



PROTECTING OUR MOST VALUABLE ASSETS

Investor Oversight of
Responsible Real Estate
Standards in the Context
of COVID-19

November 2020

CANADIAN
CAPITAL
STEWARDSHIP
NETWORK



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CANADIEN
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Investor Oversight of Responsible Real Estate Standards in the Context of COVID-19

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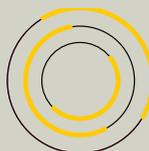
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The Canadian Capital Stewardship Network (CCSN) is a new and growing network of Canadian trade union representatives and labour-nominated trustees working to foster more effective investment stewardship. Steered by an Advisory Board of eight trade union representatives and pension fund trustees, the CCSN secretariat is based at the Shareholder Association for Research and Education (SHARE).

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Contents

- EXECUTIVE SUMMARY4
- BACKGROUND.....6
 - Introduction.....7
 - The business case for responsible real estate management during the COVID-19 pandemic8
 - Investor oversight and the property services supply chain: A focus on cleaning.....8
 - Workforce conditions in the commercial cleaning sector.....11
- RESPONSIBLE REAL ESTATE MANAGEMENT IN CANADA13
 - Canadian pension plans' exposure to real estate.....14
 - Principles for responsible real estate management in practice17
 - Recommendations.....24
- PRI SIGNATORIES.....27
- RESULTS FROM WORKER SURVEYS28
- ENDNOTES29

EXECUTIVE SUMMARY

The COVID-19 pandemic has had a significant impact on the commercial real estate sector, including placing health and safety standards at the forefront of risk management across real estate portfolios. In Canada, ten of the largest institutional investors allocate \$220 billion or 13.2% of their total portfolios to real estate. They are regarded as leaders in the asset class and own a significant portion of commercial properties including major shopping centers and office buildings.

It is clear that customer and tenant confidence in coronavirus mitigation measures is essential for the successful return to office and retail buildings. Central to these mitigation measures are cleaning and physical distancing practices, which implicate workers such as cleaners and security guards. In order to be effective in their roles, cleaning and security staff must be adequately trained, able to access personal protective equipment (PPE), be allocated the time to do their work properly, fairly compensated and provided with decent working conditions.

Despite prevailing public discourse that emphasizes the value of essential workers such as cleaners during the pandemic, first-hand accounts from workers through media reports and survey data suggest that the working conditions of front-line property service staff could be improved. The reputational, financial and potential legal risks that may arise when companies fail to address the challenges associated with protecting public health and safety in the context of complex supply chains are particularly pronounced during the pandemic and in the commercial real estate sector.

For example, according to data from recent worker surveys:

- 80% of cleaners in non-unionized buildings do not have access to adequate paid sick days;
- 66% of non-unionized workers and 49% of unionized workers are experiencing an increase in workload as a result of COVID-19; and
- Only 30% of non-unionized workers and 36% of unionized workers report that their employers have hired additional staff to meet the requirements of new cleaning regimes.



Though these reports do not constitute a comprehensive sample, they provide a critical snapshot of the conditions that some workers are facing during the pandemic.

Unlike public equities, private real estate companies do not have the same rigorous public disclosure obligations for environmental, social and governance (ESG) risks. In order to better understand approaches to workforce risks in the sector, the Canadian Capital Stewardship Network (CCSN) sent ten pension funds a short questionnaire in May 2020 on the steps they have taken to respond to the ongoing pandemic in their Canadian real asset portfolios. We examined whether Canadian funds have (a) responsible investment policies in place that acknowledge workers' rights; (b) firm policies to assert decent working conditions in the stewardship of their real assets, and (c) responsible procurement policies applicable to contractors or responsible contractor policies (RCPs).

This report outlines a set of principles for a responsible real estate management approach for the commercial real estate sector in Canada during the COVID-19 pandemic. It then provides a summary of the information provided to us by the Canadian pension funds we surveyed in relation to the four principles. Nine of the ten pension funds we approached replied to our inquiry with statements of varying depth, ranging from one paragraph to more detailed responses with background documentation. Where relevant, our research is supplemented by publicly available information. All funds received a copy of this report prior to publication and were given a second opportunity to comment and provide additional information.

Our research indicates that there is a significant gap in oversight by real estate investors that would ensure effective due diligence of COVID-19 mitigation measures and workforce practices by real estate managers and other players in the property services value. The development of proactive policies specific to workforce risks, including health and safety, in property services procurement would greatly facilitate the fulfillment of the first two recommendations in this report.

The recommendations to Canadian pension funds are as follows:

RECOMMENDATION 1: Responsible property owners and their real estate managers should ensure a stable continuation of income and benefits in times where contracted workers must stay home due to illness, quarantine, or caring for a sick family member. Efforts to limit financial impacts should not be made at the expense of workers' rights and welfare.

RECOMMENDATION 2: Responsible property owners and their real estate managers should ensure a safe working environment across their buildings, for employees and contractors. This includes limiting employee exposure to COVID-19 in the workplace through ensuring appropriate staffing levels, establishing personal protective measures and environmental measures. To achieve this, responsible property owners and their real estate managers should establish mechanisms for workers to safely and independently raise concerns without fear of negative repercussions and play an active role in adapting systems to ensure their safety.

RECOMMENDATION 3: Responsible property owners and their real estate managers should draw upon and enforce policies, such as responsible procurement policies or responsible contractor policies (RCPs), to ensure that contractor practices promote operational efficiency and respect for workers' fundamental rights.





PART A:

BACKGROUND

Because of the critical role that cleaners and security staff play in protecting commercial building users from COVID-19, the conditions in which they work are a matter of public health and safety.

Introduction

Canadian institutional investors allocate significant proportions of their assets under management to real estate. A recent CIBC Mellon study found that 42% of Canadian alternative portfolios were invested in real estate, accounting for the largest proportion of their exposure to alternative asset classes.¹ In the fourth quarter of 2019, data from Statistics Canada indicated that trustee pension funds allocated 11.8% of their portfolios to real estate, accounting for \$247 billion.²

The COVID-19 pandemic has had a significant impact on the commercial real estate market, with uncertain implications in the long term. The retail sector, already disrupted by an increase in e-commerce prior to COVID, may face an accelerated decline.³ It is unclear whether the work-at-home models that many employers are offering office workers will continue beyond the pandemic, raising questions around the demand for office real estate more broadly.⁴ In Vancouver and Toronto, vacancy rates and available sublet spaces have risen dramatically in Q2 2020, while overall office rents have already fallen.⁵

Amid the uncertainty, it is clear that customer and tenant confidence in coronavirus mitigation measures is essential for the successful return into office and retail buildings.⁶ Central to these mitigation measures are cleaning and physical distancing practices, which implicate workers such as cleaners and security guards. These services are generally assigned to contractors and sub-contractors in various arrangements within property service supply chains.

Complex supply chains in the property service sector can serve to obscure poor, and potentially illegal, labour practices from property managers and owners.⁷ Working conditions and wages in the cleaning sector in particular have been subject to scrutiny in Canada.⁸ During the coronavirus pandemic, meeting tenant and customer expectations around quality control in cleaning has been identified by the Building Owners and Managers Association (BOMA) Canada as an essential area in which property owners and managers must invest.⁹

Because of the critical role that cleaners and security staff play in protecting commercial building users from COVID-19, the conditions in which they work are a matter of public health and safety. This report outlines a set of principles for a responsible real estate management approach for the commercial real estate sector in Canada during the COVID-19 pandemic. The principles are based on guidelines put forward in a *Special Appeal from the United Nations Global Compact*, the Building Owners and Managers Association (BOMA) International's Guide to Building Re-Entry and BOMA Canada's guide to *Commercial Real Estate, Coronavirus and Re-Entry*. The report then compiles information on measures that ten large Canadian pension funds are taking to uphold the workforce conditions in their property services supply chains that foster effective coronavirus mitigation. We focus primarily on the cleaning sector, where poor working conditions are pervasive. We have supplemented the information provided by the Canadian pension funds with surveys of cleaners in some of the real estate assets owned by the ten funds. We end with recommendations for Canadian pension funds to exercise effective oversight of property service supply chains so that a healthy and safe environment may be maintained for all visitors, tenants and building workers during this time of uncertainty.



TABLE 1: PENSION FUNDS INCLUDED IN REPORT (AND THEIR REAL ESTATE SUBSIDIARIES)

Pension Fund Name (and their Real Estate Arm)
Canada Pension Plan Investment Board (CPPIB)
Caisse de dépôt et placement du Québec (CDPQ)/ Ivanhoe Cambridge
Alberta Investment Management Corporation (AIMCo)
Ontario Teachers' Pension Plan (OTPP)/ Cadillac Fairview
British Columbia Investment Management Corporation (BCI)/ QuadReal Property Group
Public Sector Pension Investment Board (PSP Investments)
Ontario Municipal Employees Retirement System (OMERS)/ Oxford Properties
Healthcare of Ontario Pension Plan (HOOPP)
Ontario Pension Board (OPB)/ Investment Management Corporation of Ontario (IMCO)
OPTrust

The business case for responsible real estate management during the COVID-19 pandemic

The ability of service providers such as security officers and commercial cleaners to provide a healthy and safe environment for all visitors, tenants and building workers is integral to successful commercial real estate management. At no time has this been clearer than during the ongoing COVID-19 pandemic.

Cleaning common touch points and physical distancing are two of the three main mitigation strategies for preventing the spread of COVID-19 according to the Centre for Disease Control (CDC),¹⁰ World Health Organization (WHO)¹¹ and Government of Canada¹² guidelines. The cleaners who sanitize surfaces and the security guards who monitor physical distancing measures in commercial buildings are on the frontlines of the safe re-opening of the economy.

Public confidence that appropriate coronavirus mitigation measures are being established is essential to a successful economic restart. Recognizing this, the Business Council of Canada (BCC) launched an initiative entitled *The Post Promise* to reassure the public that measures such as sanitation and physical distancing are in place at participating businesses. At the time of publication, over 100,000 companies were participating in the initiative.¹³

Investor oversight and the property services supply chain: A focus on cleaning

In commercial real estate, a successful and sustainable reopening depends on tenants' and visitors' confidence that proper physical distancing and sanitation practices are in place. This has been recognized by real estate owners and managers. The Building Owners and Managers Association (BOMA) Canada participated in founding the *POST Promise*, and initiative partners include Canadian pension plan real estate managers Cadillac Fairview, QuadReal and Oxford Properties.

Early in the pandemic, BOMA released a guide entitled *Pathway Back to Work: Commercial Real Estate, Coronavirus and Re-Entry* to assist real asset owners and managers in navigating this new terrain. BOMA Canada suggests that building owners and managers implement additional security measures to promote distancing

Low wages and poor working conditions are pervasive in the cleaning sector in most jurisdictions across Canada. Labour costs are estimated to account for 90% of a cleaning contractor's expenses and competitive bidding has historically driven down wages and standards.

and cleaning protocols for more frequent – and visible – cleaning services.¹⁴ Cleaning in particular, according to BOMA Canada, “is a strategic resource and needs to be part of [a building owner and/or manager’s] crisis/pandemic management plan.”¹⁵ *Pathway Back to Work* recommends that building owners and managers:

“maintain a partnership/trust and give [janitorial companies] less incentive to cut costs – putting health and safety at risk. You want cleaning staff who aren’t inadvertently spreading contamination in your building because they are untrained and overworked.”¹⁶

This guidance is of particular importance because low wages and poor working conditions are pervasive in the cleaning sector in most jurisdictions across Canada. Labour costs are estimated to account for 90% of a cleaning contractor's expenses and competitive bidding has historically driven down wages and standards.¹⁷

Downward pressure on wages and benefits for workers is common in supply chains that are characterized by tiers of contracting and subcontracting. This phenomena, where larger businesses do not directly employ workers but instead transfer employment relationships to a complex network of smaller business units, is commonly referred to as “the fissured workplace.”¹⁸ The arrangement facilitates the externalization of labour-related responsibilities and costs from larger businesses to a lower tier of smaller businesses that tend to operate in very competitive markets. The result is often an opacity with regards to oversight and liability of the workforce.¹⁹



For cleaners to be effective in their roles, they must be adequately trained, able to access proper personal protective equipment, allocated the time to do their work properly, fairly compensated and provided with decent working conditions.

Managing risk effectively in a context of fragmented employment relationships requires coordination between businesses, which may give rise to complexities and hidden problems. The BP Deepwater Horizon disaster of 2009 is an oft-cited example of how complex contracting arrangements aimed at cutting costs can obscure lines of accountability, resulting in significant health and safety issues. The U.S. Chemical Safety Board team that investigated the disaster concluded that a lack of coordination among the businesses implicated in the operations' network of contractors was a principal cause of the disaster.²⁰

Competitive bidding in property services procurement and associated labour standards deficiencies are not unique to Canada. The PRI, in its guide to sustainable real estate investment, notes that a supply chain policy should clarify ESG requirements for the value chain, and that contracted property managers should require similar terms from their suppliers.²¹ In jurisdictions outside Canada, many investors have recognized the need for effective oversight of contract arrangements in the buildings they own. They have adopted policies and practices to address similar issues and ensure that labour standards are upheld in property supply chains.

Asset owners and managers in the United States such as NYCERS,²² CalPERS²³ and BlackRock²⁴ have sought to improve oversight of labour conditions in their real asset portfolios through Responsible Contractor Policies (RCPs). A strong RCP is consistent with the *ILO Declaration on Fundamental Principles and Rights at Work*, including the rights to freedom of association and collective bargaining. It will also favour contractors who commit to high social standards in bidding processes and contain enforcement measures for contractors who violate its provisions. In addition to janitorial and building services, RCPs have been applied in construction, manufacturing, warehouses, public sector, and hospitals.²⁵

In Australia, the *Cleaning Accountability Framework* (CAF) is an independent not-for-profit entity comprised of representatives from across the cleaning supply chain working to improve practices via a building certification process that measures social compliance within the industry. The CAF works with investors, property owners, building managers, cleaning contractors and tenants to improve procurement processes and reduce risks. The pandemic has highlighted the effectiveness of CAF's approach. A survey of 500 cleaners conducted by the Australian United Workers Union in May 2020 found that 90% always, often or sometimes had to rush because they didn't have enough time and 80% did not have enough equipment to do a quality job. In contrast, 94% of cleaners working in buildings certified by the Cleaning Accountability Framework in April 2020 felt adequate precautions were being taken to protect their health and safety, 92% were given enough personal protective and equipment, and 97% were being provided with enough chemicals and equipment.²⁶

RCPs and the CAF are but two examples of the types of policies that investors can adopt to ensure that labour standards are respected in building services contracting. In the UK, the Equality and Human Rights Commission (the Commission) developed principles for responsible procurement that refer to labour practices and employment rights in conformity with local market conditions.²⁷

For investors, exercising their fiduciary duties of prudence, loyalty and the pursuit of reasonable rates of return in commercial real asset portfolios during the COVID 19 pandemic suggests that particular attention must be given to tenant satisfaction and retention. The importance of high-quality property services during the pandemic is recognized by industry and business associations, both as a matter of public health and public confidence.



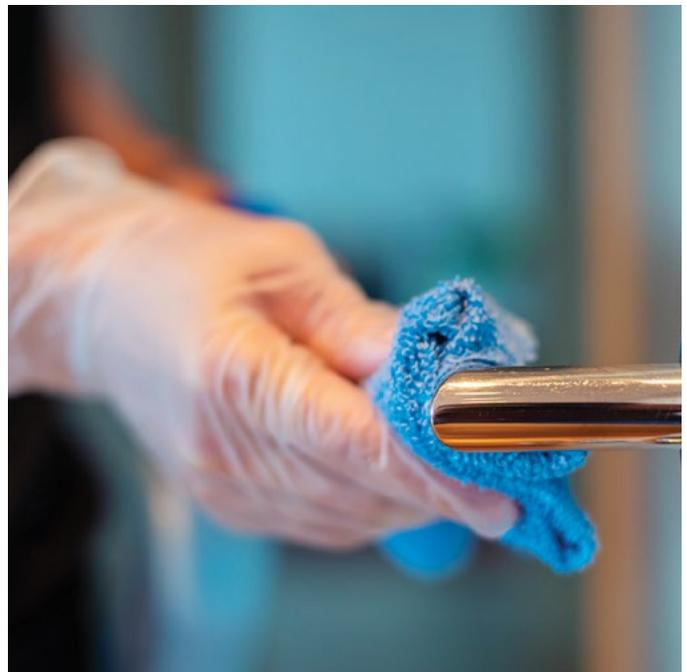
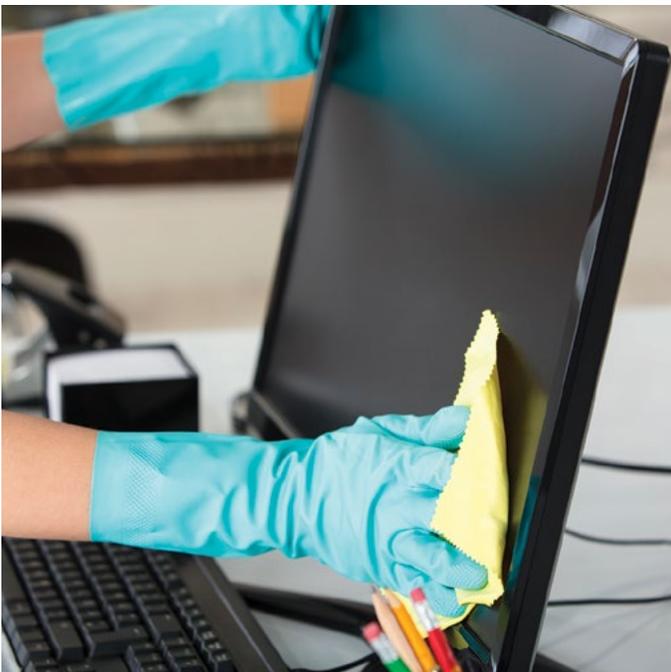
Workforce conditions in the commercial cleaning sector

The pandemic has placed health and safety standards at the forefront of risk management across real estate portfolios. In commercial real estate, cleaners are on the frontlines of pandemic risk management. For cleaners to be effective in their roles, they must be adequately trained, able to access proper personal protective equipment, allocated the time to do their work properly, fairly compensated and provided with decent working conditions.

According to the Workers' Action Centre, which provides support to janitors in Toronto, many cleaners are not given proper health and safety equipment, are not told what chemicals they are using and – as they are often considered independent contractors – are not guaranteed minimum wage. With a workforce of predominantly new immigrants to Canada, many are vulnerable and unable to raise issues related to working conditions without putting their job at risk.²⁸ In a recent publicly documented case, for example, Canadian immigration officials found reasonable grounds to believe that a janitor on a temporary foreign worker permit tied to a specific cleaning contractor had been abused or was at risk of abuse in connection with his work. The worker had provided evidence of verbal abuse by management, months of underpayment and threats of deportation if he complained.²⁹

Despite prevailing public discourse valuing the role of essential workers such as cleaners during the pandemic, media reports describing their working conditions suggest that improvements are necessary. At the beginning of the pandemic, a cleaner in Toronto told the Toronto Star that janitors were asked to clean more rigorously without being allocated extra time or breaks and had not been offered PPE or paid sick leave.³⁰ In Vancouver, a cleaner told the Vancouver Sun that she was concerned about new work expectations, including deep cleaning after known cases of infection and new daytime shifts that put her in contact with more people.³¹ These reports complement information communicated to the Canadian Capital Stewardship Network by unions representing workers in the sector.

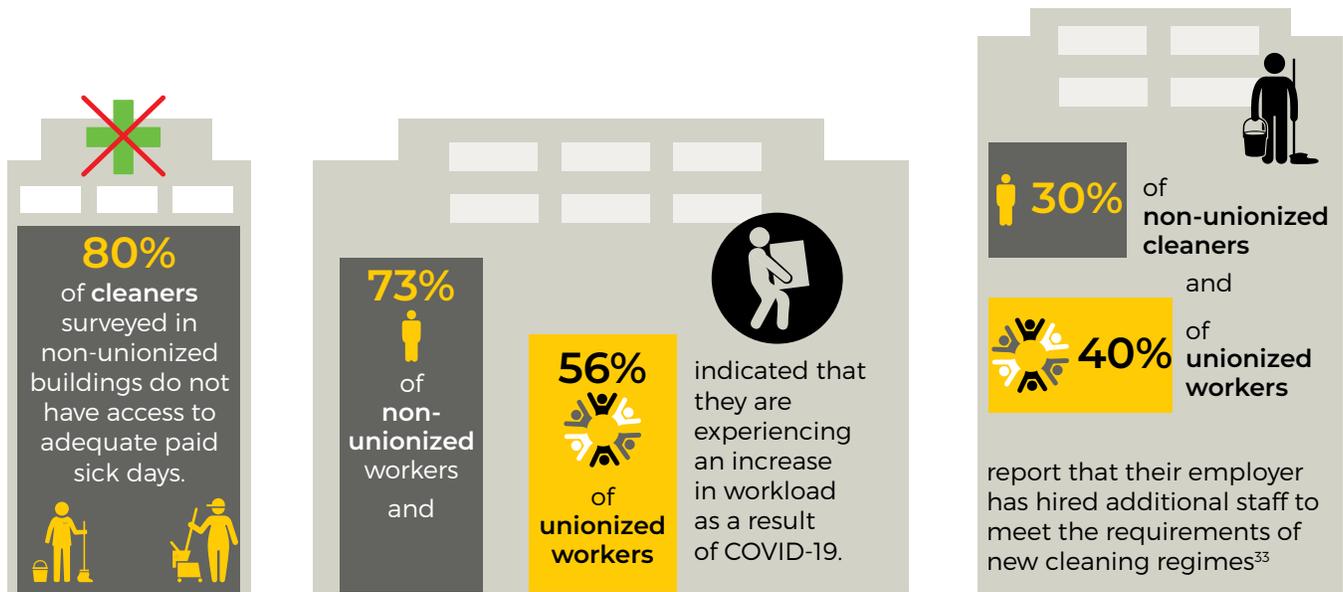
To supplement our research from public sources and the information provided by the ten pension funds, we are including information gathered from property service workers directly through surveys. Worker surveys were distributed to unionized workers by the Service Employees International Union (SEIU) in May – August 2020. Surveys of non-unionized workers were distributed by Acorn, a non-profit organization.³² This supplemental



The reputational, financial and potential legal risks that may arise when companies fail to address specific risks in complex supply chains are particularly pronounced during the pandemic and in the commercial real estate sector.

information is not comprehensive due to a small sample size at non-unionized work sites, where surveyors were only able to obtain 123 results. Non-unionized cleaners are often especially vulnerable due to the lack of protections and surveyors reported that some were hesitant to respond. Despite the small sample size, these surveys provide important insights into the conditions on the ground in the cleaning sector during the pandemic.

Over 80% of cleaners surveyed in non-unionized buildings do not have access to adequate paid sick days. Seventy-three percent of non-unionized workers and 56% of unionized workers indicated that they are experiencing an increase in workload as a result of COVID-19. Only 30% of non-unionized cleaners and 40% of unionized workers report that their employer has hired additional staff to meet the requirements of new cleaning regimes. These findings are consistent with the few media reports that detail workforce conditions for cleaners in Canada as the pandemic unfolds. These findings are consistent with the few media reports that detail workforce conditions for cleaners in Canada as the pandemic unfolds.



The reputational, financial and potential legal risks that may arise when companies fail to address specific risks in complex supply chains are particularly pronounced during the pandemic and in the commercial real estate sector.³⁴ In Melbourne, Australia, for example, contractors providing security services to “quarantine hotels” linked to a severe coronavirus outbreak in the city are facing allegations from guards that they had not been provided with adequate training, PPE or salaries.³⁵ The outbreak is now the subject of a government inquiry and significant media scrutiny.³⁶

Canadian investors have also recognized the importance of cleaning in managing the reputational risks to real asset portfolios associated with the pandemic. Ivanhoé Cambridge CEO Nathalie Palladitcheff recently told *IPE* that in a COVID-19 world, “we will have to show that the property is healthy and we will have to show the cleaning...it’s the kind of thing that we did not have in mind... but because people are now going to have this kind of fear factor, they would like to see it’s happening.”³⁷ Oxford Properties told the Real Estate News Exchange that it is holding webinars to discuss issues that include cleaning protocols for its commercial real estate properties.³⁸



PART B:

RESPONSIBLE REAL ESTATE MANAGEMENT IN CANADA

There is little information in the public domain on workforce risks in the Canadian commercial real estate market. Unlike public equities, private real estate companies do not have the same public disclosure obligations on environmental, social and governance (ESG) risks.

In order to better understand approaches to workforce risks in the market, we sent ten pension funds a short questionnaire in May 2020 on the steps they have taken to respond to the ongoing pandemic in their Canadian real asset portfolios. All 10 funds except OMERS are signatories of the UN Principles for Responsible Investment and all have fund-level responsible investment policies.

All funds received a copy of this report prior to publication and were given a second opportunity to comment and provide additional information.

Canadian pension plans' exposure to real estate

Coined the “maple revolutionaries”, large Canadian pension plans are recognized for their substantial allocations to private capital markets, with infrastructure and real estate holdings often managed in-house. Internationally, Canadian funds allocate more assets to alternatives than their peers in the US, the Netherlands, the Nordic countries and Australia and are regarded as leaders in the asset class.³⁹ A recent CIBC Mellon study found that among Canadian investors, real estate accounted for the largest allocation within alternative asset portfolios.⁴⁰ Trusteed pension funds allocated 11.8% of their portfolios to real estate, or \$247 billion, in the fourth quarter of 2019.⁴¹ The ten funds surveyed in this study allocated an average of 13.2% of their total portfolios to real estate, or a total of \$220 billion of \$1.67 trillion in assets under management.

TABLE 2: CANADIAN PENSION FUNDS BY REAL ESTATE PORTFOLIO SIZE

Pension Fund Name (and their Real Estate Arm)	Total Assets Under Management (CAD billions)	Real Estate Portfolio Size (CAD billions)	Real Estate Portfolio as a % of Total AUM
Canada Pension Plan Investment Board (CPPIB) ⁴²	\$409.6	\$46.5	11.3%
Caisse de dépôt et placement du Québec (CDPQ)/Ivanhoé Cambridge ⁴³	\$340.1	\$39.7	11.7%
Ontario Teachers' Pension Plan (OTPP)/ Cadillac Fairview ⁴⁴	\$207.4	\$28.7	13.8%
British Columbia Investment Management Corporation (BCI)/ QuadReal Property Group ⁴⁵	\$171.3	\$25.5	14.8%
Public Sector Pension Investment Board (PSP Investments) ⁴⁶	\$169.8	\$23.8	14.0%
Ontario Municipal Employees Retirement System (OMERS)/ Oxford Properties ⁴⁷	\$110.8	\$17.5	15.8%
Alberta Investment Management Corporation (AIMCo) ⁴⁸	\$118.8	\$15.5	13.0%
Healthcare of Ontario Pension Plan (HOOPP) ⁴⁹	\$94.1	\$14.6	15.5%
Ontario Pension Board (OPB)/Investment Management Corporation of Ontario (IMCO) ⁵⁰	\$29.3	\$5.1	17.2%
OPTrust ⁵¹	\$21.7	\$3.1	14.3%
TOTAL	\$1 672.9	\$220.0	13.2%

This table is based on publicly available documents from each pension funds' most recent annual report. All figures are expressed in CAD.

Funds included in this study may manage their real estate properties directly, rely on joint venture partners for management and/or use third party managers.

As described in Table 1, a number of the Canadian funds profiled in this study have established wholly owned real estate subsidiaries, such as the Ontario Municipal Employees Retirement System's (OMERS) Oxford Properties and the Caisse de dépôt et placement du Québec's (CDPQ) Ivanhoe Cambridge. Others, such as OPTrust and the Canadian Pension Plan Investment Board (CPPIB), manage their real estate portfolios in-house without a subsidiary.

Funds may invest in real estate via a mix of traditional and non-traditional vehicles that include direct investment, joint ventures, partnering with other investors in funds or pooled funds, as well as through owning shares in publicly listed Real Estate Investment Trusts (REITs). In recent years, a number of prominent Canadian pension funds included in this study have demonstrated a preference for joint ventures to structure real estate investments, with co-investments gaining popularity.⁵² The CPPIB,⁵³ Public Sector Pension Investment Board (PSP Investments)⁵⁴ and OPTrust,⁵⁵ for instance, have favoured joint ventures, allocating operation and management of the real assets to its partners. In addition to joint ventures, the real estate portfolios of most pension funds, such as PSP,⁵⁶ Healthcare of Ontario Pension Plan (HOOPP)⁵⁷ and Investment Management Corporation of Ontario (IMCO),⁵⁸ includes asset ownership through specialized funds.

Funds included in this study may manage their real estate properties directly, rely on joint venture partners for management and/or use third party managers. CPPIB, for instance, told us that it entrusts management of its Canadian assets to its joint venture partners, which include Oxford Properties, Brookfield, RioCan, Minto and ONE Properties.⁵⁹ QuadReal, meanwhile, manages more than 40 million square feet of commercial real estate in Canada.⁶⁰

TABLE 3: PENSION FUND REAL ESTATE OWNERSHIP AND MANAGEMENT

Fund	Real Estate Ownership Structures	Property Management	Examples of Real Estate Portfolio
Alberta Investment Management Corporation (AIMCo) ⁶¹	AIMCO's real estate portfolio consists of various third-party joint ventures.	AIMCO contracts third party managers, such as Oxford Properties and Cadillac Fairview, to operate its owned buildings.	Yorkdale Shopping Centre (Toronto), CF Richmond Centre (Richmond), Scotia Plaza (Toronto)
British Columbia Investment Management Corporation (BCI) ⁶²	BCI's real estate programs are managed by QuadReal Property Group.	QuadReal manages tenant and customer relations in properties it directly owns. ⁶³	Bayview Village and Commerce Court (Toronto), World Exchange Plaza (Ottawa), Fifteen 15 (Calgary), and Park Place and Northwoods Village (Vancouver) ⁶⁴
Caisse de dépôt et placement du Québec (CDPQ) ⁶⁵	CDPQ's wholly owned subsidiary, Ivanhoe Cambridge, manages their real estate portfolio. Ownership interests in real estate assets range from 100% to 4% in Canada.	Ivanhoe Cambridge administers and manages real estate properties on behalf of CDPQ, which includes development, leasing and operations.	Édifce Jacques-Parizeau (Montreal), CrossIron Mills (Calgary), Fairmont Le Château Frontenac (Quebec City), Guildford Town Centre (Surrey), Vaughan Mills (Vaughan) ⁶⁶

(table continued)

Fund	Real Estate Ownership Structures	Property Management	Examples of Real Estate Portfolio
Canada Pension Plan Investment Board (CPPIB) ⁶⁷	CPPIB's real estate portfolio consists of various co-investment joint ventures.	CPPIB employs an operating partner such as Oxford Properties to manage and maintain its directly held buildings.	Richmond-Adelaide Centre (Toronto) ⁶⁸
Healthcare of Ontario Pension Plan (HOOPP) ⁶⁹	HOOPP's real estate portfolio include properties held directly and through joint ownership agreements in limited partnership funds.	HOOPP employs various property managers such as East Port Properties Limited, Menkes Property Management Services Inc. and Morguard to manage its buildings.	Brentwood Town Center (Vancouver), 1 York Street (Toronto)
Ontario Municipal Employees Retirement System (OMERS) ⁷⁰	Oxford Properties is owned by OMERS and manages real estate assets and activities on behalf of the defined benefit pension plan. Many of OMERS' real estate assets are co-owned with other institutional investors.	Oxford Properties actively manages the majority of OMERS-owned real estate assets and customer relationships.	Riverbend Business Park (Vancouver), Fairmont luxury hotels (Canada), TD Canada Trust Tower (Toronto), Centennial Place (Calgary), Yorkdale Mall (Toronto)
Ontario Pension Board (OPB) ⁷¹	OPB's real estate portfolio is pooled through an independent investor, Investment Management Corporation of Ontario (IMCO), which provides investment management and advisory services. OPB owns the assets either directly or indirectly, wholly or partially through real estate funds and co-investments.	OPB partners with third party managers, such as Cadillac Fairview, to operate its owned buildings.	CF Pacific Centre (Vancouver), 160 Front Street West (Toronto)
Ontario Teachers' Pension Plan (OTPP) ⁷²	OTPP's real estate portfolio is managed by its wholly-owned subsidiary, Cadillac Fairview. Ownership stakes range from full to partial co-investments as well as indirect holdings through public equities and REITs.	Cadillac Fairview operates and manages tenant and customer relations in its owned buildings.	Toronto Eaton Centre (Toronto), Rideau Centre (Ottawa), Polo Park Mall (Winnipeg), Chinook Centre (Calgary), Deloitte Tower (Montreal), Ritz Carlton (Toronto)
OPTrust ⁷³	OPTrust's real estate portfolio is managed in-house. The majority of the group's properties are owned as co-investments with other institutional investors.	OPTrust employs third-party property managers to operate buildings.	Dynamic Funds Tower (Toronto)
Public Sector Pension Investment Board (PSP Investments) ⁷⁴	PSP Investments' real estate portfolio is managed in-house through co-investment joint-ventures with partners acting as asset managers that have local expertise and share its approach to creating value and generating returns. PSP also invests with select real estate funds in specific markets or strategies where direct ownership is more challenging.	PSP Investments employs third-party property managers to operate buildings.	TD Canada Trust Tower (Toronto) and Place Bonaventure (Montreal)



Principles for responsible real estate management in practice

CCSN developed a set of principles for a responsible real estate management approach in Canada during the COVID-19 pandemic. These principles draw on guidance put forward by the *Special Appeal from the United Nations Global Compact*, the Building Owners and Managers Association (BOMA) International's *Guide to Building Re-Entry*, and BOMA Canada's guide to *Commercial Real Estate, Coronavirus and Re-Entry*. The principles recognize that decent work practices and respect for workers' human rights are core to risk management – especially at a time when property owners must manage reputational risk arising from increased public scrutiny and when the risks of service disruptions are a matter of public health.

This section outlines each principle and contains a discussion of how they may be applied by real estate managers during the pandemic. It then summarizes best practice information provided to us by the Canadian pension funds we surveyed in relation to the four principles. Nine of the ten pension funds we approached replied to our inquiry with statements of varying depth, ranging from one paragraph to more detailed responses with background documentation. None responded to the survey itself. Where relevant, our research is supplemented by information provided to us by workers directly in unionized and non-unionized worksites, which provides a snapshot of working conditions in Canadian properties.

It should be noted that the real estate management principles that we developed assume that the property owners are exercising a level of oversight over the management of their assets that allows them to identify, mitigate and otherwise address workforce risks related to coronavirus transmission prevention in their portfolios. Thus, although the questions are directed at understanding how the real assets are managed, they presume that real estate owners are asking managers for details with respect to recommended disease mitigation strategies. They are based on an understanding of the role that confidence on the part of stakeholders – such as employees, contractors, tenants, visitors and the public – in coronavirus mitigation is key to a successful reopening.



PRINCIPLE 1:

Responsible property owners and their real estate managers should seek to respond with flexibility, compassion and solidarity to the impact on their employees and business partners, especially small and medium-sized enterprises (SMEs). Efforts to limit financial impacts should not be made at the expense of workers' rights and welfare.

At the beginning of the pandemic, cleaning needs were reduced or temporarily eliminated in many commercial properties due to guidelines encouraging employees to work from home (e.g. commercial office buildings) or closures (e.g. retail centres). In the coming months and years, it is unclear whether we will face additional phases that lead to vacancies and/or temporary shutdowns.

BOMA Canada recommends helping contractors retain essential and highly skilled staff in buildings. It notes that tenants would expect to return to a clean building and contractors have invested in equipment, training and administrative support that will be required at that time.⁷⁵

If a temporary reduction in hours is or was unavoidable, a responsible manager should consult with contractors to discuss how they will minimize impacts for workers, be it through applying for relevant government programs, splitting hours, redeployment or other employment retention schemes. As a best practice, in cases where workers are facing lay-offs, a responsible property manager should cover the cost of workers' wages and entitlements until they are able to work on-site again to ensure a high quality of service when the building reopens.^{76, 77}

■ Best practice examples

AIMCo provided the most detailed information in response to this question. It recognized that security and cleaning staff are important in a successful re-opening strategy and confirmed that the terms of each contract were adhered to by both parties including during the pandemic. It observed that in general, as tenants vacated their spaces, reductions in day-to-day cleaning requirements were offset by changes in scope of work, such as increased frequency of cleaning of high touch point areas. AIMCo told us that cleaning requirements decreased as greater numbers of tenants put work from home policies in place, resulting in a reduction in staff levels and cleaning costs. In its response, AIMCo noted that service levels increased as tenants returned, resulting in an increase in service fees. Throughout these stages, security staffing has been maintained and costs have not been reduced.

QuadReal has similarly recognized the importance of front-line workers in keeping buildings open and safe. QuadReal has also gone through similar trends in regards to cleaning and security staffing and workloads. They also responded that it is working with tenants – and in particular small and medium sized retail tenants – to facilitate qualification for government assistance programs to assist with commercial rents. QuadReal has agreed to some temporary rental reductions to help tenants through lockdowns.



PRINCIPLE 2:

Responsible property owners and their real estate managers should seek to ensure a stable continuation of income and benefits despite flexible working arrangements, or an inability to work because of illness, quarantine or caring for a sick family member. They should seek to ensure this continuation of income with special attention to female workers who often take the burden of care and workers in precarious employment situations, such as low-paid workers, contractual workers and workers without any social protection coverage.

In the early days of the outbreak, the Government of Canada and various provinces/territories put in place financial support programs for workers who could not work for medical reasons related to COVID-19, including quarantine, self-isolation and care for family members. These measures recognized the importance of ensuring that low-wage workers do not have to choose between ensuring that their basic needs are met and following public health measures to reduce coronavirus transmission. If cleaners are not encouraged and enabled to stay home when they are sick, the risk that people returning to offices and retail spaces contract COVID-19 from sick workers rises.⁷⁸

Guidelines from the OECD demonstrate that paid sick leave during the pandemic can protect workers' income, preserve their employment, and contain or mitigate the spread of the virus.⁷⁹ Research from the US demonstrates that access to paid sick leave at the city-level reduced the instances of flu-related infections in 2017 by 10-18%.⁸⁰ As of August 2020, the federal government has committed to instituting, within the next six to eight months, a temporary program providing up to 10 days of paid sick leave per year for workers who do not have the option of paid sick days and must not report for work if they are showing symptoms of COVID-19. Although this program is not yet in place across the country at the time of publication, it has been criticized for being too limited in scope to adequately prevent transmission of the virus in workplaces.⁸¹

13% of the non-unionized workers surveyed by Acorn stated that they had access to paid sick days. If this data is indicative of the situation non-unionized workers face, investors may be exposed to reputational or operational risks arising from COVID-19 transmissions.

In cases where these financial support programs are not accessible and/or are no longer available to workers who must stay home in order to protect public health, a responsible real estate manager should expand access to paid sick leave, sickness benefits, and parental/care leave.⁸² This includes cases where workers are unable to access Government of Canada supports due to their immigration and/or work permit status.

■ Best practice examples

QuadReal was the only fund that responded to this question. It confirmed that employees and contractors must not come to work if they experience any symptoms of COVID-19 or have had prolonged or direct contact with anyone who has COVID-19 (e.g. provide care for; live in the same house; have shaken hands with; or have been in close proximity of). No information was provided on whether contracted workers would be guaranteed to keep their job if they called in sick and/or whether they received any sick leave pay.

No other fund provided any information on paid sick leave.



As mentioned, only 13% of the non-unionized workers surveyed by Acorn stated that they had access to paid sick days.⁸³ If this data is indicative of the situation non-unionized workers face, investors may be exposed to reputational or operational risks arising from COVID-19 transmissions.

It should be noted that investors in other jurisdictions have approached this issue differently. In Australia, for example, where cleaners have reported barriers in accessing paid sick leave, Cleaning Accountability Framework certified buildings include compliance checklists that monitor cleaners' access to sick leave and representatives that workers may approach with any concerns.⁸⁴



PRINCIPLE 3:

Responsible property owners and their real estate managers should ensure a safe working environment across their buildings, for employees and contractors. This includes limiting employee exposure to COVID-19 in the workplace through ensuring appropriate staffing levels, establishing personal protective measures and environmental measures. To achieve this, responsible property owners and their real estate managers should establish mechanisms for workers to safely and independently raise concerns without fear of negative repercussions and play an active role in adapting systems to ensure their safety.

BOMA International's *Guide to Building Re-Entry Amid COVID-19* provides guidance to owners and managers in preparing commercial properties for a safe reopening. It suggests that depending on the building class and occupancy, different plans and protocols pertaining to the enforcement of social distancing measures or requirements related to PPE usage and an increase in frequency of cleaning and disinfection may be required. This plan should include provisions for deep cleanings and disinfecting in cases where a building employee, tenant, or visitor becomes ill or tests positive for COVID-19. Re-negotiating service contracts to include new requirements for staffing or services is among the factors that may be considered.⁸⁵

In negotiating prices for revised service contracts, BOMA Canada suggests shifting cleaning standards from the traditional frequency-based approach to performance-based cleaning-for-health (sanitization) standards and testing. It emphasizes the importance of providing fewer incentives to cleaners to cut costs.⁸⁶ It suggests that cleaners should receive training and supervision specific to addressing COVID-19 cleaning product, frequency and contamination management guidelines. Responsible property managers should incentivise contractors to ensure appropriate staffing levels and productivity targets that allow cleaners to take extra necessary precautions.

A component of this program may be wage boosts during the pandemic. Public Safety Canada included security personnel for critical infrastructure and janitorial and cleaning services among the *set of functions deemed essential* in the context of the COVID-19 pandemic. Yet its temporary top up to the salaries of low-income essential workers did not include cleaners – a sector characterized by low wages. In other excluded essential sectors, such as groceries⁸⁷ and logistics,⁸⁸ companies offered wage increases to low-wage workers who are now subject to additional risks and carry, in their work, additional responsibilities.

The Public Health Agency of Canada recommends that employers and business owners conduct a risk assessment to determine the most appropriate public health actions for a particular workplace/business during the COVID-19 pandemic.⁸⁹ Responsible building managers should require plans from contractors that were developed with the active participation of workers and provide for physical distancing measures and PPE.⁹⁰

Health and safety laws in Canada require that workers report safety hazards to their employer, and may do so without fear of reprimand, reprisal, or punishment. Responsible property managers should expect that this right is explicitly communicated to cleaners by contractors, in languages used at the workplace, during the global pandemic.

Provincial legislation grants workers the legal right to a healthy and safe workplace that allows (and in some provinces obligates) them to protect their own safety by refusing to perform work that they believe has the potential to harm themselves or others at the worksite. Responsible property managers should expect that this right is explicitly communicated to cleaners by contractors, in languages used at the workplace, during the global pandemic.

In negotiating prices for revised service contracts, BOMA Canada suggests shifting cleaning standards from the traditional frequency-based approach to performance-based cleaning-for-health (sanitization) standards and testing. It emphasizes the importance of providing fewer incentives to cleaners to cut costs.



■ Best practice examples

The funds that provided responses confirmed that their managers have protocols in place regarding contracted services such as cleaning and security. Oxford Properties told us it has “developed detailed protocols for safely re-opening facilities, mindful of employees, tenants, building workers and visitors, with timing directed by local health authorities.” CPPIB, which counts Oxford Properties as its largest contracting partner, provided the same quote. Ivanhoé Cambridge has put in place two teams to manage a response plan. No further details on worker health and safety were provided.

QuadReal enclosed a copy of its publicly available *Better Together: A Playbook to Support You in Returning Employees to Your Workplace* in its response to us. The document is “aligned with all stakeholders including local BIAs and BOMA.” QuadReal communicated that cleaning frequency has been increased and all cleaners are required to wear mask and gloves as well as follow best practices and use products identified in the Public Health Agency for Canada guidelines.

PSP provided some information, explaining that “our asset managers have been communicating with tenants on a more frequent basis to update them on how the situation is evolving and provide information on the best practices they have implemented, including expanded cleaning and security operations.” Employee committees were created to monitor the pandemic and best practices, though it is unclear whether contracted cleaners are members of these committees. The fund also told us that “asset managers have limited direct human contact by closing common amenity spaces, arranging virtual tours for prospective tenants and minimizing employee physical interaction through the use of videoconferencing.” It noted that social distancing recommendations are in effect, the use of personal protective equipment has been implemented when appropriate, and employees are working from home where possible. It is unclear whether these responses apply to PSP employees or to contracted building service workers.

AIMCo provided more detail on its oversight. Like other funds, it has entrusted COVID policies to managers, of which most are members of industry associations such as BOMA. Managers submitted re-opening plans to AIMCo for comments and the fund is working with the managers to make any necessary adjustments. In general, these re-opening policies provide for social distancing, PPE, increased frequency of cleaning high touch point areas, or in some cases eliminating touch points with touchless alternatives.



None of the funds provided any detail as to the implications for these plans for contracted workers, including whether they have been adequately trained, supported, remunerated, protected and/or provided with a guarantee that they can report health and safety concerns without fear of reprisal.

The SEIU and Acorn data suggests that responsible property managers may wish to confirm that appropriate staffing levels have been maintained throughout the pandemic. Sixty-six percent of non-unionized workers

A clear policy framework specific to upholding workers' human rights across contracted property services is both a tool for effective investment stewardship and integral to the sustainable value of real assets.

and 49% of unionized workers noted an increase in workload as a result of COVID-19, while only 30% of non-unionized cleaners and 36% of unionized workers report that their employer has hired additional staff to meet the requirements of new cleaning regimes. A mere 19% of non-unionized workers and 30% of unionized workers have been included in discussions about plans to fully reopen buildings to tenants and the public. Encouragingly, 73% of unionized workers felt able to report safety concerns without fear of punishment from the employer.* Only 6% of workers surveyed received any pandemic pay bonus.⁹¹



PRINCIPLE 4:

Responsible property owners and their real estate managers should draw upon and enforce policies, such as responsible procurement policies or responsible contractor policies (RCPs), to ensure that contractor practices promote operational efficiency and respect for workers' fundamental rights.

A clear policy framework specific to upholding workers' human rights across contracted property services is both a tool for effective investment stewardship and integral to the sustainable value of real assets. The coronavirus compels investors to engage with companies on how they are ensuring that contractors and subcontractors are trained, provided with PPE, paid sufficiently and protected. Decisions to cut costs in the short-term may hold longer-term implications.

RCPs in the United States were first adopted by investors in the 1990s in response to concerns raised by stakeholders regarding fair labour practices. For pension funds, RCPs provide a framework to identify and manage relationships that intermediaries such as property managers and contractors have with employees in the real estate investment process within the context of their fiduciary duties. In general, RCPs ensure that bidding processes institutionalize preferences for contractors who pay fair wages and benefits when all other components of their proposal are equal and establish a reporting mechanism for investors to address reputational risks in complex property service supply chains.⁹²



**This data was not collected for non-unionized workers.*

A strong responsible procurement policy or RCP includes provisions to uphold the four fundamental principles in the *ILO Declaration on Fundamental Principles and Rights at Work*; namely, the elimination of child labour, forced labour and discrimination in the workplace, freedom of association and the right to collective bargaining. Strong RCPs support a position of neutrality in the event that there is a legitimate attempt by a labour organization to organize workers employed in the construction, maintenance, operation, or services at properties or assets in applicable investments. Neutrality implies not taking any action or making any statement that will directly or indirectly state or imply any support for or opposition to the selection by employees of a collective bargaining agent. A position of neutrality is instrumental in upholding investor responsibilities under the *OECD Guidelines for Multinational Enterprises*.

Collective bargaining agreements in the janitorial sector are important in that they reflect a negotiation of the terms and conditions of employment that include wages, benefits and hours of work while strengthening protections related to job security. As such, a policy framework that emphasizes a commitment to upholding workers' rights to freedom of association collective bargaining may foster the realization of the set of *Principles for Responsible Real Estate Management during the COVID-19 Pandemic*.

■ Best practice examples

We examined whether Canadian funds have (a) responsible investment policies in place that acknowledge workers' rights as defined in the ILO fundamental principles; (b) asset-class specific policies in place for funds that do not have a real estate subsidiary; and (c) Responsible procurement policies applicable to contractors or RCPs.

Among the funds that do not have publicly available asset-class specific responsible investment policies but do articulate a commitment to the ILO fundamental principles are AIMCo and OPTrust. CPPIB and HOOPP refer to asset-class specific responsible investment policies or guidelines on their websites. The HOOPP *Real Estate Sustainability Policy* articulates a commitment to “promote sustainable development and procurement practices, including responsible labour practices.” The CPPIB *2019 Sustainable Investing Report* notes that Sustainable Investing Team is responsible for an ESG due diligence process for direct investments in real estate that includes, in its focus areas, labour and human rights.

The funds with subsidiaries – QuadReal, Cadillac Fairview, Oxford Properties and Ivanhoé Cambridge – have all general responsible investment policies or frameworks, which are available online in varying degrees of detail. Oxford Properties informed us that they manage their contracting decisions in accordance with an RCP. The policy was not submitted to us and is not available online.

QuadReal stands out as the only fund in our cohort that has a publicly available RCP. The policy includes expectations regarding health and safety, working hours and wages. The RCP does not commit QuadReal to provisions to uphold the rights to freedom of association or collective bargaining.



TABLE 4: FUND ASSET CLASS SPECIFIC POLICY FRAMEWORK

Fund	General RI Policy/ Real estate specific RI policy	Mention of labour standards	Responsible Contractor Policy (RCP)
QuadReal (BCI)	Sustainability Policy	Addresses human and workers' rights	Responsible Contractor Code of Conduct and Ethics
Oxford Properties Group (OMERS)	Sustainable Investing Policy (OMERS) Sustainability Strategy (Oxford Properties)	Mentions "engaging stakeholders"	Responsible Contractor Code of Conduct and Ethics
AiMCO	Responsible Investment Policy	Commits to uphold freedom of association and the right to collective bargaining ⁹³	RCP in place; not public
CPPIB	Policy on Sustainable Investing	Labour rights incorporated into ESG due diligence process for real assets ⁹⁴	No
HOOPP	Responsible Investing Policy 2019 Real Estate Sustainability Policy	Real Estate Sustainability Policy commits to promoting sustainable development and procurement practices, including responsible labour practices ⁹⁵	No
OPTrust	Statement of Responsible Investing Principles	Supports UN International Labour Organization's principles ⁹⁶	No
PSP	Responsible Investment Policy	Mentions human capital management ⁹⁷	No
Cadillac Fairview (OTPP)	Corporate Responsibility Policy	No	No
IMCO (OBP)	Sustainability webpage	No	No
Ivanhoé Cambridge (CDPQ)	Webpagesummarizing responsible investment "commitments"	No	No
TOTAL		7/10	2/10

Recommendations

The COVID-19 pandemic has created an urgent need for companies to adopt best practices to protect their workers, their customers and the communities they serve. In the commercial real estate sector, the pandemic has placed a spotlight on the essential role that service providers such as commercial cleaners play in maintaining public health in buildings. Ensuring that all reasonable measures are taken to protect this essential workforce is a matter of public safety and must be central to risk management in real asset portfolios.

At a time when public confidence in coronavirus mitigation strategies is paramount – as evidenced by the strong endorsement of real estate investors in initiatives such as The Post Promise - more information on the specific steps that real estate owners are taking to exercise oversight of property management in their value chains would be welcome and reassuring.



The following recommendations are drawn from our analysis of best practices and gaps in reference to the *Principles for Responsible Real Estate Management during the COVID-19 Pandemic*.



RECOMMENDATION 1:

Responsible property owners and their real estate managers should ensure a stable continuation of income and benefits in times where contracted workers must stay home due to illness, quarantine, or caring for a sick family member. Efforts to limit financial impacts should not be made at the expense of workers' rights and welfare.

As a priority, contracted workers must be allocated sufficient sickness and family leave to mitigate the risk of COVID-19 outbreaks in commercial properties. The ten paid sick days that are to be temporarily implemented across Canada are a bare minimum and do not account for the recommended quarantine periods for COVID-19 contacts or exposure. Paid sick days must be made available to contractors irrespective of their work permits or immigration status.



RECOMMENDATION 2:

Responsible property owners and their real estate managers should ensure a safe working environment across their buildings, for employees and contractors. This includes limiting employee exposure to COVID-19 in the workplace through ensuring appropriate staffing levels, establishing personal protective measures and environmental measures. To achieve this, responsible property owners and their real estate managers should establish mechanisms for workers to safely and independently raise concerns without fear of negative repercussions and play an active role in adapting systems to ensure their safety.

As public expectations around cleaning shifts, it is essential from a quality control perspective for property managers to renegotiate service contracts to ensure that workloads remain manageable for cleaners. Workers must be involved in developing occupational health and safety plans for their sites.



RECOMMENDATION 3:

Responsible property owners and their real estate managers should draw upon and enforce policies, such as responsible procurement policies or responsible contractor policies (RCPs) to ensure that contractor practices promote operational efficiency and respect for workers' fundamental rights.

Almost all of the funds that we approached told us that as they had entrusted management of their properties to other managers (which, in some cases, were other funds included in our study) and were therefore unable to provide us with the level of detail we requested. Some, such as AIMCo, explained that policies and procedures vary across investments depending on the third party manager. Several funds mentioned that they exercise their oversight by selecting managers that operate at a high standard. The exception was QuadReal, which has established an RCP that may serve as a strong foundation for an effective policy framework.

Although manager selection is an important component of responsible real estate management, it does not adequately address the risks associated with poor workforce practices by contractors. The workforce conditions that contracted cleaners face coupled with specific reputational risks related to COVID-19 are indicative of a clear need for more investor oversight over occupational and public health and safety in their real estate portfolios.

Under the OECD Guidelines for Multinational Enterprises, investors are expected to consider responsible business conduct risks (RBC) throughout their investment process and to use their "leverage" with companies they invest in to influence these entities to prevent or mitigate adverse impacts. Embedding RBC into investment policies and management systems is recommended as an important precursor to establishing effective and credible due diligence processes.⁹⁸

Our research indicates that there is a significant gap in policies that enable investors to effectively incorporate due diligence considerations into the property services value chains that they oversee. The development of policies specific to workforce risks, including health and safety, in property services procurement would greatly facilitate the fulfillment of the first two recommendations in this report.

We will be contacting all ten Canadian real estate investors and managers included in this study. We invite these funds to engage with the Canadian Capital Stewardship Network in a discussion on the development of a policy framework conducive to the implementation of the *Principles for Responsible Real Estate Management during the COVID-19 Pandemic*.



Appendix 1:

PRI SIGNATORIES

Pension Fund	PRI Signatory	Year Signed	Classification
Canada Pension Plan Investment Board (CPPIB)	Yes	2006	Asset Owner
Caisse de dépôt et placement du Québec (CDPQ)	Yes	2006	Asset Owner
Alberta Investment Management Corporation (AIMCo)	Yes	2010	Investment Manager
Ontario Teachers' Pension Plan (OTPP)	Yes	2011	Asset Owner
British Columbia Investment Management Corporation (BCI)	Yes	2006	Investment Manager
Public Sector Pension Investment Board (PSP Investments)	Yes	2014	Asset Owner
Ontario Municipal Employees Retirement System (OMERS)	No	–	–
Healthcare of Ontario Pension Plan (HOOPP)	Yes	2011	Asset Owner
Ontario Pension Board (OPB)	Yes	2020	Asset Owner
OPTrust	Yes	2010	Asset Owner

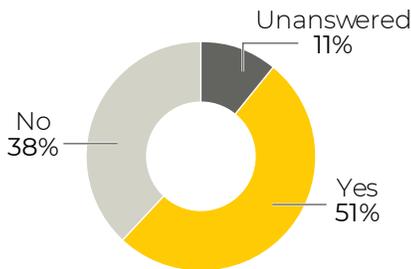
This table has been sourced from the [PRI Signatory Directory](#)



Appendix 2:

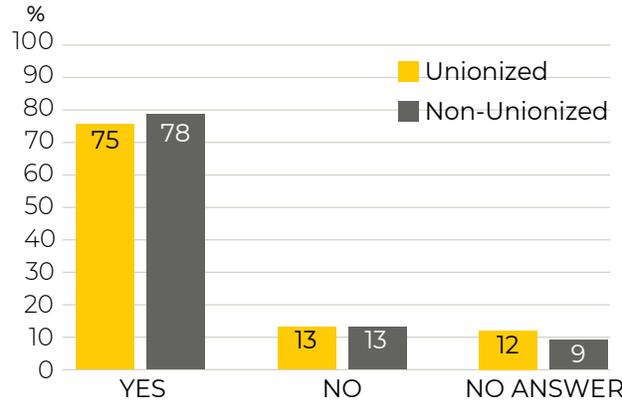
RESULTS FROM WORKER SURVEYS

FIGURE 1:
Do you have access to sick days?



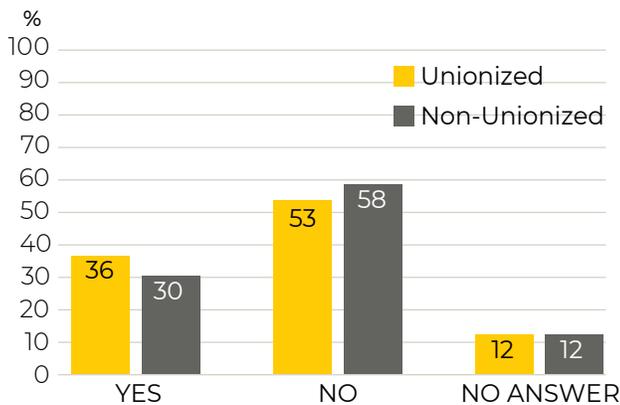
Thirty-eight percent of workers surveyed (unionized and non-unionized) said they do not have access to paid sick leave, of this amount, eighty percent on non-unionized workers said they do not have access to paid sick days.

FIGURE 2:
Has your employer expanded the cleaning routine since the pandemic? (i.e. deep cleaning, frequency of cleaning, touch points, etc)



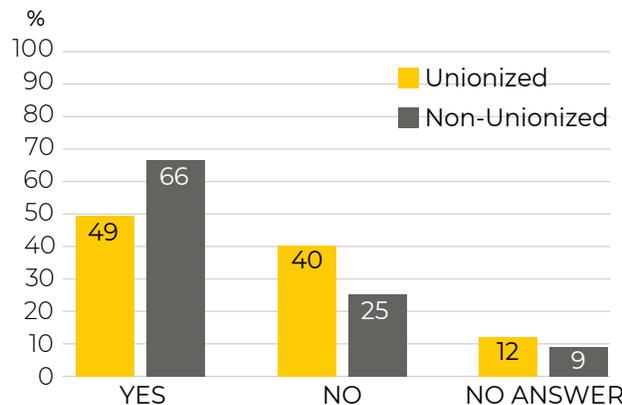
Seventy-five percent of unionized workers and seventy-eight percent of non-unionized workers said that their cleaning routines have expanded as a result of the COVID-19 pandemic.

FIGURE 3:
Has your employer added additional staff to meet new cleaning routines under COVID-19?



Fifty-three percent of unionized workers and fifty-eight percent of non-unionized workers said that their employers have not hired additional staff to meet the needs of new cleaning routines under COVID-19.

FIGURE 4:
Has your workload increased due to COVID-19?



Sixty-six percent of non-unionized workers and forty-nine percent of unionized workers said that their workload has increased as a result of the COVID-19 pandemic.

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