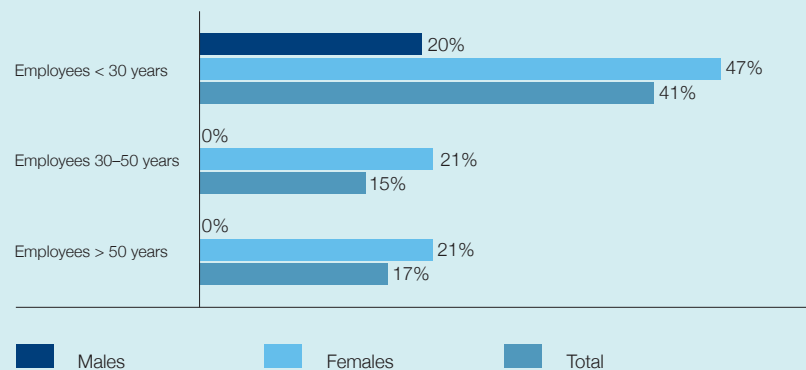
EMPLOYEE STATISTICS

NEW EMPLOYEES LEAVING

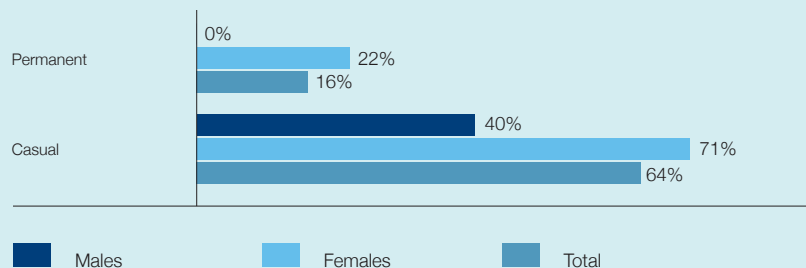
CATEGORY	2011			2012			2013			2013 VERSUS 2012 CHANGE (%)		
	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL	MALES	FEMALES	TOTAL
Age												
Employees < 30 years	1	5	6	3	1	4	2	16	18	67	1,600	450
Employees 30–50 years	2	4	6	3	4	7	0	8	8	0	200	114
Employees > 50 years	0	3	3	2	2	4	0	4	4	0	200	100
Type of Contract												
Permanent Contract	3	7	10	5	6	11	0	16	16	0	267	145
Casual Contract	0	5	5	3	1	4	2	12	14	67	1,200	350
Type of Employment												
Full-time	3	12	15	8	7	15	2	28	30	25	400	200
Part-time	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A
Geographic Region												
Western	3	4	7	5	2	7	0	6	6	0	300	86
Central	0	6	6	3	4	7	2	12	14	67	300	200
Eastern	0	2	2	0	1	1	0	10	10	N/A	1,000	1,000
Employment Category												
Senior Management	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A
Middle Management	0	1	1	1	0	1	0	2	2	0	N/A	200
Professional/Technical	0	3	3	2	2	4	0	2	2	0	100	50
Administrative	2	8	10	2	5	7	2	24	26	100	480	371
Building Support	1	0	1	3	0	3	0	0	0	0	N/A	0
Type of Separation												
Voluntary	2	5	7	3	5	8	2	18	20	67	360	250
Involuntary	1	7	8	5	2	7	0	10	10	0	500	143
TOTAL	3	12	15	8	7	15	2	28	30	25	400	200

EMPLOYEE STATISTICS

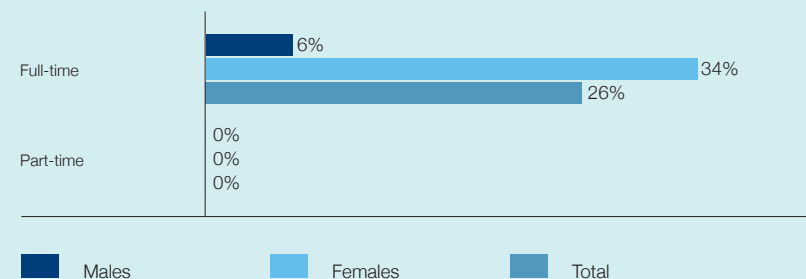
2013 TURNOVER RATES OF NEW EMPLOYEES BY AGE



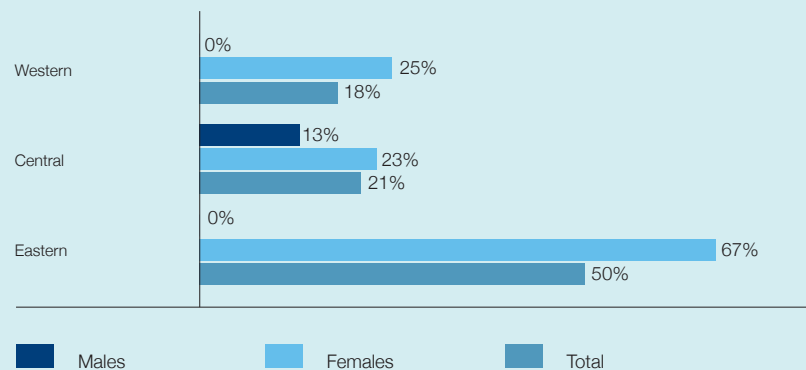
2013 TURNOVER RATES OF NEW EMPLOYEES BY TYPE OF CONTRACT



2013 TURNOVER RATES OF NEW EMPLOYEES BY TYPE OF EMPLOYMENT



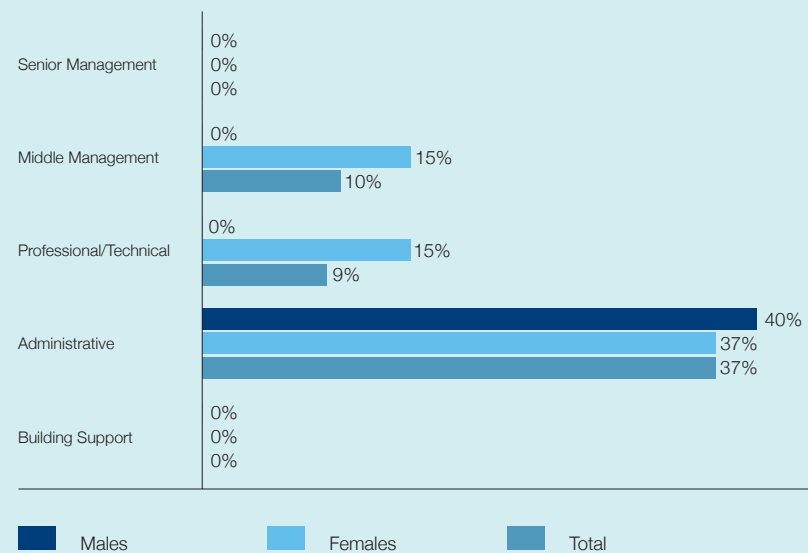
2013 TURNOVER RATES OF NEW EMPLOYEES BY GEOGRAPHIC REGION



EMPLOYEE STATISTICS

EMPLOYEE STATISTICS

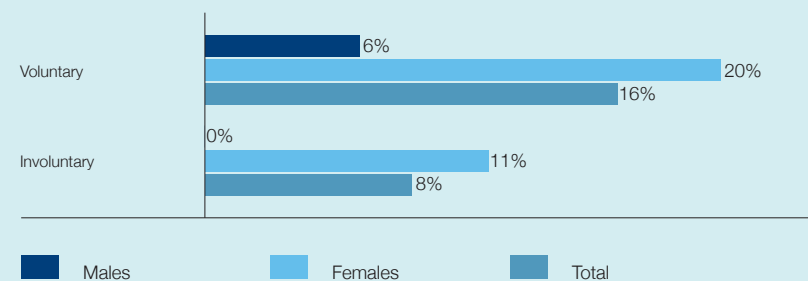
2013 TURNOVER RATES OF NEW EMPLOYEES BY EMPLOYMENT CATEGORY



PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM LOCAL REGION



2013 TURNOVER RATES OF NEW EMPLOYEES BY TYPE OF SEPARATION



LAND USE

Land use is a significant environmental aspect of the real estate sector. First Capital Realty's business strategy focuses on acquiring, developing or redeveloping properties in existing urban markets. As a result, urban sprawl from our activities is limited. Greenfields comprise less than 16% of our portfolio in acres.

The Company also pursues intensification by constructing mixed-use retail, commercial and residential developments on selected properties. This activity promotes the reduction of regional energy consumption and GHG emissions by providing consumers in these communities with places to work, live and play.

First Capital Realty's philosophy of risk mitigation applies equally to the acquisition and management of land. The Company requires comprehensive environmental liability insurance on all acquisitions. This management approach minimizes potential financial liabilities in the event that historical contamination is discovered on our properties after acquisition (e.g., soil contamination underneath an existing building) or if off-site contamination migrates onto our property.

The Company conducts comprehensive environmental assessments to evaluate possible environmental contamination prior to acquiring property. The Regional EVPs and SVPs are accountable for ensuring that we comply with this mandate. If contamination is identified, First Capital Realty works with the vendor to remediate the site prior to acquisition or to develop a remediation plan. The Company ensures that contamination is remediated in accordance with regulatory requirements. General Counsel tracks and reports on remediation activities quarterly to the Audit Committee. At the end of the reporting period, 4% of our portfolio in acres comprised brownfields.



BUILDINGS

In May 2006, the Company made a commitment to build all new developments to LEED standards¹. First Capital Realty was the first shopping centre developer in Canada to make this commitment. The Vice President of Construction for each region is accountable for ensuring that all new development projects comply with this company directive. Quarterly updates on the LEED certification status of these projects are submitted to the Chief Sustainability Officer and the Sustainability Council.

LEED

LEED is an internationally recognized green building rating system. It uses a whole-building approach to sustainability by addressing five key areas: sustainable site development, water efficiency, energy efficiency, material selection and indoor environmental quality. To obtain certification, projects must meet prerequisites in each of these five areas and undergo an independent review. Based on the total points awarded, a project can achieve one of four possible levels of certification: certified, silver, gold, or platinum. There are several rating systems including New Construction (NC), Core and Shell (CS), Commercial Interiors (CI) and Existing Buildings: Operations and Maintenance (EBOM).

The Canada Green Building Council (CaGBC) or the U.S. Green Building Council (USGBC) administers the certification process. To ensure the integrity of the LEED building rating system, the certification process includes several iterations of document review and auditing certain credits. Because of the complexity of the audit process and the number of projects that have applied for LEED certification from Canadian companies, the period from application to receipt of LEED certification can be quite lengthy.

As of December 31, 2013, 42 projects comprising 960,000 square feet of GLA or 4% of the Company's GLA were certified to LEED. The Company had another 76 projects comprising 2.3 million square feet of GLA or 10% of the Company's GLA under development, in the process of construction or awaiting LEED certification. These projects combined represented 14% of the Company's GLA.

¹ The Company's policy is to build to LEED standards subject to tenant acceptance.



BUILDINGS

LEED CERTIFICATIONS OBTAINED IN 2013¹

PROJECT	PROPERTY	LOCATION	RATING SYSTEM	LEVEL OF CERTIFICATION	CERTIFICATION COUNCIL	DATE CERTIFICATION ACHIEVED	GLA CERTIFIED (ft²)
85 Hanna Avenue	Shops at King Liberty Assets	Toronto, ON	EBOM	Silver	CaGBC	December 20, 2013	85,377
Brooklin Towne Centre - Building J	Brooklin Towne Centre	Whitby, ON	CS	Silver	CaGBC	March 21, 2013	7,717
Carrefour du Plateau-Grives - IGA	Carrefour du Plateau-Grives	Gatineau, QC	NC	Silver	CaGBC	July 12, 2013	50,230
Carrefour du Versant West - Building A	Carrefour du Versant Assets	Gatineau, QC	CS	Silver	CaGBC	October 30, 2013	9,200
Carrefour du Versant West - Building 1	Carrefour du Versant Assets	Gatineau, QC	CS	Certified	USGBC	December 16, 2013	11,000
Carrefour St. David East - SAQ	Carrefour St. David Assets	Québec City, QC	NC	Silver	CaGBC	April 26, 2013	10,000
Carrefour St. David West - Building 4	Carrefour St. David Assets	Québec City, QC	CS	Silver	CaGBC	April 10, 2013	15,597
Deer Valley Marketplace - Building A	Deer Valley Marketplace	Calgary, AB	CS	Certified	CaGBC	December 4, 2013	13,068
Deer Valley Marketplace - Building B	Deer Valley Marketplace	Calgary, AB	CS	Certified	CaGBC	December 4, 2013	9,246
Grimsby Square Shopping Centre	Grimsby Square Shopping Centre Assets	Grimsby, ON	CS	Certified	CaGBC	February 21, 2013	39,085
Harbour Plaza	Harbour Front Centre Assets	Vancouver, BC	CS	Certified	USGBC	October 21, 2013	19,890
Hunt Club Marketplace - Phase 1	Hunt Club Marketplace Assets	Ottawa, ON	CS	Silver	CaGBC	December 18, 2013	100,001
Hunt Club Marketplace - Phase 2	Hunt Club Marketplace Assets	Ottawa, ON	CS	Silver	CaGBC	December 18, 2013	26,426
La Porte de Gatineau	La Porte de Gatineau	Gatineau, QC	CI	Certified	CaGBC	September 26, 2013	2,789
Time Marketplace - Thai House	Time Marketplace Assets	Vancouver, BC	CS	Certified	CaGBC	February 1, 2013	14,820
TOTAL GLA CERTIFIED							414,446

¹ The Company's policy is to build to LEED standards subject to tenant acceptance.

BUILDINGS

PROJECTS UNDER DEVELOPMENT, UNDER CONSTRUCTION OR AWAITING
LEED CERTIFICATION AS OF DECEMBER 31, 2013¹

PROJECT	PROPERTY	LOCATION	RATING SYSTEM	LEVEL OF CERTIFICATION	CERTIFICATION COUNCIL	GLA TARGETED FOR CERTIFICATION (ft²)
120 Lynn Williams	Shops at King Liberty Assets	Toronto, ON	CS	Silver	CaGBC	21,643
146 & 150 Lakeshore Road West ²	146 -150 Lakeshore Road West	Oakville, ON	CS	Silver	CaGBC	28,965
51 Hanna Ave - Boiler Room	Shops at King Liberty Assets	Toronto, ON	CS	Silver	CaGBC	20,000
Appleby Village	Appleby Village Assets	Burlington, ON	CS	Silver	CaGBC	183,404
Broadmoor Shopping Centre	Broadmoor Shopping Centre Assets	Richmond, BC	NC	Silver	CaGBC	61,472
Brooklin Towne Centre - Building L	Brooklin Towne Centre	Whitby, ON	CS	Certified	CaGBC	7,976
Brooklin Towne Centre - Building M ²	Brooklin Towne Centre	Whitby, ON	CS	Certified	CaGBC	6,587
Carrefour Charlemagne - Building F - Metro	Carrefour Charlemagne	Charlemagne, QC	NC	Silver	CaGBC	40,852
Carrefour Charlemagne - Building G ²	Carrefour Charlemagne	Charlemagne, QC	CS	Silver	CaGBC	6,716
Carrefour du Plateau-Grives - Building 4	Carrefour du Plateau-Grives	Gatineau, QC	NC	Certified	CaGBC	4,500
Carrefour du Plateau-Grives - Building 8	Carrefour du Plateau-Grives	Gatineau, QC	CS	Silver	CaGBC	10,000
Carrefour du Plateau-Grives - Building 13	Carrefour du Plateau-Grives	Gatineau, QC	CS	Silver	CaGBC	13,000
Carrefour du Plateau-Grives - Building 14	Carrefour du Plateau-Grives	Gatineau, QC	CS	Silver	CaGBC	4,300
Carrefour du Versant East - SAQ ²	Carrefour du Versant Assets	Gatineau, QC	CI	Gold	CaGBC	4,540
Carrefour du Versant West - Canadian Imperial Bank of Commerce ²	Carrefour du Versant Assets	Gatineau, QC	CS	Silver	CaGBC	5,300
Carrefour du Versant West - Second Cup ¹	Carrefour du Versant Assets	Gatineau, QC	CS	Silver	CaGBC	1,900

¹ The Company's policy is to build to LEED standards subject to tenant acceptance.² These LEED projects were certified after December 31, 2013.

BUILDINGS

PROJECTS UNDER DEVELOPMENT, UNDER CONSTRUCTION OR AWAITING LEED CERTIFICATION AS OF DECEMBER 31, 2013¹

PROJECT	PROPERTY	LOCATION	RATING SYSTEM	LEVEL OF CERTIFICATION	CERTIFICATION COUNCIL	GLA TARGETED FOR CERTIFICATION (ft ²)
Carrefour St. David East - Building D ²	Carrefour St. David Assets	Québec City, QC	CS	Silver	CaGBC	8,210
Carrefour St. David East - Building B ²	Carrefour St. David Assets	Québec City, QC	CS	Silver	CaGBC	6,330
Carrefour St. David West - Building 3 - Phase 2 ²	Carrefour St. David Assets	Québec City, QC	CS	Silver	CaGBC	7,055
Carrefour St. David West - Gold's Gym	Carrefour St. David Assets	Québec City, QC	CS	Silver	CaGBC	22,300
Carrefour St. Hubert - Building A	Carrefour St. Hubert Assets	Longueuil, QC	CS	Silver	CaGBC	4,760
Carrefour St. Hubert - Building C	Carrefour St. Hubert Assets	Longueuil, QC	CS	Silver	USGBC	62,183
Carrefour St. Hubert - Building H	Carrefour St. Hubert Assets	Longueuil, QC	CS	Silver	CaGBC	5,305
Centre commercial Côte St. Luc	Centre commercial Côte St. Luc	Côte St. Luc, QC	NC	Certified	CaGBC	4,000
Chartwell Shopping Centre - Buildings B, C and F	Chartwell Shopping Centre Assets	Toronto, ON	CS	Silver	CaGBC	101,729
Derry Heights Plaza	Derry Heights Plaza	Milton, ON	CS	Silver	CaGBC	98,920
Eagleson Place - Building A	Eagleson Place Assets	Ottawa, ON	NC	Silver	CaGBC	10,516
Eagleson Place - Building B	Eagleson Place Assets	Ottawa, ON	CS	Silver	CaGBC	20,340
Eagleson Place - Building C	Eagleson Place Assets	Ottawa, ON	CS	Silver	CaGBC	6,613
Galeries des Chesnaye	Galerie des Chesnays	Terrebonne, QC	CS	Silver	CaGBC	4,000
Galeries de Repentigny - Laurentian Bank of Canada ²	Les Galeries de Repentigny Assets	Repentigny, QC	NC	Certified	CaGBC	7,000
Gloucester City Centre	Gloucester City Centre	Ottawa, ON	CS	Certified	CaGBC	11,646
Grimsby Square Shopping Centre	Grimsby Square Shopping Centre Assets	Grimsby, ON	CS	Silver	CaGBC	5,000
Halton Hills Village - LCBO	Halton Hills Village	Georgetown, ON	CS	Certified	CaGBC	11,657
Hunt Club Marketplace - Phase 3 - Building C	Hunt Club Marketplace Assets	Ottawa, ON	CS	Certified	CaGBC	25,039

¹ The Company's policy is to build to LEED standards subject to tenant acceptance.

² These LEED projects were certified after December 31, 2013.

BUILDINGS

PROJECTS UNDER DEVELOPMENT, UNDER CONSTRUCTION OR AWAITING
LEED CERTIFICATION AS OF DECEMBER 31, 2013¹

PROJECT	PROPERTY	LOCATION	RATING SYSTEM	LEVEL OF CERTIFICATION	CERTIFICATION COUNCIL	GLA TARGETED FOR CERTIFICATION (ft ²)
Jardins Millen - IGA	Les Jardins Millen Assets	Montréal, QC	CI	Certified	CaGBC	33,000
Jardins Millen - TD Canada Trust ²	Les Jardins Millen Assets	Montréal, QC	CI	Certified	CaGBC	5,258
Leaside Village (85 Laird)	Leaside Village Assets	Toronto, ON	CS	Silver	CaGBC	106,180
Loblaws Plaza ²	Loblaws Plaza Assets	Ottawa, ON	NC	Silver	CaGBC	5,600
McKenzie Towne Centre - Phase 2 - Buildings 1, 2 and 4	McKenzie Towne Centre Assets	Calgary, AB	CS	Silver	CaGBC	32,138
McKenzie Towne Park	McKenzie Towne Centre Assets	Calgary, AB	NC	Silver	USGBC	6,970
McKenzie Towne Park - Site A	McKenzie Towne Centre Assets	Calgary, AB	NC	Silver	CaGBC	30,000
McKenzie Towne Park - Site G	McKenzie Towne Centre Assets	Calgary, AB	CS	Silver	CaGBC	14,820
McKenzie Towne Park - Site I	McKenzie Towne Centre Assets	Calgary, AB	NC	Silver	CaGBC	8,064
Mount Royal Village	Mount Royal Village Assets	Calgary, AB	CI	Silver	CaGBC	9,445
Olde Oakville Market Place	Olde Oakville	Oakville, ON	CS	Certified	CaGBC	9,935
Parkway Mall	Victoria Park Centre Assets	Toronto, ON	CS	Silver	CaGBC	12,088
Pergola Commons	Clairfield Commons Assets	Guelph, ON	CS	Silver	CaGBC	149,595
Pergola Commons - Buildings C and D	Clairfield Commons Assets	Guelph, ON	CS	Silver	CaGBC	8,500
Pergola Commons - Building F	Clairfield Commons Assets	Guelph, ON	CS	Silver	CaGBC	2,200
Pergola Commons - Building L	Clairfield Commons Assets	Guelph, ON	CS	Silver	CaGBC	8,860
Place Kirkland - Building 1 - SAQ ²	Centre Kirkland Assets	Kirkland, QC	CI	Certified	CaGBC	2,900
Place Kirkland - Building 1 ²	Centre Kirkland Assets	Kirkland, QC	CS	Certified	CaGBC	7,750
Place Michelet	Place Viau Assets	Montréal, QC	NC	Silver	CaGBC	4,300
Place Naviles - SAQ	Place Quatre-Bourgeois Assets	Québec City, QC	CI	Certified	CaGBC	6,361
Place Nelligan - St. Rene - Building A	Place Nelligan Assets	Gatineau, QC	CS	Silver	CaGBC	11,194
Place Nelligan - St. Rene - Building B	Place Nelligan Assets	Gatineau, QC	CS	Silver	CaGBC	9,181

¹ The Company's policy is to build to LEED standards subject to tenant acceptance.² These LEED projects were certified after December 31, 2013.

BUILDINGS

PROJECTS UNDER DEVELOPMENT, UNDER CONSTRUCTION OR AWAITING LEED CERTIFICATION AS OF DECEMBER 31, 2013¹

PROJECT	PROPERTY	LOCATION	RATING SYSTEM	LEVEL OF CERTIFICATION	CERTIFICATION COUNCIL	GLA TARGETED FOR CERTIFICATION (ft²)
Place Viau	Place Viau Assets	Montréal, QC	CS	Silver	CaGBC	599,265
Plaza Actuel - Royal Bank of Canada	Carrefour St. Hubert Assets	Longueuil, QC	NC	Certified	CaGBC	4,000
Plaza Beaconsfield - TD Canada Trust	Centre commercial Beaconsfield Assets	Beaconsfield, QC	NC	Silver	CaGBC	5,200
Port Place Shopping Centre ²	Port Place Shopping Centre Assets	Nanaimo, BC	CS	Certified	CaGBC	5,044
Port Place Shopping Centre - Commercial Retail Unit B	Port Place Shopping Centre Assets	Nanaimo, BC	NC	Silver	CaGBC	4,000
Port Place Shopping Centre - Commercial Retail Unit D	Port Place Shopping Centre Assets	Nanaimo, BC	NC	Silver	CaGBC	48,000
Red Deer Village - Commercial Retail Unit	Red Deer Village	Red Deer, AB	NC	Silver	CaGBC	6,473
Rutherford Marketplace ²	Rutherford Market Place	Vaughan, ON	CS	Certified	CaGBC	154,943
Sherwood Centre - 1000 Alder Avenue	Sherwood Towne Square Assets	Sherwood Park, AB	NC	Silver	CaGBC	5,720
Shoppes on Dundas ²	Shoppes on Dundas	Oakville, ON	CS	Certified	CaGBC	65,789
Shops at New West ²	Shops at New West	New Westminster, BC	CI	Silver	CaGBC	1,467
The Devenish	Mount Royal Village Assets	Calgary, AB	NC	Silver	CaGBC	28,524
Thickson Place - Building E	Thickson Place	Whitby, ON	CS	Silver	CaGBC	1,714
Thickson Place - Building F	Thickson Place	Whitby, ON	CS	Certified	CaGBC	8,500
Tomken Plaza	Tomken Plaza	Mississauga, ON	CS	Silver	CaGBC	6,360
Towerlane Centre - Buildings 5, 6 and 7	Towerlane Centre Assets	Airdrie, AB	CS	Certified	USGBC	21,705
West Springs	West Springs Village	Calgary, AB	NC	Silver	CaGBC	5,000
Westmount Shopping Centre - Rexall	Westmount Shopping Centre Assets	Edmonton, AB	NC	Silver	CaGBC	11,846
York Mills Garden - 1859 Leslie	York Mills Gardens Assets	Toronto, ON	CS	Silver	CaGBC	22,820
TOTAL						2,334,467

¹ The Company's policy is to build to LEED standards subject to tenant acceptance.

² These LEED projects were certified after December 31, 2013.

BUILDINGS

BOMA BEST (Building Environmental Standards)

In 2011, the Company began the process of seeking BOMA BEST certification for existing properties. BOMA BEST is the largest environmental assessment and certification program for existing buildings in Canada. Building owners complete a questionnaire that critically evaluates six key areas of environmental performance and management: energy, water, waste, emissions and effluents, indoor environment, and environmental management systems. These standards address the environmental performance of existing buildings based on independently verified information.

In 2013, 37 properties comprising 3.6 million square feet received BOMA BEST certification. As of December 31, 2013, 55 properties comprising over 5 million square feet or 21% of the Company's GLA were certified to these standards.

BOMA BEST CERTIFICATIONS OBTAINED IN 2013

PROPERTY	LOCATION	LEVEL OF CERTIFICATION	GLA CERTIFIED (FT²)
Bayview Lane Plaza	Markham, ON	1	41,852
Broadmoor Shopping Centre	Richmond, BC	1	47,093
Byron Village	London, ON	1	88,691
Clairfield Commons	Guelph, ON	1	83,647
Cranston Market	Calgary, AB	1	84,032
Dufferin Corners	Toronto, ON	1	74,211
Édifice Hooper	Sherbrooke, QC	1	91,403
Fairway Plaza	Kitchener, ON	1	174,432
Galleries de Repentigny	Repentigny, QC	1	130,618
Halton Hills Village	Georgetown, ON	1	111,715
Laurelwood Shopping Centre	Waterloo, ON	1	93,576
Les Promenades du Parc	Longueuil, QC	1	56,810

BOMA BEST CERTIFICATIONS OBTAINED IN 2013

PROPERTY	LOCATION	LEVEL OF CERTIFICATION	GLA CERTIFIED (FT²)
London Place West	Calgary, AB	1	76,109
Longwood Station ¹	Nanaimo, BC	1	104,249
Maple Grove Village	Oakville, ON	1	119,473
Meadowbrook II	Edmonton, AB	1	28,576
Morningside Crossing	Toronto, ON	1	173,824
Old Strathcona Shopping Centre	Edmonton, AB	1	77,123
Olde Oakville Market Place	Oakville, ON	1	125,552
Place Fleury	Montréal, QC	1	107,377
Place Kirkland	Kirkland, QC	1	63,858
Place Pierre Boucher	Boucherville, QC	1	79,900
Place Quatre-Bourgeois	Québec City, QC	1	244,798
Plaza Laval Elysée	Laval, QC	1	62,406
Promenade Levis	Lévis, QC	1	165,893
Queenston Place	Hamilton, ON	1	172,339
Richmond Square	Calgary, AB	1	101,721
Sherwood Towne Square	Sherwood Park, AB	1	120,263
Shoppes on Dundas	Oakville, ON	1	65,801
Sunningdale Village	London, ON	1	72,597
Terra Nova Village	Richmond, BC	1	72,021
Thickson Place	Whitby, ON	1	104,816
Time Marketplace II	Vancouver, BC	1	14,364
Tuscany Market	Calgary, AB	1	85,490
Westney Heights Plaza	Ajax, ON	1	156,751
Yonge-Davis Centre	Newmarket, ON	1	52,649
York Mills Gardens	Toronto, ON	1	89,489
TOTAL			3,615,519

¹ The Company sold this property in 2014.

BUILDINGS

Building Awards

Leaside Village (85 Laird) in Toronto, Ontario received a Gold Maple Leaf Award for Design and Development Excellence from ICSC. The Company transformed a former contaminated industrial property with an abandoned building, historically used as a railway maintenance locomotive shop, into a pedestrian-friendly community neighbourhood shopping centre. Fairview Mall in St. Catharines, Ontario was recognized with a Breaking the Barrier Award from the Ontario March of Dimes for the construction of a new pedestrian walkway from the main street to the mall entrance. This award is given to individuals, businesses or organizations that have promoted the integration or equal access to persons with disabilities. Shops at New West in New Westminster, British Columbia won the Royal City's Builders' Building of the Year Award and Modern Commercial Building Award from the City of New Westminster and the Chamber of Commerce. These awards acknowledge outstanding projects completed in 2012. The City of Langford in British Columbia acknowledged First Capital Realty's redevelopment of Langford Centre with a Golden Award for Excellence for Development and Revitalization.

Amenity and Patio Bollard "Safe Space" Programs

During the past several years, the Company has developed a property amenity program to ensure that our tenants and their customers have a positive and safe shopping experience at our shopping centres. The program includes the installation of attractive, exterior seating areas with benches and planters, car pooling zones, bicycle racks, pedestrian-friendly pathways, way finding signage, landscaping, and art installation. In 2013, First Capital Realty embarked on a patio bollard "safe space" program. Property Management conducted inspections of their properties to identify common area and patio locations where there was a potential risk to public safety due to the close proximity to vehicular traffic areas. The Company installed over 1,400 vehicle impact barriers, also known as bollards, to reduce the risk of vehicle/pedestrian incidents from happening.



SHOPS AT KING LIBERTY, 85 HANNA AVENUE, TORONTO, ON

WATER

Collection and Reporting of Water Data

Our properties primarily use water to supply drinking water, support maintenance cleaning activities, supply landscape irrigation and provide sewage conveyance. Municipal water treatment plants provide potable water to our portfolio, and municipal waste water treatment plants treat our waste water. Typically, there is one water meter installed by the utility at each property. The Province of Québec is an exception. Typically, water consumption is not metered in Québec, and water costs are included in the municipal property tax assessment.

In most cases, tenants in our open-air, enclosed shopping centres and offices are not separately metered for their water consumption. The Company charges back the costs of water consumption proportionately to the tenants based on their square footage. As a result, water consumption and costs associated with our tenants for these properties are included in this report.

Water Conservation and Management Measures

Derry Heights Plaza and Halton Hills Village completed water audits of their irrigation systems during 2013.

Great Canadian Shoreline Cleanup

In 2013, our employees participated nationally for the fifth consecutive year in the Great Canadian Shoreline Cleanup. This national program is Canada's largest contributor to the International Coastal Cleanup, a global initiative to remove litter and aquatic debris from shorelines. In 2013, 99,820 kilograms of litter were removed from 3,035 kilometres of Canadian shoreline by all program participants combined.

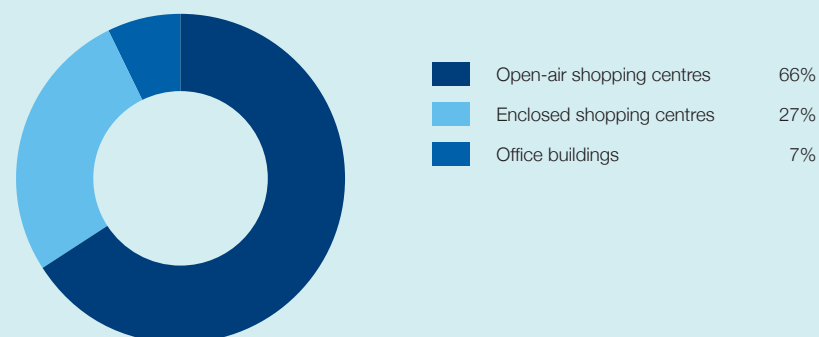
WATER CONSUMPTION^{1, 2}

ASSET CLASS	2012 (m ³)	2013 (m ³)	2013 VERSUS 2012 CHANGE (%)
Open-air shopping centres	950,000	964,910	2
Enclosed shopping centres	346,930	398,210	15
Office buildings	105,560	104,020	-1
ENTIRE PORTFOLIO	1,402,490	1,467,130	5

¹ Water consumption data represents 156 individual properties from a total of 181 individual properties (or 86%) where water was consumed. (Note: Water consumption is not metered in the Province of Quebec, typically).

² Water consumption data represents 9,144,100 ft² (GLA) from the total 17,099,380 ft² (GLA) (or 53%) where water data was available. (Note: Water consumption is not metered in the Province of Quebec, typically).

2013 WATER CONSUMPTION IN ENTIRE PORTFOLIO



WATER

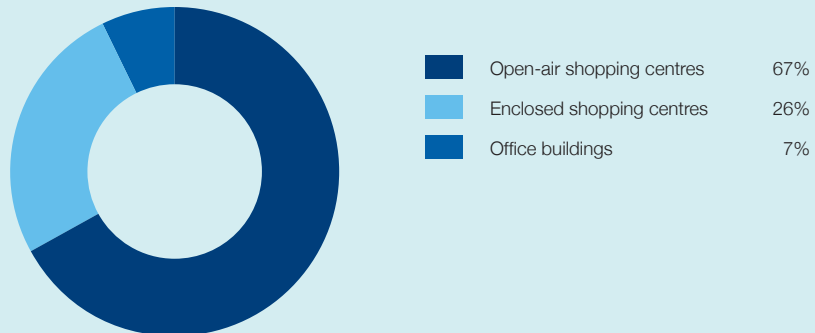
WATER COSTS ^{1,2}

ASSET CLASS	2012 (\$)	2013 (\$)	2013 VERSUS 2012 CHANGE (%)
Open-air shopping centres	2,242,450	2,554,780	14
Enclosed shopping centres	780,700	1,016,120	30
Office buildings	169,280	275,300	63
ENTIRE PORTFOLIO	3,192,440	3,846,200	20

¹ Water cost data represents 156 individual properties from a total of 181 individual properties (or 86%) where water was consumed. (Note: Water consumption is not metered in the Province of Quebec, typically).

² Water cost data represents 9,144,100 ft² (GLA) from the total 17,099,380 ft² (GLA) (or 53%) where water data was available. (Note: Water consumption is not metered in the Province of Quebec, typically)

2013 WATER COSTS IN ENTIRE PORTFOLIO



ENERGY

Collection and Reporting of Energy Data

Energy in the form of natural gas and electricity supplies heating, cooling and power to our properties. In most cases, tenants in our open-air shopping centres are separately metered for natural gas and electricity consumption. They pay the utility companies directly for their energy consumption and, therefore, their energy consumption and costs are not included in our report.

Due to the design of the mechanical and electrical systems of our enclosed shopping centres and offices, not all of our tenants are separately metered for heating, cooling and power. The Company charges back proportionately the cost of energy consumption that is not separately metered to the tenants based on their square footage. As a result, the energy consumption and costs from our tenants' operations are included in our report.

Because our portfolio comprises primarily open-air shopping centres, most of our energy consumption is used to power exterior common area building and parking lot lighting.

Energy Conservation Measures

In 2013, First Capital Realty continued to implement energy conservation measures in our portfolio. Lighting systems were upgraded with motion sensors, photo cells and astronomical timers. The Company retrofitted existing lighting to more energy-efficient technology, such as LED, in numerous properties including Queenston Place, Appleby Square, Fairview Mall, 3434 Lawrence Avenue, and Port Place Shopping Centre. 1670 Bayview Avenue undertook a mechanical retrofit project that included retrofitting the building automation system, installing variable frequency drives on the compartment unit and cooling tower fan motors, replacing heating and domestic hot water boilers, and replacing the existing make-up air unit and adding energy recovery. Property Management issued *TenantTalks* to tenants providing them with advice on how they could reduce their energy consumption, such as resetting their timers semi-annually.

The Company completed a recommissioning investigation of its 85 Hanna Avenue corporate office in Toronto, Ontario, and began implementing mechanical and electrical measures to address occupant comfort and energy conservation. First Capital Realty analyzed its portfolio to identify properties with the highest energy consumption and targeted nine properties for possible recommissioning. Consulting firms began recommissioning investigations at these properties in late 2013 with the objective of identifying measures to optimize energy efficiency and operation of these buildings. The Company expects to receive reports outlining these opportunities by the first quarter of 2014.

Renewable Energy

Due to the nature of the provincial electric grids in Canada and the location of our shopping centres, 35% of the Company's energy consumption was sourced from renewable power, i.e., wind, solar or hydraulic generation.

Race to Reduce

In 2012, the Company registered 85 Hanna Avenue and the Barrymore Building as participating buildings in Greening Greater Toronto's Race to Reduce, a Greater Toronto CivicAction Alliance initiative. This challenge aims to reduce energy consumption by 10 percent over a four-year period in registered office buildings. To contribute to this challenge, the Company began the process of recommissioning 85 Hanna Avenue.

Public Charging Stations for Plug-in Electric Vehicles

First Capital Realty signed a partnership agreement with The Electric Circuit in 2012 to install forty public charging stations over two years for plug-in electric vehicles at selected shopping centres in Québec. Twenty charging stations were installed in the first year. In 2013, a total of twelve charging stations were installed at Carrefour du Plateau-Grives, Place Nelligan Assets and Carrefour St. David Assets. The Company plans to install the remaining eight stations in 2014.

ENERGY



PLACE MICHELET, MONTRÉAL, QC

The Electric Circuit is Canada's first public network for plug-in electric vehicles. At the end of 2013, the network comprised 240 stations in 57 cities and 14 administrative regions in the province of Quebec and had 52 partners. Most electric vehicle owners charge their cars at home. However, this network identifies locations where they can charge their vehicles when they are on the road. Charging vehicles for one and a half hours provides average cars with enough electricity to drive another 40 kilometres.

ENERGY CONSUMPTION ^{1,2,3,4}

ASSET CLASS	2012 (MWh)	2013 (MWh)	2013 VERSUS 2012 CHANGE (%)
Open-air shopping centres			
Natural Gas	15,200	14,560	-4
Electricity	46,510	47,290	2
TOTAL FOR ASSET CLASS	61,710	61,850	0
Enclosed shopping centres			
Natural Gas	26,890	28,980	8
Electricity	39,550	40,650	3
TOTAL FOR ASSET CLASS	66,440	69,620	5
Office buildings			
Natural Gas	9,170	11,430	25
Electricity	17,490	18,040	3
TOTAL FOR ASSET CLASS	26,670	29,470	11
Entire portfolio			
Natural Gas	51,260	54,970	7
Electricity	103,550	105,980	2
TOTAL FOR ASSET CLASS	154,810	160,950	4

¹ Electricity consumption data represents 218 individual properties from a total of 237 individual properties (or 92%) where electricity was consumed.

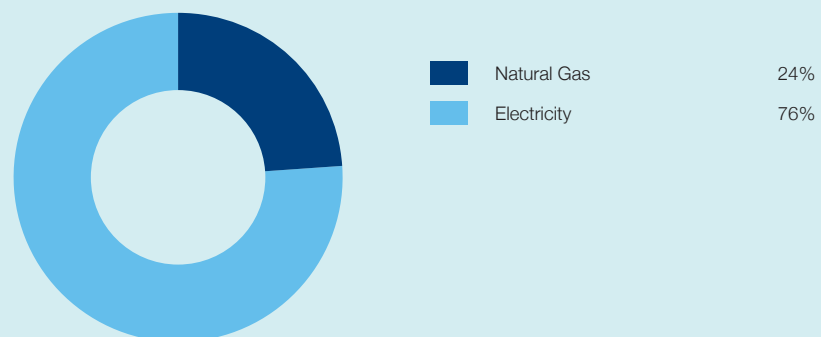
² Electricity consumption data represents 21,043,990 ft² (GLA) from the total 23,001,730 ft² (GLA) (or 91%) where electricity data was available.

³ Natural gas consumption data represents 88 individual properties from a total of 108 individual properties (or 81%) where natural gas was consumed.

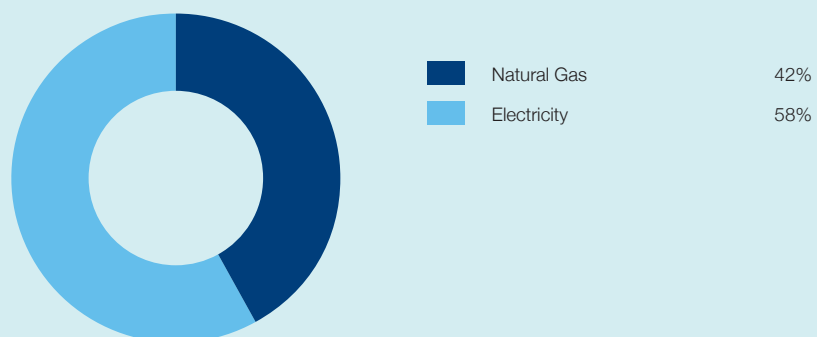
⁴ Natural gas consumption data represents 11,811,260 ft² (GLA) from the total 13,759,520 ft² GLA (or 86%) where natural gas data was available.

ENERGY

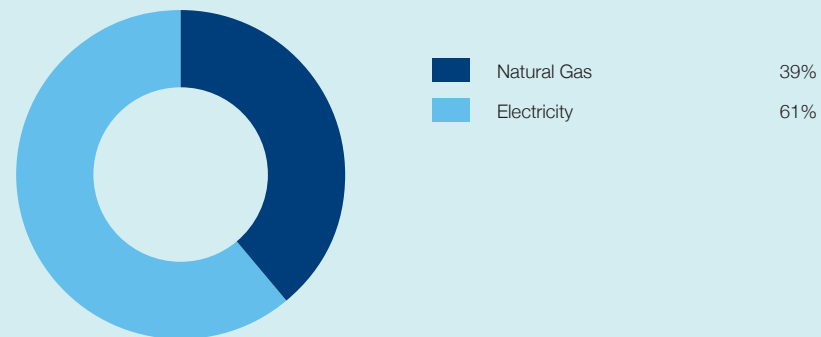
2013 ENERGY CONSUMPTION IN OPEN-AIR SHOPPING CENTRES



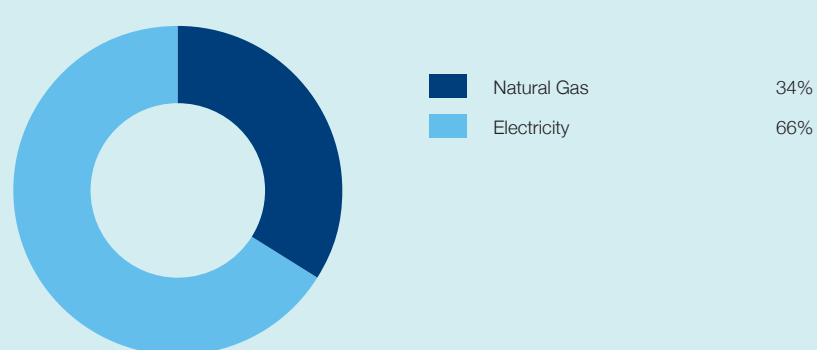
2013 ENERGY CONSUMPTION IN ENCLOSED SHOPPING CENTRES



2013 ENERGY CONSUMPTION IN OFFICE BUILDINGS



2013 ENERGY CONSUMPTION IN ENTIRE PORTFOLIO



ENERGY

ENERGY COSTS^{1,2,3,4}

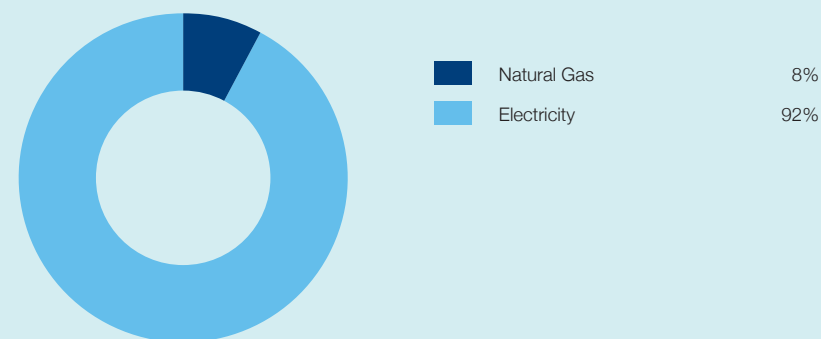
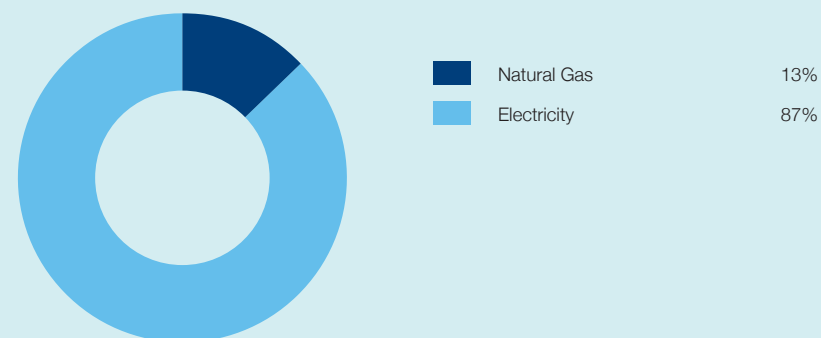
ASSET CLASS	2012 (\$)	2013 (\$)	2013 VERSUS 2012 CHANGE (%)
Open-air shopping centres			
Natural Gas	443,810	460,700	4
Electricity	4,618,840	5,096,720	10
TOTAL FOR ASSET CLASS	5,062,650	5,557,420	10
Enclosed shopping centres			
Natural Gas	559,610	684,290	22
Electricity	3,696,750	4,393,990	19
TOTAL FOR ASSET CLASS	4,256,360	5,078,280	19
Office buildings			
Natural Gas	136,840	239,350	75
Electricity	2,046,320	2,197,800	7
TOTAL FOR ASSET CLASS	2,183,170	2,437,150	12
Entire portfolio			
Natural Gas	1,140,260	1,384,340	21
Electricity	10,361,910	11,688,520	13
TOTAL	11,502,170	13,072,860	14

¹ Electricity cost data represents 218 individual properties from a total of 237 individual properties (or 92%) where electricity was consumed.

² Electricity consumption data represents 21,043,990 ft² (GLA) from the total 23,001,730 ft² (GLA) (or 91%) where electricity data was available.

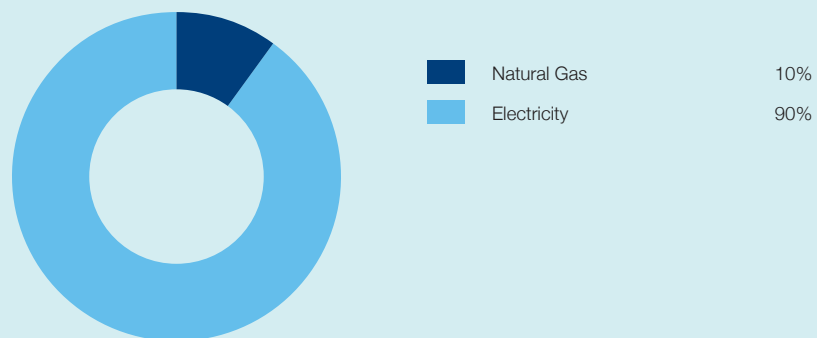
³ Natural gas cost data represents 88 individual properties from a total of 108 individual properties (or 81%) where natural gas was consumed.

⁴ Natural gas cost data represents 11,811,260 ft² (GLA) from the total 13,759,520 ft² (GLA) (or 86%) where natural gas data was available.

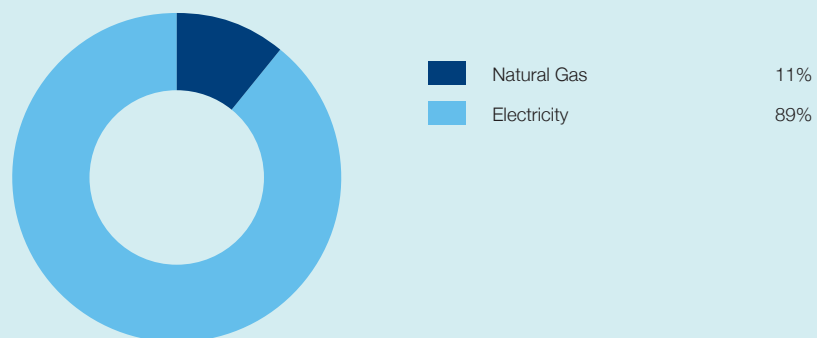
2013 ENERGY COSTS IN OPEN-AIR SHOPPING CENTRES2013 ENERGY COSTS IN ENCLOSED SHOPPING CENTRES

ENERGY

2013 ENERGY COSTS IN OFFICE BUILDINGS



2013 ENERGY COSTS IN ENTIRE PORTFOLIO



GHG EMISSIONS

Collection and Reporting of GHG Emissions

GHG emissions result from the burning of fossil fuels to provide power, heating and cooling to our properties and the transportation of water to and from our properties. The majority of tenants in our open-air retail shopping centres are separately metered for natural gas and electricity consumption and pay the utility companies directly for their energy consumption. Therefore, the GHG emissions from these energy sources were not included in our report. However, GHG emissions from energy sources used to provide power, heat and cooling in enclosed shopping centres or office buildings which are not separately metered were included in the report.

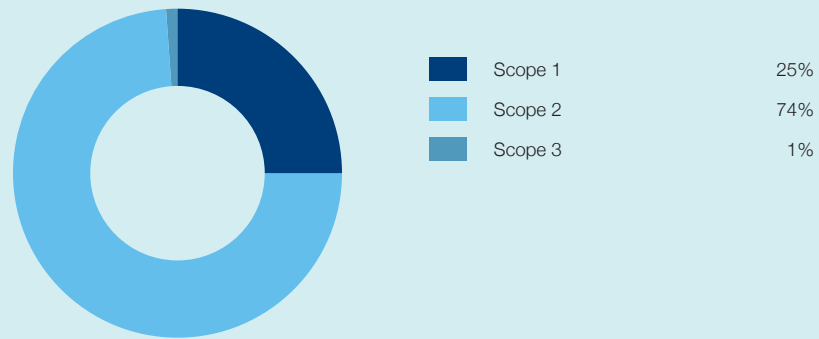
Carbon Disclosure Project

First Capital Realty responded to the 2013 Carbon Disclosure Project Information Request. For the past three years the Company has participated in this voluntary program.

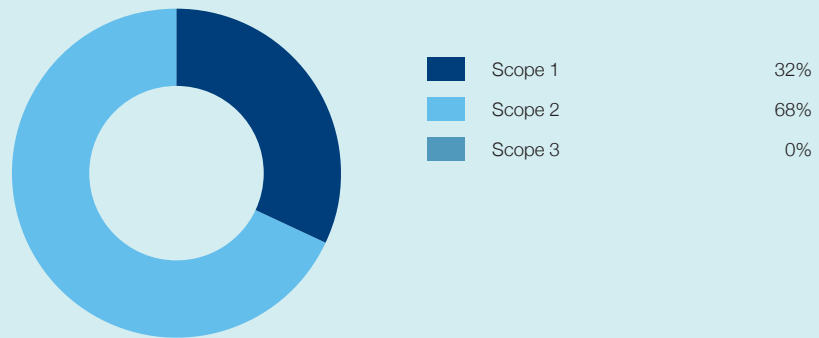
GHG EMISSIONS

ASSET CLASS	2012 (tCO ₂ e)	2013 (tCO ₂ e)	2013 VERSUS 2012 CHANGE (%)
Open-air shopping centres			
Scope 1 - Natural Gas	2,810	2,690	-4
Scope 2 - Electricity	9,200	8,150	-11
Scope 3 - Water	120	120	-4
TOTAL FOR ASSET CLASS	12,130	10,950	-10
Enclosed shopping centres			
Scope 1 - Natural Gas	4,980	5,360	8
Scope 2 - Electricity	11,490	11,330	-1
Scope 3 - Water	50	50	7
TOTAL FOR ASSET CLASS	16,510	16,750	1
Office buildings			
Scope 1 - Natural Gas	1,690	2,100	25
Scope 2 - Electricity	4,850	4,660	-4
Scope 3 - Water	20	20	0
TOTAL FOR ASSET CLASS	6,560	6,770	3
Entire portfolio			
Scope 1 - Natural Gas	9,470	10,150	7
Scope 2 - Electricity	25,540	24,130	-6
Scope 3 - Water	180	190	4
TOTAL	35,200	34,470	-2

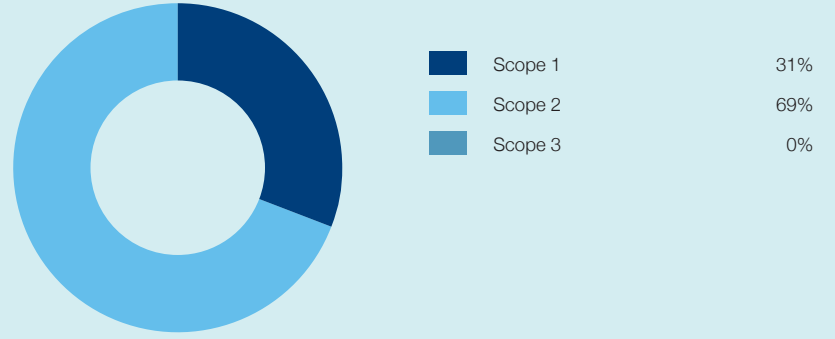
2013 GHG EMISSIONS FROM OPEN-AIR SHOPPING CENTRES



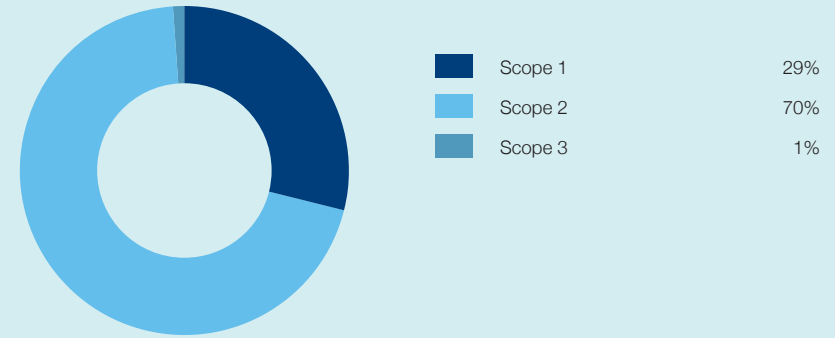
2013 GHG EMISSIONS FROM ENCLOSED SHOPPING CENTRES



2013 GHG EMISSIONS FROM OFFICE BUILDINGS



2013 GHG EMISSIONS FROM ENTIRE PORTFOLIO



WASTE

Collection and Reporting of Waste Data

Due to varying local recycling and waste markets across the country, First Capital Realty currently does not have a national comprehensive, recycling/waste program for our properties. There are a number of factors contributing to this situation. First, different methods of recycling/waste disposal are available depending on local market conditions. Second, the viability of collecting different recycling/waste streams is dependent on the urban markets in which we operate and the market conditions of the recycling/waste sector. Third, the Company uses a number of regionally-based recycling/waste management companies to transport and recycle/dispose of our property recycling/waste streams. Consequently, the Company does not have the ability yet to report on our waste diversion programs nationally. However, the Company can report on our waste expenditures nationally. In 2013, the Company spent \$3.9 million on recycling/waste disposal costs across its entire portfolio.

The Company has a comprehensive waste reporting system in 48% of our portfolio representing 11.7 million square feet of GLA. For each property in these regions, a waste report is generated identifying the recycling/waste stream, quantity of recycling/waste generated and method of disposal or diversion. The report includes tenants' waste where First Capital Realty is responsible for their waste management.

Typically, paper/mixed fibre, cardboard and mixed glass/metal/plastic waste streams were collected from the properties in these regions and sent for recycling. Where organic waste was collected separately, it was sent for composting. Our general waste was sent to landfill.

Community Waste Events

To celebrate Earth Day 2013, the Company hosted electronic waste events at several shopping centres: Westmount Shopping Centre in Edmonton, Alberta, Deer Valley Marketplace in Calgary, Alberta, Gloucester City Centre in Ottawa, Ontario, Place Portobello in Brossard, Québec, Centre commercial Beaconsfield in Beaconsfield, Québec, and Place Quatre-Bourgeois in Québec City, Québec. The Company collected over 17.9 tonnes of electronic waste, 1.6 tonnes of unused paint and 46 kilograms of batteries.

QUANTITY OF NON-HAZARDOUS WASTE GENERATED

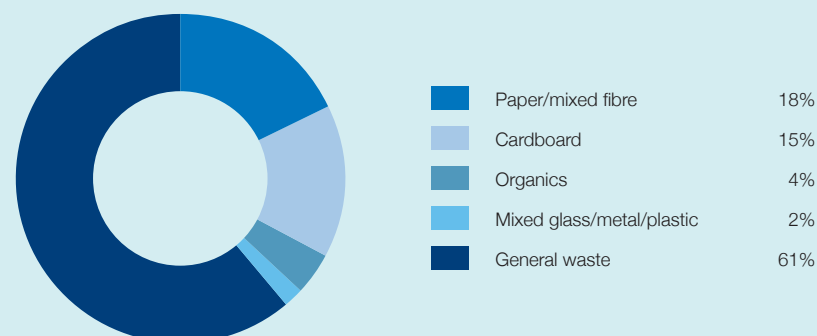
TYPE OF WASTE	2011 (TONNES) ¹	2012 (TONNES) ²	2013 (TONNES) ³	2013 VERSUS 2012 CHANGE (%)
Paper/mixed fibre	800	730	2,400	329
Cardboard	1,910	1,660	2,040	23
Organics	500	430	550	27
Mixed glass/metal/plastic	250	200	230	13
General waste	9,220	9,070	8,350	-8
TOTAL	12,680	12,080	13,570	12

¹ 2011 data represented waste generated in 9.9 million ft² (43%) of the portfolio.

² 2012 data represented waste generated in 10.1 million ft² (40%) of the portfolio.

³ 2013 data represented waste generated in 11.7 million ft² (48%) of the portfolio.

2013 WASTE PROFILE OF NON-HAZARDOUS WASTE



WASTE

METHOD OF DISPOSAL

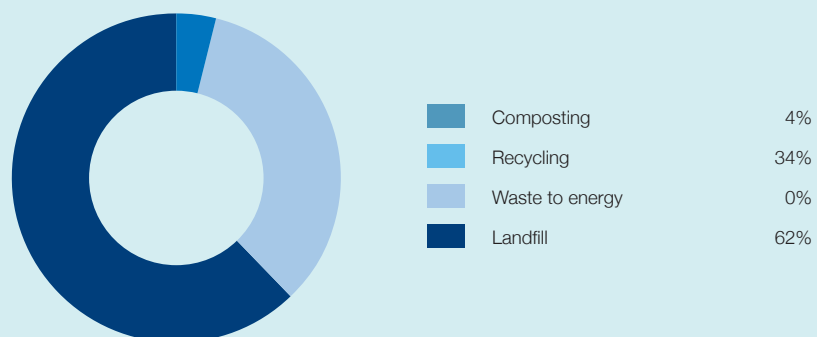
METHOD OF DISPOSAL	2011 (TONNES) ¹	2012 (TONNES) ²	2013 (TONNES) ³	2013 VERSUS 2012 CHANGE (%)
Composting	500	430	550	27
Recycling	2,960	2,590	4,670	180
Waste to energy	4,180	2,760	0	N/A
Landfill	5,040	6,310	8,350	32
TOTAL	12,680	12,080	13,570	12

¹ 2011 Data represented waste generated in 9.9 million ft² (43%) of the portfolio.

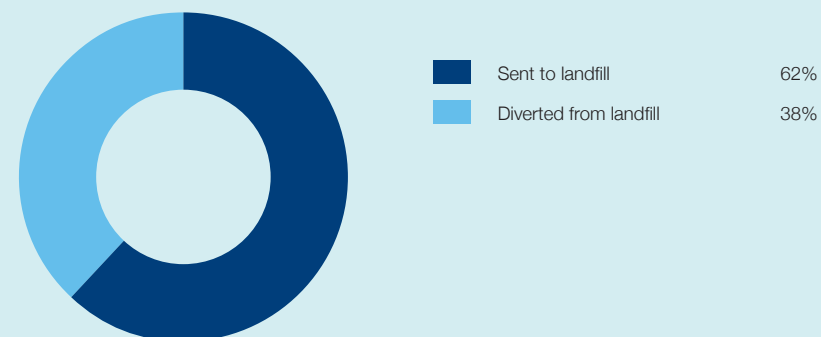
² 2012 Data represented waste generated in 10.1 million ft² (40%) of the portfolio.

³ 2013 Data represented waste generated in 11.7 million ft² (48%) of the portfolio.

2013 DISPOSAL PROFILE OF NON-HAZARDOUS WASTE



2013 WASTE DIVERSION RATE OF NON-HAZARDOUS WASTE



ENVIRONMENTAL EXPENDITURES

The Company spent approximately \$5.4 million on environmental expenditures in 2013.

ENVIRONMENTAL EXPENDITURES

CATEGORY	2011 (\$)	2012 (\$)	2013 (\$)	2013 VERSUS 2012 CHANGE (%)
Building certifications	658,100	1,296,700	1,188,400	-8
Consulting	65,000	186,800	110,400	-41
Legal	183,400	82,000	165,500	102
Liability insurance	143,000	182,600	318,700	75
Site assessment and remediation	3,439,500	4,168,400	3,607,500	-14
TOTAL	4,489,000	5,916,500	5,390,500	-9



ECONOMIC PERFORMANCE

First Capital Realty's primary strategy is the creation of value over the long term by generating sustainable cash flow and capital appreciation of its shopping centre portfolio. Specifically, the Company is focussed on the following six key areas:

- Development, redevelopment and repositioning activities including land use intensification;
- Selective acquisition of strategic assets and adjacent sites;
- Selective disposition of non-core assets;
- Proactive portfolio management that results in higher rent growth;
- Increasing efficiency and productivity of operations; and
- Maintain financial strength to achieve the lowest cost of capital.

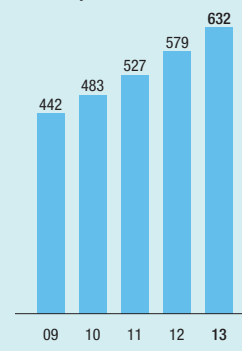
Comparing the Company's 2013 performance to 2012, financial highlights included:

- Property rental revenue increased 9% to \$632 million
- Net operating income increased 7.8% to \$398 million
- Average rent per occupied square foot increased by 2.6% to \$17.96
- Same-property growth including expansion and redevelopment space of 3.7%

Please refer to our website for all 2013 financial disclosures, including First Capital Realty's 2013 Annual Report, at www.firstcapitalrealty.ca/FinancialReports.aspx.

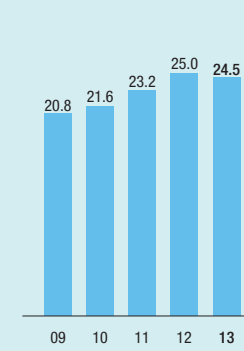
PROPERTY RENTAL REVENUE

(\$ millions)
For the year¹



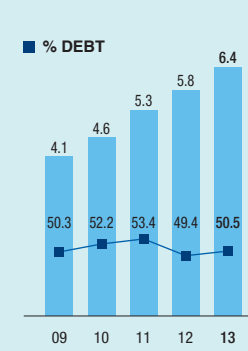
GROSS LEASABLE AREA

(millions of sq. ft.)
At December 31



DEBT TO TOTAL ASSETS²

(\$ billions)
At December 31¹



¹2010 amounts have been restated for the effects of International Financial Reporting Standards ("IFRS"). Amounts previous to 2010 are stated under Canadian GAAP ("GAAP").
2012 amounts have been further restated for the adoption of IFRS 10 and IFRS 11.

²Total assets at invested cost. Debt is a measure not defined by IFRS. Refer to "Capital Structure and Liquidity Capital Employed" section of the Management Disclosure and Analysis in the 2013 Annual Report.

20 YEARS OF DIVIDENDS

(\$ per share)



¹Includes special dividend of \$0.13 paid on April 6, 2005.

²Includes Gazit America dividend-in-kind of \$0.28 distributed on August 14, 2009.

ECONOMIC PERFORMANCE

FINANCIAL HIGHLIGHTS

(\$ MILLIONS)	2012	2013
Enterprise value ¹	\$7,301	\$7,319
Debt to total assets (at IFRS value) ¹	42.1%	42.9%
Debt to total assets (at invested cost) ¹	49.4%	50.5%
Debt to enterprise value ¹	41.8%	44.3%
Property rental revenue ¹	\$579.3	\$631.6
Net operating income ¹	\$369.1	\$398.0

	2012 (\$ MILLION)	2013 (\$ MILLION)		2012 (\$ PER SHARE)	2013 (\$ PER SHARE)
Funds from operations (FFO) ¹	\$189.1	\$215.5		\$1.00	\$1.03
FFO excluding other gains (losses) and (expenses) ¹	\$189.7	\$214.5		\$1.00	\$1.03
Weighted average diluted shares for FFO (thousands)				189,876	208,877

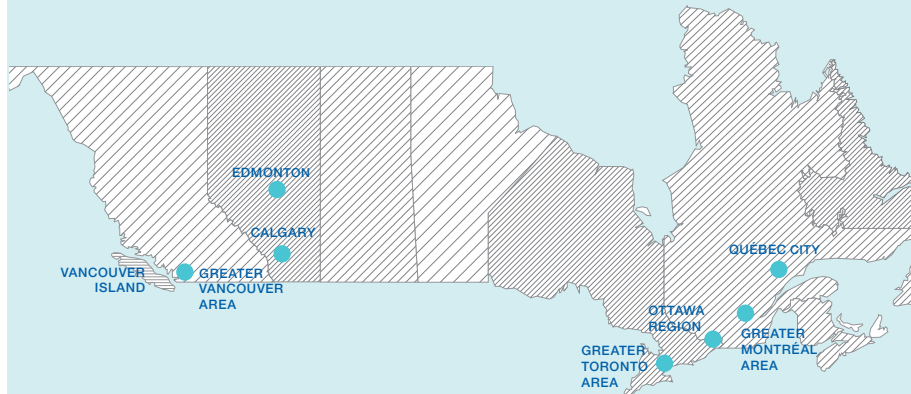
	2012 (\$ MILLION)	2013 (\$ MILLION)		2012 (\$ PER SHARE)	2013 (\$ PER SHARE)
Adjusted funds from operations (AFFO) ^{1,2}	\$195.9	\$225.2		\$0.95	\$1.00
AFFO excluding other gains (losses) and (expenses) ^{1,2}	\$192.4	\$218.5		\$0.93	\$0.97
Weighted average diluted shares for AFFO (thousands)				206,573	224,767

¹ These measures are not defined by IFRS. Refer to Management's Discussion and Analysis.

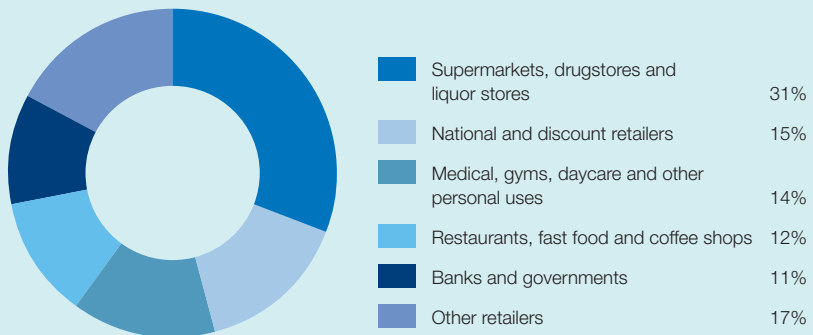
² AFFO for the year ended December 31, 2012 has been restated. See "Results of Operations – Funds from Operations and Adjusted Funds from Operations" section of the Company's MD&A for further discussion.

ECONOMIC PERFORMANCE

URBAN MARKETS



TENANT PROFILE



COMMUNITY

Charitable Contributions

First Capital Realty donated \$192,800, which represented 0.07% of pre-tax or 0.09% of after-tax income, to charitable organizations in 2013, including \$100,000 to the 2013 Calgary flood relief efforts. The Company also provided in-kind donations equivalent to 125,800 square feet of rental space valued at \$368,200 which represented 0.14% of pre-tax or 0.17% of after-tax income. Combined cash and in-kind donations equalled \$561,000 which represented 0.21% of pre-tax or 0.26% of after-tax income. In 2013, employees reported spending a total of 49 hours volunteering while on the Company's payroll.

First Impressions

Individuals tend to place a great deal of importance on where they live, work and play. First Capital Realty always strives to create a great first impression in everything that we do. We understand that when we purchase a shopping centre, construct a new development or redevelop an existing property, we are affecting and having an impact on people in

their neighbourhoods. The Company strives to create environments and amenities at its shopping centres to enhance the communities' experience of "Shopping for Everyday Life."[®]

One example is the creation of the *First Capital Realty Sculpture Competition* and the *Vaughan Imagination Zone Competition* in collaboration with the OCAD U in Toronto, Ontario. Through these competitions, the Company provides an opportunity for students to showcase their creative talents while broadening their business skills. The competitions include developing physical models, presenting their art to a jury and interacting with the client or corporation. By developing this program, First Capital Realty has worked collaboratively with its communities, supported local artists and enhanced the aesthetics of its properties. During the 2013/2014 school year, the Company expanded and incorporated the *First Capital Realty Annual Sculpture Competition* to Concordia University in Montréal, Québec and Emily Carr University of Art and Design in Vancouver, British Columbia.

Sponsorships

In 2013, First Capital Realty provided \$238,000 to sponsor numerous initiatives, including real estate industry events, children's community sports teams, underprivileged school programs and cultural events.

Social Investments

First Capital Realty invested in TAS Design Build LP (TAS LP), listed on the Social Investment Exchange, an investment platform connecting ventures, funds, investors, and service providers focussed on public good in 2013. TAS Design Build LP (TAS LP) is an investment vehicle for projects undertaken by TAS, a developer of innovative, mixed-use projects in emerging urban neighbourhoods in Toronto. Four Pillars of Sustainability[®] guide TAS's operations ensuring that their developments positively impact the social, cultural, economic, and environmental fabric of the City of Toronto. At the end of December 31, 2013, the Company owned an 18% interest in TAS LP.

PROFILE OF CHARITABLE ORGANIZATIONS SUPPORTED

TYPE OF CHARITY	2011 (\$)	2012 (\$)	2013 (\$)	2013
				VERSUS 2012 CHANGE (%)
Community	23,400	71,900	131,000	82
Cultural	20,000	0	10,000	N/A
Health	56,000	41,000	32,400	-21
Miscellaneous	15,000	19,800	19,400	-2
TOTAL	114,500	132,800	192,800	45

APPLICATION OF GRI GUIDANCE AND PRINCIPLES ON DEFINING CONTENT, QUALITY AND BOUNDARY

GRI PRINCIPLES	COMMENTS
Materiality	<p>The Sustainability Council reviewed the list of GRI indicators.</p> <p>The purpose of the review was to identify which indicators were material, could be reported on or required the development of data collection and reporting systems in the future.</p> <p>Materiality was determined based on an analysis of GRI-compliant CRS reports in the real estate sector, a review of REALpac's "A Guide to Corporate Responsibility and Sustainability Reporting in the Canadian Real Property Sector," regulatory development and the professional judgment of the Council.</p> <p>The EVP and CFO and the Chief Sustainability Officer prioritized the topics within the report based on the current data collection and reporting systems and the Company's efforts during the reporting period.</p> <p>The Company expects investors, tenants, employees and the community to use this report.</p>
Stakeholder Inclusiveness	<p>The Company identified investors, tenants, employees and the community as stakeholders and has engaged with each group in a variety of forums and mechanisms.</p>

GRI PRINCIPLES	COMMENTS
Sustainability Context	<p>Developing, owning and operating our shopping centres, provides numerous economic and social benefits:</p> <ul style="list-style-type: none"> • Helps to build communities; • Generates economic value in the local construction and retail sectors; • Provides employment; • Supplies tax revenues; and • Offers daily necessities to consumers. <p>Our business also places demands on land and resources. First Capital Realty aims to balance the economic and social benefits with undesirable environmental aspects by minimizing our impact on the environment.</p> <p>Since May 2006 the Company has constructed all new developments to LEED certification standards.¹ We have introduced native landscaping.</p> <p>Furthermore, the Company continues to pursue land intensification in selective development and redevelopment activities. This business strategy will increase cash flow and returns on our investments, increase tax revenue for the municipal base, maximize economic value generated per acre of land, improve communities and decrease regional energy consumption and GHG emissions.</p>
Balance	<p>The Company discloses negative and positive information in the report.</p>
Comparability	<p>The CRS report compares 2013 data to 2012 data.</p>
Accuracy	<p>The Company aims to prepare an accurate report. The process involves systems to collect data, review data and approve the final report. Refer to Data Assumptions and Methodologies for information on how data was compiled</p>
Timeliness	<p>The Company's 2013 CRS was issued within eight months of the end of the reporting period.</p>

¹ The Company's policy is to build to LEED standards subject to tenant acceptance.

APPLICATION OF GRI GUIDANCE AND PRINCIPLES ON DEFINING CONTENT, QUALITY AND BOUNDARY

GRI PRINCIPLES	COMMENTS
Clarity	The Company aims to deliver an easy-to-read, clear, concise report that can be accessed via the Web or printed format. Our efforts include providing a list of definitions and acronyms, avoiding jargon, describing data assumptions and methodologies, and providing graphics that are not misleading.
Reliability	<p>The Company established processes to collect and report on sustainability indicators. The process involved assigning separate data owners and reviewers to each sustainability indicator.</p> <p>The EVP and CFO, the President, FCR Management Services LP and the General Counsel read the entire report before issuance.</p> <p>Furthermore, the Company sought the services of Ernst & Young LLP to provide "limited assurance" on the following six GRI indicators:</p> <p>EN3 – Direct energy consumption by primary energy source.</p> <p>EN4 – Indirect energy consumption by primary source.</p> <p>EN8 – Total water withdrawal from source.</p> <p>EN16 – Total direct and indirect GHG emissions by weight.</p> <p>LA1 – Total workforce by employment type, employment contract, and region, broken down by gender.</p> <p>LA12 – Percentage of employees receiving regular performance and career developments reviews, by gender.</p>



DATA ASSUMPTIONS AND METHODOLOGIES

INDICATORS	COMMENTS
All	Numbers may not add up due to rounding. 2011, 2012 and 2013 values were rounded for comparability.
Employee Statistics	<p>The reporting period covers January 1, 2013 to December 31, 2013.</p> <p>Administrative is an employment category comprising employees who provide administrative support to management and includes executive assistants, property administrators and accounts payable clerks.</p> <p>Building support is an employment category comprising employees who provide maintenance support at the property level and includes maintenance coordinators and operations supervisors.</p> <p>Middle management is an employment category comprising business unit managers responsible for implementing senior management's business plan and includes leasing directors, controllers, and property managers.</p> <p>Professional/technical is an employment category comprising employees specialized in their field of expertise and includes financial analysts, property accountants, legal staff, architects, designers and project managers.</p> <p>Senior management is an employment category comprising the President and CEO, EVP and CFO, EVPs, SVPs, VPs, and General Counsel. They are responsible for achieving the Company's annual business plan.</p> <p>External contractors were excluded from employee statistics.</p> <p>Local resident is a person residing in the region where he/she is hired to work. For example, if an employee resides in Alberta and takes a job within the Western region, he or she is considered local.</p> <p>New employee is an employee who joined the Company for the first time during the reported calendar year.</p>

INDICATORS	COMMENTS
Formal Performance Reviews	<p>Formal performance reviews were conducted only with permanent employees. Employees who were not eligible to participate in formal performance reviews included:</p> <ol style="list-style-type: none"> 1. Employees on leave (e.g., maternity or disability), 2. Employees who were hired during the third or fourth quarter of the year, 3. Employees who were contract or part-time employees, 4. Employees who left the Company either by resignation or termination, and 5. Employees who joined the Company through an acquisition.
Employee Development	<p>The reporting period covers January 1, 2013 to December 31, 2013.</p> <p>Hours of training were estimated using the following assumptions:</p> <ol style="list-style-type: none"> 1. The Company assumed that training comprised seven hours when employees enrolled in seminars or workshops whether in person or on line. 2. The Company assumed that training comprised two hours per week for the duration of the course when employees enrolled in a higher-education course through the Company's tuition reimbursement program.

DATA ASSUMPTIONS AND METHODOLOGIES

INDICATORS	COMMENTS
Land Use	<p>Land use was classified as of December 31, 2013. The land included in the classification of greenfields and brownfields encompassed all land owned and/or operated either wholly or as a joint venture by First Capital Realty Inc.</p> <p>Contaminated land is land whose site conditions (soil/ groundwater) do not meet current environmental standards or for which a government instrument (e.g., Certificate of Compliance, Record of Site Condition) has not been received. Without receiving a government instrument, a property would be considered to be contaminated even if a risk assessment was completed with the implementation of risk management measures (if applicable). A property also is not considered to be contaminated if the levels of constituents in the soil and/or groundwater, although above standards, are accepted to be naturally occurring in the area where the property is located.</p>
Buildings	The reporting period covers from January 1, 2013 to December 31, 2013.
Water	<p>The reporting period covers January 1, 2013 to December 31, 2013 for the portfolio as of December 31, 2012.</p> <p>Water invoices based on metered consumption were used to report on water consumption and costs.</p> <p><i>Inclusions</i></p> <ol style="list-style-type: none"> 1. The report includes water use from our entire portfolio except properties in the Province of Québec. <p><i>Exclusions</i></p> <ol style="list-style-type: none"> 1. The report excludes water use in properties located in the Province of Québec. Typically, water consumption is not metered in the Province of Québec, and water costs are included in the municipal property tax assessment. 2. Water consumption in the Company's regional offices is excluded from this report. The Company does not have an accurate method to quantify water consumption associated with its regional offices from total consumption of the property in which the office resides. 3. Water consumption in tenant spaces where the tenants pay the water bills directly to utility companies is excluded from this report.

INDICATORS	COMMENTS
	<ol style="list-style-type: none"> 4. Water consumption in vacant spaces is excluded from this report. Water consumption in these spaces is not tracked by the Company's third-party vendor who tracks and reports on water consumption and costs. It is too time and cost prohibitive to include them in the inventory taking into account the materiality of the indicator. 5. A mixed-use development is excluded from this report. This business unit is a complex whose water consumption is not sub-metered. The Company does not have an accurate method to quantify water consumption associated solely with its operations.
Energy	<p>The reporting period covers January 1, 2013 to December 31, 2013 for the portfolio as of December 31, 2012.</p> <p>Electricity and natural gas invoices based on metered consumption were used to report on energy consumption and costs.</p> <p><i>Inclusions</i></p> <ol style="list-style-type: none"> 1. Energy consumption for powering exterior building and parking lot lighting is included in the report. 2. Energy consumption for power, heating and cooling in enclosed shopping centres and office buildings is included in the report. <p><i>Exclusions</i></p> <ol style="list-style-type: none"> 1. Energy consumption in the Company's regional offices is excluded from this report. The Company does not have an accurate method to quantify energy consumption associated with its regional offices from total consumption of the property in which the office resides. 2. Energy consumption in tenant spaces where the tenants are sub-metered or pay the energy bills directly to utility companies (e.g., energy consumption by our tenants in our open-air shopping centres) is excluded from this report. 3. Energy consumption in vacant spaces is excluded from this report. Utility consumption in these spaces is not tracked by the Company's third-party vendor who tracks and reports on energy consumption and costs. It is too time and cost prohibitive to include them in the inventory taking into account the materiality of the indicator.

DATA ASSUMPTIONS AND METHODOLOGIES

INDICATORS	COMMENTS
	<p>4. A mixed-use development is excluded from this report. This business unit is a complex whose energy consumption is not sub-metered. The Company does not have an accurate method to quantify energy consumption associated solely with its operations.</p>
GHG Emissions	<p>The reporting period covers January 1, 2013 to December 31, 2013 for the portfolio as of December 31, 2012.</p> <p><i>Inclusions</i></p> <ol style="list-style-type: none"> 1. Scope 1 and 2 emissions were included. 2. Scope 3 emissions associated with the transportation of water were included. <p>Electricity and natural gas invoices based on metered consumption were used to report on energy consumption and resulting GHG emissions.</p> <ol style="list-style-type: none"> 1. Energy consumption for powering exterior building and parking lot lighting is included in the report. 2. Energy consumption for power, heating and cooling in enclosed shopping centres and office buildings is included in the report. <p>Water invoices based on metered consumption were used to report on water consumption and resulting GHG emissions.</p> <ol style="list-style-type: none"> 1. The report includes water use from our entire portfolio except properties in the Province of Québec. <p><i>Exclusions</i></p> <ol style="list-style-type: none"> 1. Energy consumption in the Company's regional offices is excluded from this report. The Company does not have an accurate method to quantify energy consumption associated with its regional offices from total consumption of the property in which the office resides. 2. Energy consumption in tenant spaces where the tenants are sub-metered or pay the energy bills directly to utility companies (e.g., energy consumption by our tenants in our open-air shopping centres) is excluded from this report.

INDICATORS	COMMENTS
	<p>3. Energy consumption in vacant spaces is excluded from this report. Utility consumption in these spaces is not tracked by the Company's third-party vendor who tracks and reports on energy consumption and costs. It is too time and cost prohibitive to include them in the inventory taking into account the materiality of the indicator.</p>
	<p>4. A mixed-use development is excluded from this report. This business unit is a complex whose energy consumption is not sub-metered. The Company does not have an accurate method to quantify energy consumption associated solely with its operations.</p>
	<p>5. The report excludes water use in properties located in the Province of Québec. Typically, water consumption is not metered in the Province of Québec, and water costs are included in the municipal property tax assessment.</p>
	<p>6. Scope 3 emissions (i.e., GHG emissions from business travel by employees, employee commuting, production of materials purchased and waste disposal/recycling initiatives) were excluded.</p>
	<p><u>To calculate GHG emissions from natural gas consumption:</u></p> <p>Natural gas consumption (m³) x emission factor (tGHG/m³) = tCO₂e</p> <p>Sources of natural gas emission factors: Environment Canada, Greenhouse Gas Division, National Inventory Report: 1990–2012, Part 2: Greenhouse Gas Sources and Sinks in Canada (Ottawa, Environment Canada. 2014), p.183</p>
	<p><u>To calculate GHG emissions from electricity consumption:</u></p> <p>Electricity consumption (kWh) x emission factor (tCO₂e/kWh) = tCO₂e</p> <p>Sources of electricity emission factors: Environment Canada, Greenhouse Gas Division, National Inventory Report: 1990–2012, Part 2: Greenhouse Gas Sources and Sinks in Canada (Ottawa, Environment Canada. 2014), p.74-79</p>

DATA ASSUMPTIONS AND METHODOLOGIES

INDICATORS	COMMENTS
	<p><u>To calculate GHG emissions from transportation of water:</u></p> <p>Water consumption (m³) x electricity required to transport a cubic metre of water (kWh) x emission factor (tCO₂e/kWh) = tCO₂e</p> <p>Sources of emission factors for water transportation: Maas, Carol, Greenhouse Gas and Energy Co-Benefits of Water Conservation. POLIS Project on Ecological Governance, University of Victoria, November 2008</p> <p>Environment Canada, Greenhouse Gas Division, National Inventory Report: 1990–2012, Part 3: Greenhouse Gas Sources and Sinks in Canada (Ottawa, Environment Canada. 2014), p. 74-79</p> <p><u>Assumptions:</u></p> <ol style="list-style-type: none"> 1. All buildings existed in the Company's portfolio as of January 1, 2012 unless explicitly noted as an acquisition, a new build or a demolition. 2. Acquisition is defined as an existing property purchased since January 1, 2012. Consumption and emissions were estimated back where possible, based on existing data. 3. New build is defined as new construction on vacant land. There was no consumption or source of emissions previously. This was considered a new source of emissions as of the first data point when the building became operational. 4. Demolition is defined as: a building that was fully demolished since January 1, 2012 and not replaced or re-built. The building was treated as a loss of emissions and its emissions were eliminated from the inventory. 5. Buildings fitting any of the following criteria were omitted from the inventory: <ol style="list-style-type: none"> a. The property was classified as residential, b. The property was classified as land only, c. The property was not under FCR Management Services operational control, d. The property did not have any house utility accounts, or e. The property was lacking 12 consecutive months of utility data. 6. All buildings identified as an acquisition were included in the inventory using the earliest available data and estimated back to January 1, 2012 (Refer to data estimation below).

INDICATORS	COMMENTS
	<ol style="list-style-type: none"> 7. All buildings constructed since January 1, 2012 or subsequently acquired by the Company were included in the inventory from the date when the building became operational under FCR Management Services. 8. All buildings demolished since January 1, 2012 were included in the inventory until the date when the building was no longer under FCR Management Services operational control. 9. Data was extracted from the utility database on March 25, 2014. Any data not in the database at this date was either not included in the report or estimated based on the data estimation methodology identified below. 10. Data extracted from our third-party vendor was assumed to be actual meter readings with no estimation unless otherwise noted. <p><u>Data Estimations</u></p> <p>For a property where consumption data was not available, consumption was estimated by calculating the average consumption from this property of the most recent consecutive 12 month period and applying the average to the missing months of data. For example, if a property was missing electricity consumption data for January 2012, electricity consumption from January 2013 to December 2013 would be totalled and averaged monthly. This monthly average electricity consumption would be applied to January 2012.</p> <p>The GHG emissions for 2012 and 2013 in this report are 2.3% and 1.5% percent greater, respectively, than the GHG emissions reported in the Company's submission to the 2014 Carbon Disclosure Project Information Request in June 2014. Emissions from twelve properties were incorrect due to an incorrect emissions factor used in the calculations to quantify emissions from these twelve properties in our 2012 and 2013 inventories conducted in June 2014.</p>

DATA ASSUMPTIONS AND METHODOLOGIES

INDICATORS	COMMENTS
Waste	<p>The reporting period covers January 1, 2013 to December 31, 2013 for the portfolio as of December 31, 2013.</p> <p><i>Inclusions</i></p> <ol style="list-style-type: none"> 1. The report includes waste generated from 11.7 million square feet (48%) (GLA) of the portfolio. The properties contributing waste data were located in Alberta, Ontario and Québec. 2. It accounts for tenant waste where First Capital Realty is responsible for the waste management. <p><i>Exclusions</i></p> <ol style="list-style-type: none"> 1. The report excludes waste generated from development, redevelopment, construction or remediation activities. <p>Waste disposal costs are costs for the disposal and recycling of waste generated in the operation of our properties. It excludes waste costs resulting from development, redevelopment, construction or remediation activities.</p>
Expenditures	<p>Building certification costs are defined as the costs related to LEED and BOMA BEST certification. These costs include consulting fees and CaGBC, USGBC or BOMA BEST certification fees.</p> <p>Consulting costs are defined as costs to provide general environmental management and training services. They exclude environmental consulting costs associated with environmental liability insurance, site assessment and remediation, LEED, legal fees and waste disposal.</p> <p>Environmental legal costs are defined as legal fees to:</p> <ol style="list-style-type: none"> 1. Defend the Company against potential or actual environmental charges; and 2. Provide legal advice on environmental or regulatory issues. <p>Environmental liability insurance costs are defined as insurance premiums paid to protect against environmental risks.</p> <p>Site assessment and remediation costs are defined as costs related to:</p> <ol style="list-style-type: none"> 1. Environmental site assessments for acquisition due diligence and financing; and

INDICATORS	COMMENTS
	<ol style="list-style-type: none"> 2. Remediation activities, including consulting costs, remediation of soil or water, waste disposal costs, and fees for regulatory certificates or permits. <p>They exclude costs associated with indoor air quality issues, such as asbestos or mould.</p>
Economic Performance	<p>The consolidated financial statements include the accounts of the Company, its consolidated owned subsidiaries and trusts, and the Company's proportionate share of assets, liabilities, revenues and expenses of partnership, co-ownership and limited liability corporate ventures which are accounted for using the proportionate consolidation method.</p>

ACRONYMS AND DEFINITIONS

BOMA – the Building Owners and Managers Association

BOMA BEST – Building Environmental Standards is a national program launched in 2005 by BOMA Canada to address an industry need for realistic standards for energy and environmental performance of existing buildings based on accurate, independently verified information.

Brownfield is defined as a property where the previous or current site use caused environmental contamination necessitating environmental remediation.

CaGBC – Canada Green Building Council

CEO – Chief Executive Officer

CFO – Chief Financial Officer

CO₂ – carbon dioxide

CO₂e is equivalent carbon dioxide. Different greenhouse gases have different global warming potentials per unit of gas. To facilitate comparison between the various GHG emissions, all GHG emissions are converted to equivalent carbon dioxide.

CRS – Corporate Responsibility and Sustainability

Employee Assistance Program is a voluntary and confidential support

service that helps employees and their immediate family members with everyday work, health and life issues, as well as major life challenges.

EHS – Environment, Health and Safety

EVP – Executive Vice President

GHG – greenhouse gases. They include carbon dioxide, methane, nitrous oxides, sulphur hexafluoride and refrigerant gases.

GLA – gross leasable area

Greenfield is defined as undeveloped land typically located at the edge of a city.

GRI – Global Reporting Initiative. It is an international non-profit organization that develops guidelines for reporting on corporate responsibility and sustainability (CRS).

GTA – Greater Toronto Area

HVAC – heating, ventilation and air conditioning

ICSC – International Council of Shopping Centres. It is the premier global trade association for the shopping centre industry.

LEED – Leadership in Energy and Environmental Design

LEED AP – LEED-accredited professional

LEED CI – LEED for Commercial Interiors

LEED CS – LEED for Core and Shell

LEED EBOM – LEED for Existing Buildings Operations and Maintenance

LEED NC – LEED for New Construction

NAOIP - The Commercial Real Estate Development Association. It is a leading organization for developers, owners and investors of office, industrial, retail and mixed-use real estate in North America.

N/A – Not Applicable

N/R – Not Reported

REALpac – Real Property Association of Canada. It is a national industry association for owners and managers of investment in real estate. Members include publicly traded real estate companies, real estate investment trusts (REITS), private companies, pension funds, banks and life insurance companies with investment real estate assets each in excess of \$100 million. The association is supported by large owner/occupiers and pension fund advisors and individually selected investment dealers and real estate brokerages.

RRSP – Registered Retirement Savings Plan

Scope 1 emissions are direct GHG emissions resulting from sources that are owned or controlled by the Company (e.g., emissions from burning natural gas in an HVAC unit or fuel oil in a boiler).

Scope 2 emissions are indirect GHG emissions resulting from the generation of purchased electricity consumed by the Company. Scope 2 emissions are generated at the facility where the electricity is generated.

Scope 3 emissions are all other indirect GHG emissions. Scope 3 emissions are a result of activities undertaken by the Company, but are generated from sources not owned or controlled by the Company (e.g., transmission of water, business travel, employee commuter travel, use of goods and services purchased).

Sponsorship is a type of marketing where the Company pays for all or some of the costs associated with a project, program or event in exchange for recognition.

SVP – Senior Vice President.

USGBC – U.S. Green Building Council

VP – Vice President

GRI INDEX

GRI REFERENCE	SECTION	REPORT REFERENCE
1. STRATEGY AND ANALYSIS		
1.1 Statement from CEO and Chair.	A message from the President and CEO	p. 1
1.2 Description of key impacts, risks and opportunities.	Company Overview	p. 12-15
2. ORGANIZATIONAL PROFILE		
2.1 Name of the organization.	Company Overview	p. 16
2.2 Primary brands, products and/or services.	Company Overview	p. 16
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	Company Overview	p. 16
2.4 Location of organization's headquarters.	Company Overview	p. 16
2.5 Number of countries where the organization operates and names of countries either with major operations or that are specifically relevant to the sustainability issues covered in the report.	Company Overview	p. 16
2.6 Nature of ownership and legal form.	Company Overview	p. 16
2.7 Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Company Overview	p. 16
2.8 Scale of the reporting organization, including number of employees, net sales, total capitalization broken down, total assets, beneficial ownership (including identity and percentage of ownership of largest shareholders), sales and costs by region, and quantity of products or services provided.	Company Overview	p. 16-17
2.9 Significant changes during the reporting period regarding size, structure or ownership including location of or changes in operations, changes in share capital structure and other capital formation.	Company Overview	p. 17
2.10 Awards received in the reporting period.	Company Overview	p. 17

GRI REFERENCE	SECTION	REPORT REFERENCE
3. REPORTING PARAMETERS		
Report Profile		
3.1 Reporting period.	GRI Reporting Parameters	p. 4
3.2 Date of most recent previous report.	GRI Reporting Parameters	p. 4
3.3 Reporting cycle.	GRI Reporting Parameters	p. 4
3.4 Contact point for questions regarding the report or its contents.	GRI Reporting Parameters	p. 4
Report Scope and Boundary		
3.5 Process for defining report content, including determining materiality, prioritizing topics within the report and identifying stakeholders the organization expects to use the report.	GRI Reporting Parameters	p. 4
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	GRI Reporting Parameters	p. 5
3.7 State any specific limitations on the scope or boundary of the report.	GRI Reporting Parameters	p. 5
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	GRI Reporting Parameters	p. 5
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Data Assumptions and Methodologies	p. 124-133
3.10 Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatements (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	GRI Reporting Parameters	p. 6

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GRI REFERENCE	SECTION	REPORT REFERENCE
GRI Content Index		
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	GRI Reporting Parameters	p. 6
Assurance		
3.12 Table identifying the location of the Standard Disclosures in the report.	GRI Reporting Parameters GRI Index	p. 6 p. 136-147
3.13 Policy and current practice with regard to seeking external assurance for the report.	GRI Reporting Parameters Statement of Assurance	p. 6 p. 8-11
4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT		
Governance Management Approach		
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Governance Structure	p. 18-26
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	Governance Structure	p. 18
4.3 The number of members of the highest governance body that are independent and/or non-executive members.	Governance Structure	p. 18
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. Include reference to processes regarding use of shareholder resolutions, and information and consulting employees and working relationships with formal representation bodies.	Governance Structure	p. 26

GRI REFERENCE	SECTION	REPORT REFERENCE
4.5 Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance (including social and environmental performance).	Governance Structure	p. 24-26
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Governance Structure	p. 23
4.7 Process for determining the composition, qualifications and expertise of the members of the highest governance body including any consideration of gender and other indicators of diversity.	Governance Structure	p. 21
4.8 Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	Company Overview Approach to Corporate Responsibility and Sustainability Code of Conduct and Ethics	p. 12-15 p. 32-33 p. 28-29
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Governance Structure	p. 18-26
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Governance Structure	p. 21
Commitments to External Initiatives		
4.11 Explanation of whether and how the precautionary approach or principles are addressed by the organization.	Land Use Approach to Corporate Responsibility and Sustainability	p. 70 p. 32

GRI INDEX

GRI REFERENCE	SECTION	REPORT REFERENCE
4.12 Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	Buildings	p. 72, 84
4.13 Memberships in associations and/or national/international advocacy organizations in which the organization:	Company Overview Compliance and Lobbying	p. 15 p. 31
<ul style="list-style-type: none"> • Has positions in governance bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 		
Stakeholder Engagement		
4.14 List of stakeholders engaged by the organization.	Approach to Corporate Responsibility and Sustainability	p. 37
4.15 Basis for identification and selection of stakeholders with whom to engage.	Approach to Corporate Responsibility and Sustainability	p. 37
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group.	Approach to Corporate Responsibility and Sustainability	p. 37
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns including through its reporting.	Topics concerning development and redevelopment activities raised during formal public consultations are available from the municipalities where these activities were proposed or occurred.	N/A



GRI INDEX

GRI REFERENCE	CORE OR ADDITIONAL PERFORMANCE INDICATOR	FULL OR PARTIAL DISCLOSURE	SECTION	REPORT REFERENCE
Economic performance EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments. EC4 Significant financial assistance received from the government.	Core	Full	Economic Performance	p. 112-116
	Core	Full	The Company did not receive significant financial assistance from the government.	N/A
Market Presence EC7 Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at significant locations of operation.	Core	Partial	Employee Statistics	p. 69
Environment Management Approach Energy EN3 Direct energy consumption by primary energy source. EN4 Indirect energy consumption by source. EN6 Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives.	Core	Full	Energy Data Assumptions and Methodologies	p. 92-100 p. 127-128
	Core	Full	Energy Data Assumptions and Methodologies	p. 92-100 p. 127-128
	Core for Construction and Real Estate Sector	Partial	Buildings Energy Application of GRI Guidance and Principles on Defining Content, Quality and Boundary.	p. 72, 84 p. 92-94 p. 121
Water EN8 Total water withdrawal by source.	Core	Full	Water Data Assumptions and Methodologies	p. 88 p. 126-127
Emissions, Effluents and Waste EN16 Total direct and indirect greenhouse gas emissions by weight.	Core	Full	GHG Emissions Data Assumptions and Methodologies	p. 102-105 p. 128-131

GRI INDEX

GRI REFERENCE	CORE OR ADDITIONAL PERFORMANCE INDICATOR	FULL OR PARTIAL DISCLOSURE	SECTION	REPORT REFERENCE
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	Core	Full	Buildings Energy Application of GRI Guidance and Principles on Defining Content, Quality and Boundary	p. 72, 84 p. 92-94 p. 121
EN22 Total weight of waste by type and disposal method.	Core	Full	Waste	p. 106-109
Land Degradation, Contamination and Remediation CRE5 Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable land use designations.	Core for Construction and Real Estate Sector	Partial	Land Use	p. 70
Products and Services EN26 Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	Core	Partial	Buildings Water Waste Application of GRI Guidance and Principles on Defining Content, Quality and Boundary	p. 72, 84 p. 88 p. 106 p. 121
Compliance EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Core	Full	The Company did not receive any fines or sanctions for non-compliance with environmental laws and regulations.	N/A
Overall EN30 Total environmental protection expenditures and investments by type.	Additional	Full	Waste Environmental Expenditures	p. 106 p. 110
Labour Practices Management Approach Employment LA1 Total workforce by employment type, employment contract, and region, broken down, by gender. LA2 Total number and rate of new employee hires and employee turnover by age group, gender and region. LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees by significant locations of operations.	Core Core Additional	Partial Full Full	Employee Statistics Employee Statistics Employee Benefits	p. 48-55 p. 54-60, 62-68 p. 44-47

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GRI REFERENCE	CORE OR ADDITIONAL PERFORMANCE INDICATOR	FULL OR PARTIAL DISCLOSURE	SECTION	REPORT REFERENCE
Training and Education				
LA10 Average hours of training per year per employee by gender by employee category.	Core	Full	Employee Development	p. 40-41
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Additional	Full	Employee Development	p. 38-39
LA12 Percentage of employees receiving regular performance and career development reviews, by gender.	Additional	Full	Employee Development	p. 40-41
Diversity and Equal Opportunity				
LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Core	Partial	Employee Statistics	p. 48-57, 60, 62
Human Rights Management Approach				
Non-Discrimination				
HR4 Total number of incidents of discrimination and actions taken.	Core	Full	Code of Conduct and Ethics	p. 29
Social Management Approach				
Corruption				
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	Core	Full	Code of Conduct and Ethics	p. 28-29
Public Policy				
SO5 Public policy positions and participation in public policy development and lobbying.	Core	Partial	Company Overview Compliance and Lobbying	p. 15 p. 31
SO6 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Core	Full	Compliance and Lobbying	p. 31
Product Responsibility Management Approach				
Product and Service Labeling				
CRE8 Type and number of sustainability certification, rating, and labeling schemes for new construction, management, occupation and redevelopment.	Core for Construction and Real Estate Sector	Full	Buildings	p. 72-85
Customer Privacy				
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Additional	Full	The Company did not have any substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/A



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