

FCR's Retail Tenant Guide To Sustainable Operations

April 2021





Table of Contents

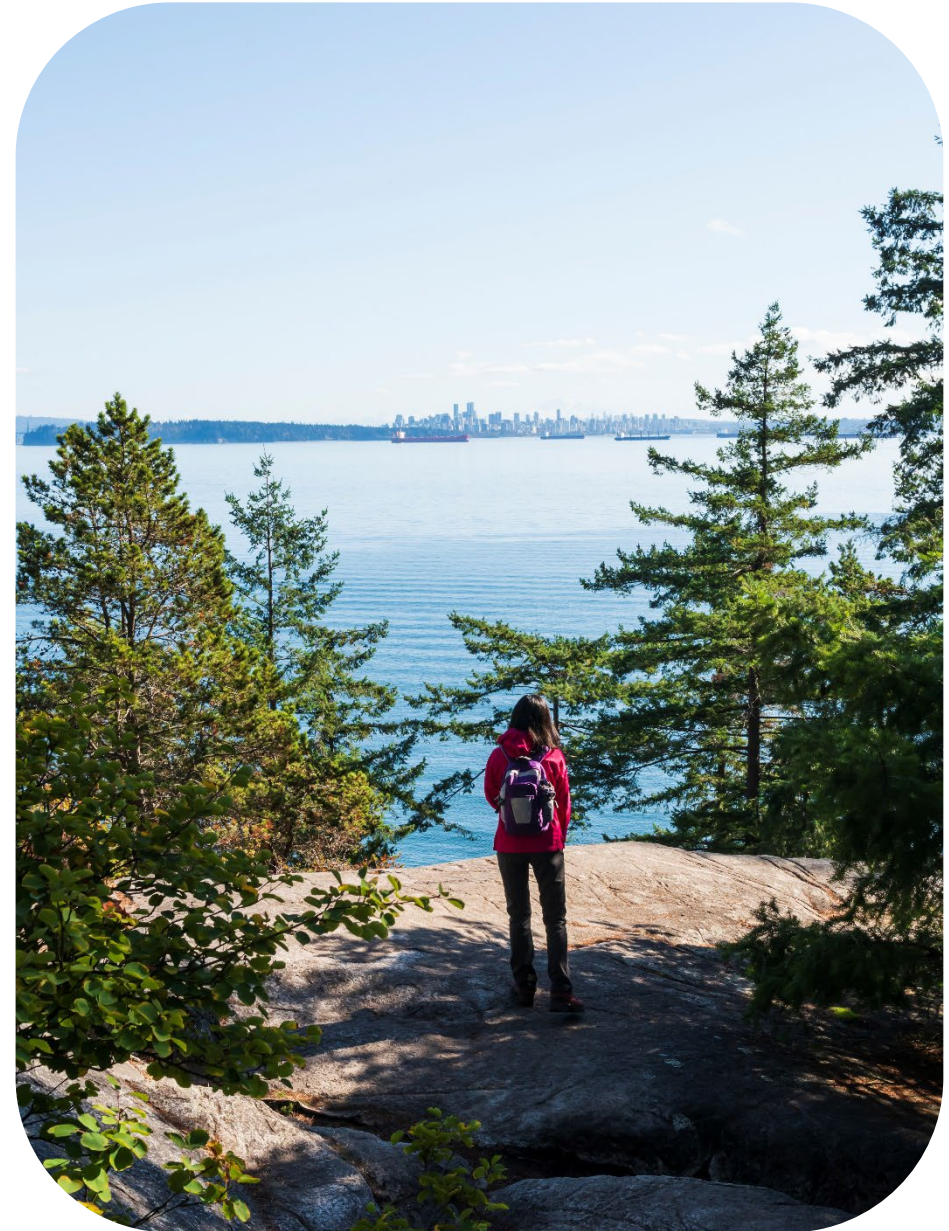
Greening Your Business.....	2
Cultivating a Culture of Conservation	2
4 Ways Retail Can Help (& Hurt) The Environment	3
How to Take Action	5
Your Operations Checklist	6
Heating, Cooling, and Ventilation.....	7
Business Specific Equipment.....	9
Lighting.....	12
Windows and Doors.....	14
Waste and Recycling.....	15
Indoor Environment.....	18
Connect with First Capital.....	20

Greening Your Business

Cultivating a Culture of Conservation

To some businesses, implementing environmental solutions may seem like an uphill battle. First Capital wants you to know that we are in this together. Dating back to 2010, FCR has a long-standing history as a leader in sustainability and we continue to build our partnership with our tenants to support their sustainability practices and initiatives. It just makes sense. To learn more about our sustainability initiatives visit fcr.ca/sustainability.

We see engaging our tenants in our ongoing success as leading and influencing sustainability performance. We would like to encourage and support all tenants to join our culture of conservation. As partners, we can work together to create thriving, sustainable urban neighbourhoods that prioritize people and the environment. Let's continue to build an economy that fosters a healthy future.



4 Ways Retail Can Help (& Hurt) The Environment

The message has been out for many years on individual actions we can take to lessen our impact on the planet. True change will require both systemic and individual behavioural shifts. Here are the top 4 areas of opportunity to reduce the environmental impact of your business:



1: Greenhouse Gases and Energy

Greenhouse gas emissions are filling our atmosphere at a rate that has not been experienced in the history of humans. The Government of Canada has pledged that by 2050 Canada will emit net-zero greenhouse gas emissions. The goal is to reduce emissions so that by 2050, Canada is emitting only as much greenhouse gases as it takes out of the atmosphere through greenhouse gas capturing and sequestering.

Commercial buildings emit 17% of the greenhouse gas emissions in Canadaⁱ. These emissions are almost exclusively from burning fossil fuels (i.e. coal and natural gas) for energy. This is energy that is used every day to heat, cool, and power our buildings and business operations. In the retail category, restaurants, grocery stores, and convenience stores are among the highest consumers of energy use per square footⁱⁱ. This means that there is an opportunity to make a big difference in reducing emissions in your business operations.



2: Waste

Every year Canadians produce an average of 700 kilograms of waste per personⁱⁱⁱ. In 2016, only 27% of that waste was diverted to be recycled, leaving the remaining 73% destined to landfills. While some of the waste is from industrial processes, much of it has either originated or passed through the retail supply chain.

Our resources are finite, sending discarded items to sit in a landfill is not a solution. Working together, building a circular economy will ease our dependency on creating goods that are destined to be thrown out in less than a year. Actions such as consciously creating an item to be reused and/or disassembled into a new item positively impacts our finite resources. For example: using biological materials for food packaging that are composted into nutrient rich soil in replace of single-use-plastics; or using recycled glass or wood in building materials. The goal is to lessen our dependency on virgin materials by transitioning to materials that stay in the economy.



3: Water Use

Canada, the land of fresh water. Or is it? While drought conditions fluctuate year to year it can be estimated that over 20% of Canadians live in areas prone to drought^{iv}. Canada does have water in abundance, but its not always close to where people live. Not to mention, most major urban centres in Canada, 40% of the local water consumption is withdrawn for human use^v.

It's important to remember that fresh water is a precious resource. Commercial buildings in Canada use the second most amount of water (the highest using buildings in Canada are residential)^{vi}. Implementing business practices and systems that conserve water secures a future of water abundance. Every drop counts.



4: Indoor Environment

Being aware of your business's impact on the environment culminates in the indoors. Interior spaces of buildings have a direct impact on the wellbeing of those inside them, such as your employees. In retail premises, this impact is even more relevant to your customers and visitors. Customers have agency to choose where and when they go to shop. Providing a healthy and inviting space encourages sales, footfall, dwell time, and loyalty^{vii}. Not only does providing a green space sustain the health of our planet, it has a tangible impact on the bottom line.



How to Take Action

Committing to sustainability and greening your business requires steadfast commitment. We've broken down some tangible steps to set your efforts up for success.

1

MANAGE YOUR UTILITY DATA.

The rule goes “you can’t manage what you don’t measure”. First step is to track down your utility data and understand your consumption trends. Whether its garbage weight, or cubic meters of water, its always better to establish a baseline.

2

ENGAGE ALL LEVELS.

There is no role left behind when engaging in sustainability. Everyone has a part to play. From owner to executive/C-suite to store managers to front line staff. Its crucial that all team members are engaged. Start by communicating overarching goals and objectives. And remember that ideas can come from every role.

3

CREATE TARGETS.

Specific targets help track progress when completing a task or initiative. Sometimes things work better than anticipated and sometimes there are hiccups. Without a target, its hard to track your progress. Targets work best if communicated broadly, and if compared regularly against progress.

Billing Summary - Billing Number

Page 1 of 2

Previous Balance	\$	807.70
Total Payment since last bill	\$	-807.70
Balance Forward	\$	0.00
Total Current Utility Charges	\$	1,060.45
(Total HST \$29.67)		
Total Amount Due	\$	1,060.45

The total amount will be withdrawn from your bank on or about Sep 06, 2019

Billing Date Aug 21, 2019
Customer Name
Customer Number
Mailing Postal Code

Your Electricity Charges

Period: Jul 5, 2019 - Aug 2, 2019

Account Number

Meter Number
Service Number



Electricity supplied by London Hydro		
On-Peak 102.50 kWh x \$0.134/kWh	\$	13.73
Mid-Peak 108.35 kWh x \$0.094/kWh	\$	10.19
Off-Peak 1680.22 kWh x \$0.065/kWh	\$	109.21
Delivery	\$	87.29
Regulatory Charges	\$	7.86
HST (#86483 7430)	\$	29.67
Subtotal of Electric Charges	\$	257.95
8% Provincial Rebate	\$	-18.27
Total Electric Charges	\$	239.68

Read Date	Consumption	Total kWh
Aug-02-19		1891
Jul-04-19		2025
Jun-04-19		2467
May-03-19		2509
Apr-04-19		2936
Mar-04-19		2919
Feb-04-19		3544
Jan-04-19		3178
Dec-04-18		5760
Nov-02-18		4776
Oct-04-18		4369
Sep-04-18		4014
Aug-03-18		3272

Off-Peak Mid-Peak On-Peak

Your Water Utilities Charges

Period: Jul 4, 2019 - Aug 6, 2019

Meter Number
Service Number



These services are provided by the City of London		
Water Usage Charges for 235.00 m³	\$	323.47
Wastewater Usage Charges for 235.00 m³	\$	287.44
Infrastructure Connection Charges	\$	209.86
Total Water Utilities Charges	\$	820.77

Read Date	Consumption	Total m³
Aug-06-19		235
Jul-03-19		119
May-30-19		14
May-03-19		14
Apr-04-19		27
Mar-01-19		12
Feb-01-19		21
Jan-02-19		10
Dec-04-18		14
Oct-31-18		83
Oct-02-18		143
Sep-03-18		144
Aug-02-18		129

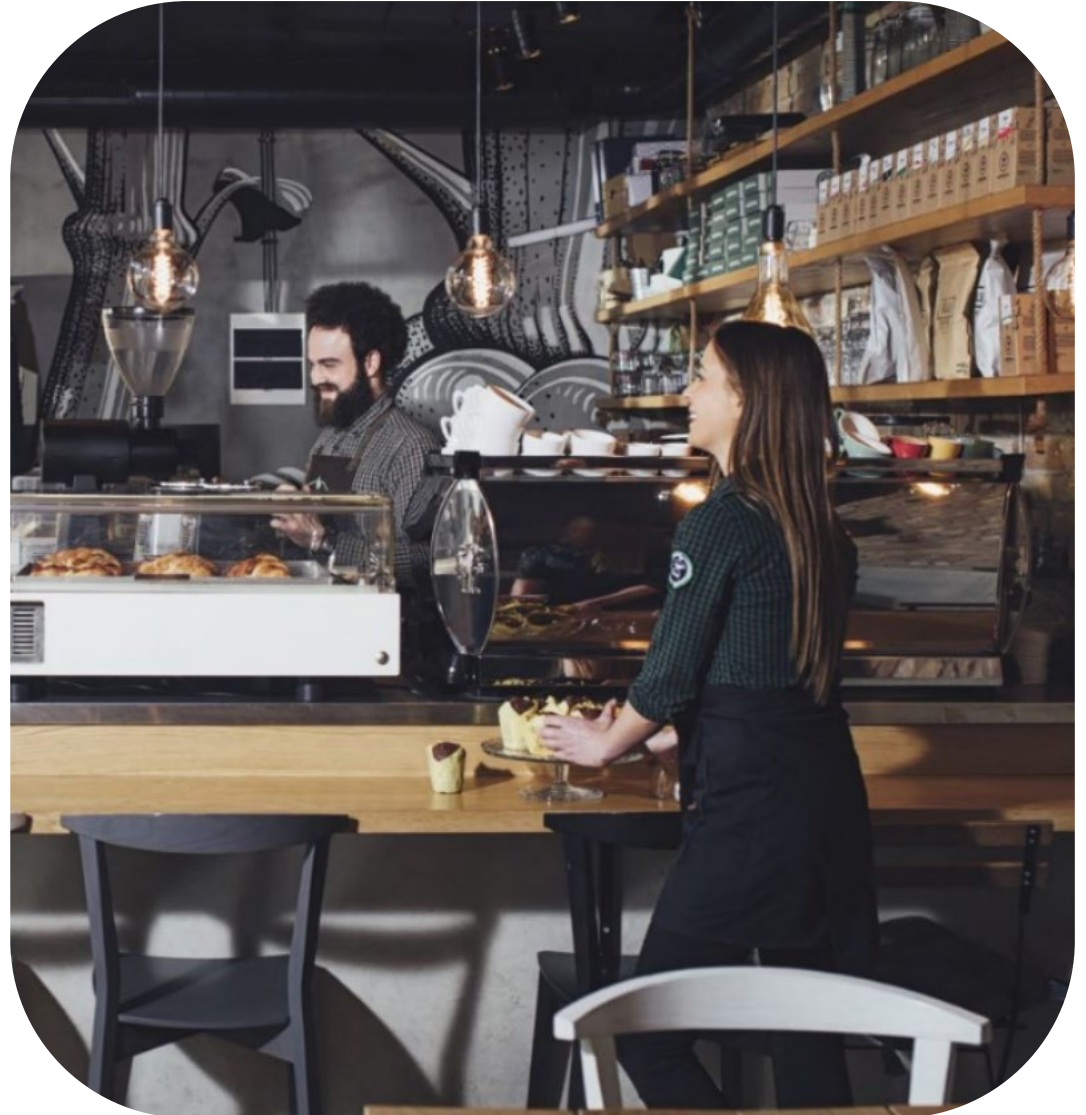
Many utilities publish a summary of your monthly consumption on the bill. Some utilities will even provide an online portal that summarizes your consumption by day, month, or year.

Your Operations Checklist ☒

To get you started, we have compiled a checklist of best practices that you can implement in your business right away. We have tried to curate the list to be low cost/no cost in the following categories:

- Heating, Cooling, and Ventilation
- Business Specific Equipment
- Lighting
- Windows and Doors
- Waste and Recycling
- Indoor Environment

Many little changes lead to big results!



Heating, Cooling, and Ventilation

☑ Don't block air vents or sources of heating & cooling

Do a scan of your premise and check to make sure none of the air vents, radiators, fan coil units, or other source of heating & cooling is blocked by furniture or objects. This causes discomfort issues and requires the other air vents to work overtime trying to heat or cool your space.

☑ Use a programmable thermostat to schedule your HVAC unit(s)

If you have a programmable thermostat, ensure your heating or cooling temperature is reduced at night when the space is not occupied. 15°C during heating season and 23°C during cooling season is recommended. Ensure that the HVAC system turns on and off only when your business is open, especially if the hours change based on the day of the week. If your HVAC units are on ahead of opening to precondition the space before customers arrive, try trimming the start time of the units down. For example: if the HVAC is scheduled to start at 5am but your business opens at 8am shift the start time in 15 minute increments to get as close to 8am as possible.



Programmable Thermostats

There are many different types and prices range from \$100 to \$500 per thermostat. Programmable thermostats (also known as “smart” thermostats) have many proactive functions, from user inputs such as occupancy hours, to advanced algorithms that calculate how long equipment takes to heat up the space so it can wind down at the end of the day. Many come with an app as well, which allows you to manage controls remotely, in real time at your fingertips.



☑ Change HVAC air filters every 1-4 months

When the HVAC air filters get dirty it gets harder for air to pass through them. This requires the HVAC unit fans to work harder to push air through and can drive up energy costs. It can also cause hot or cold issues if there's not sufficient air flow going into the space.

☑ Start a HVAC Preventative Maintenance Program

When it comes to saving energy, preventative maintenance is key to not leaving money on the table. Anything that is broken or malfunctioning will drive up energy consumption. Consider having a regular maintenance inspection schedule. Activities include, but not limited to:

- Checking refrigerant levels, checking for leaks, and cleaning coils of walk-in freezers or standalone fridges
- Testing the controls on exhaust fans or other HVAC equipment in your premise

Business Specific Equipment

☑ Consider energy and water efficiency when purchasing equipment

Equipment has an operating cost by using energy and water. This means that inefficient energy use or monitoring of equipment can end up being more expensive over its lifetime. The ENERGY STAR symbol can be trusted to ensure the equipment meets current energy and water efficiency standards (ENERGY STAR's website: <https://www.energystar.gov/products>). Note: the ENERGY STAR standards are always changing to meet environment & sustainability impacts. Which means what was efficient enough to be ENERGY STAR rated 10 years ago, may not qualify today. It's always best to talk with the manufacturer to get equipment specifications on the energy & water efficiency of your operating equipment.



☑ Use electric appliances instead of natural gas

Most electricity grids in Canada produce less carbon per unit of energy compared to burning natural gas at the source. The electricity grids that emit more carbon do so because they use coal, and all Provinces have action plans to replace coal with cleaner options. Therefore, using electric appliances makes sense, it's a very simple and direct way to reduce carbon emissions.

☒ **Unplug equipment over night**

Often when equipment is off it still uses energy, this is called a “phantom” or “vampire” load. A good rule of thumb to know whether equipment has a phantom load, is if the equipment has an indicator light still illuminated when it is off. Equipment with a phantom load should be unplugged when not in use. There are many different power bar options to make unplugging equipment easy, including power bars with remotes for hard to reach places.

☒ **Turn computer settings to power saving**

Computers are one of the most widely used tools. Simply dimming your monitor can save up to 50% of your computers power consumption. Ensure that your computer goes to sleep quickly by adjusting the settings. And make sure it is turned off completely every time it is not in use.





☒ Install low flow bathroom fixtures and aerators in sinks

Replacing existing bathroom fixtures (such as toilets) with low flow is not the high project it once was. A good time to do this is at end of life replacement or when planning the scope of renovations. The amount of water cost savings typically amounts to the cost difference between installing a regular bathroom fixture with a low flow fixture. For a quick low cost fix, aerators can be installed on sinks and faucets to turn them into low flow.

☒ Fix water leaks quickly

As toilets and sink fixtures age over time, they start to show signs of leaking. Seals are usually made of plastics or rubber that degrade with time. If the toilet runs frequently, you notice a trickle from the tap, or hear a drip in a pipe or drain, it should be fixed right away. Ignoring to fix equipment that leaks water is pouring money down the drain.

Lighting

☑ Consider installing LED Lights

LEDs (light emitting diodes) are a staple of energy efficient equipment and light bulb replacement. If you don't have them in now it should be high priority. Typical paybacks for LEDs are 1-2 years, this means that the amount of energy cost you save in the first 2 years will pay for the installation. You can replace most decorative lights, fluorescent tubes, emergency signs, and exterior illuminated signs with LEDs.



☑ Consider installing occupancy sensors

Occupancy sensors make a lot of sense in spaces that are infrequently used but lights are left on throughout the day. A good example is storage rooms or bathrooms, if you notice a room that often has the light on with no one in it, it is a great candidate for an occupancy sensor.



☑ Check lighting late at night

Whether your interior lighting is scheduled through the BMS or is turned off by staff during closing, it's always good to do a drive by late at night. This gives firsthand evidence of any issues with turning off lighting in the interior of your premise. Often controls malfunction or people assume that someone else will turn off the lights. Creating a culture in sustainable operations can include collaboration and engagement with employees.



Windows and Doors

☑ Refresh caulking periodically and ensure doors have a tight seal

A small but mighty measure is making sure all windows and doors are securely caulked and have a tight seal. This also increases comfort for people near doors and windows, especially when seated.

☑ Do not leave outside doors open when the heating/cooling system is on

It's great to encourage customers, but leaving a door open can waste \$200 a year or more in energy cost.



Waste and Recycling

☑ Ensure bins are monitored for contamination

When disposing of retail waste, often people will take their cue for where an item goes by what is already in the bin. If you see an item that does not belong in the recycling or organics bin please remove it. Develop a process within your business to ensure someone monitors your waste sorting containers. This gives great visual cues for people who are uncertain.



☑ Ensure the recycling and waste area is organized

Recycling and waste areas should be well-lit, have clear labels, and be free from excessive clutter. When needed, incorporate both waste and recycling containers dispersed throughout your business to make waste sorting easy for staff and customers.





☒ **Perform a waste audit for your business**

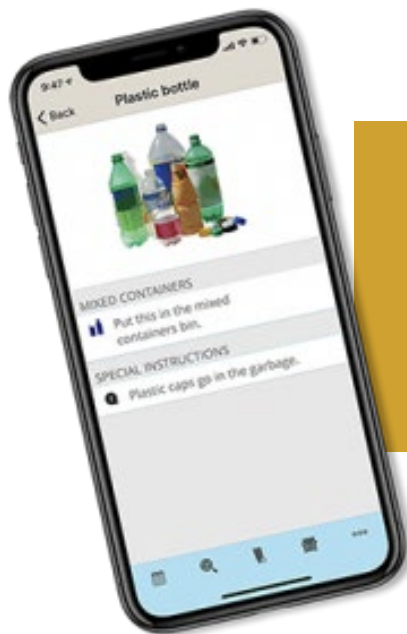
A waste audit is more than just how much you recycle versus throw in the landfill. A waste audit determines what is in your waste and recycling streams. This provides valuable information to cut down at the source. Many businesses find out that most waste is generated by their own packaging. Figuring this out is a great opportunity to engage your business's supply chain to provide solutions that cut down on unnecessary product packaging.

☒ **Think of ways to replace waste with reusable products**

These solutions will be unique to your business, as you know what solutions make the most sense! From "Bring Your Own Container" programs to being conscious on the amount and type of packaging that comes with your products, businesses small and large are making the waste conscious shift.

☑ Don't "wish-cycle"

"Wish-cycling" is when a person puts an item in the recycling in the hopes it is recyclable (instead of making sure that it can be recycled by their municipality or hauler). This is a problem because it contaminates the recycling stream, and many municipalities or haulers will throw the entire load into the landfill if it is contaminated! Please check the RecycleSmart app if you are unsure about what can be recycled at your property.



Download the RecycleSmart App

First Capital has partnered with RecycleSmart to manage waste, recycling, and hauling proactively and efficiently. RecycleSmart's app has a quick and easy waste wizard feature that will be specific to your FCR property. You can also arrange directly with Recycle Smart special collection for e-waste or hazardous materials. Search "RecycleSmart Solutions" in the app store.

Indoor Environment

☑ Consider using environmentally friendly products*

By choosing green cleaning products you prevent inhalation of harsh chemicals and improve the air quality in your space. Ensure cleaning supplies are environmentally friendly and have third party certifications like Green Seal and Eco Logo.



☑ Consider implementing green cleaning methods*

First Capital maintains a green cleaning policy for all our properties, and we encourage our tenants to follow the same practices. Green cleaning methods include selecting ergonomic and environmentally friendly tools such as cleaning clothes, mops, vacuums, and floor polishers.

*these measures apply only if you are responsible for cleaning. First Capital recognizes that not every tenant is responsible for their own cleaning





☑ Install MERV-13 or MERV-14 air filters in the roof top HVAC units

The higher the MERV (Minimum Efficiency Reporting Value) rating, the better ability of a filter to remove particles from the air. Installing high MERV value filters will cause the HVAC unit to work harder to push the air through and may require more frequent filter changes. The American Society of Heating Refrigerant and Air Conditioning Engineers (ASHRAE) recommends that mechanical filters should be at least MERV-13. During routine maintenance it is a good time to inspect the HVAC systems for air quality issues. Inspect air filters for any gaps or tears and ensure air intake vents are free of debris. If you are unsure whether your business is responsible for your roof top HVAC unit, check in with your FCR Property Manager.



Connect with First Capital

The FCR Sustainability and Operations Teams are available to assist you in reviewing any of the guidelines as it relates to implementing sustainability improvements to your business operations. And, we're always happy to chat about other ideas that you may have!

Melissa Jacobs | Senior Director, Sustainability

melissa.jacobs@fcr.ca

Emma Wildeman | Manager, Energy & Sustainability

emma.wildeman@fcr.ca

Or contact your FCR Property Management team.

Appendix A: Printable Operations Checklist

Heating, Cooling, and Ventilation

- ☐ Don't block air vents or sources of heating & cooling
- ☐ Use a programmable thermostat to schedule your HVAC unit(s)
- ☐ Change HVAC air filters every 1-4 months
- ☐ Start a HVAC Preventative Maintenance Program



Business Specific Equipment

- ☐ Consider energy and water efficiency when purchasing equipment
- ☐ Use electric appliances instead of natural gas
- ☐ Unplug equipment over night
- ☐ Turn computer settings to power saving
- ☐ Install low flow bathroom fixtures and aerators in sinks
- ☐ Fix water leaks quickly

Lighting

- ☐ Consider installing LED Lights
- ☐ Consider installing occupancy sensors
- ☐ Check lighting late at night

Windows and Doors

- ☐ Refresh caulking periodically and ensure doors have a tight seal
- ☐ Do not leave outside doors open when the heating/cooling system is on

Waste and Recycling

- ☐ Ensure bins are monitored for contamination
- ☐ Ensure the recycling and waste area is organized
- ☐ Perform a waste audit for your business
- ☐ Think of ways to replace waste with reusable product
- ☐ Don't "wish-cycle"

Indoor Environment

- ☐ Consider using environmentally friendly products
- ☐ Consider implementing green cleaning methods
- ☐ Install MERV-13 to MERV-14 air filters in the roof top HVAC units



Appendix B: Works Cited

- ⁱ **Government of Canada.** Complementary actions to reduce emissions. Pan-Canadian Framework on Clean Growth and Climate Change. [Online] December 14, 2016. https://www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework/complementary-actions-reduce-emissions.html#3_2
- ⁱⁱ **ENERGY STAR®.** Canadian energy use intensity by property type. ENERGY STAR® PortfolioManager® Technical Reference. [Online] August, 2018. <https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/energy/pdf/Canadian%20National%20Median%20Tables-EN-Aug2018-7.pdf>
- ⁱⁱⁱ **Statistics Canada.** Disposal of waste, by source. Statistics Canada data. [Online] October 15, 2020 <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3810003201>
- ^{iv} **Canadian Broadcasting Corporation.** Here are the places in Canada — yes, Canada — vulnerable to drought. Technology & Science News. [Online] March 22, 2013. <https://www.cbc.ca/news/technology/water-at-risk-canada-drought-1.4570333>
- ^v **Government of Canada.** Water availability in Canada. Environmental indicators. [Online] April 10, 2017. <https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/water-availability.html>
- ^{vi} **Real Property Association of Canada.** Water Management: A benchmark for Canadian office buildings. [Online] May 16, 2011. https://cdn.ymaws.com/www.realpac.ca/resource/resmgr/industry_sustainability_-_water_benchmarking/rp-water-management-and-benc.pdf
- ^{vii} **World Green Building Council.** Health, well-being, and productivity in retail: the impact of green buildings on people and profit. [Online] February 2016. <https://www.worldgbc.org/sites/default/files/FinalReport-Jan2016New.pdf>