



# About Artis

Artis Real Estate Investment Trust (“Artis” or the “REIT”) is one of the largest diversified commercial real estate investment trusts in Canada, and is an unincorporated closed-end real estate investment trust created under, and governed by, the laws of the Province of Manitoba.

Artis owns a portfolio of industrial, office and retail properties in Canada and the United States. At December 31, 2020, the REIT’s portfolio comprised 209 commercial properties (inclusive of properties held in joint-venture arrangements) totalling approximately 22.9 million square feet of gross leasable area.

On March 10, 2021, Artis announced a new vision and strategy – to become a best-in-class real estate asset management and investment platform focused on growing net asset value (“NAV”) per unit and distributions for its investors through value investing. Artis’ go-forward vision and strategy includes the following:

## 1. Strengthening the balance sheet to provide significant liquidity and flexibility

- Unlocking value by monetizing a portion of Artis’ institutional-grade industrial portfolio;
- Maximizing value of Artis’ office and retail assets by improving operating performance and pursuing a measured, opportunistic and patient strategy for divestitures;
- Maintaining strong liquidity to capitalize on opportunities; and
- Maintaining low leverage and debt metrics within the investment grade credit rating parameters defined by DBRS Morningstar.

## 2. Focusing on value investing by identifying real estate opportunities that are mispriced, misunderstood or mismanaged

- Identifying investments that are undervalued with potential to produce above average risk-adjusted returns over the medium-to-long term;
- Evaluating opportunistic investments that can be fixed or turned around;
- Acting as a catalyst to influence positive change; and
- Capitalizing on mispricing in the public markets.

## 3. Driving organic growth

- Improving their income profile of assets to highest potential;
- Developing a recurring fee stream for management of assets through future joint arrangements;
- Optimizing the value of existing properties through operational efficiencies; and
- Focusing on operating in a cost-efficient manner across the organization.

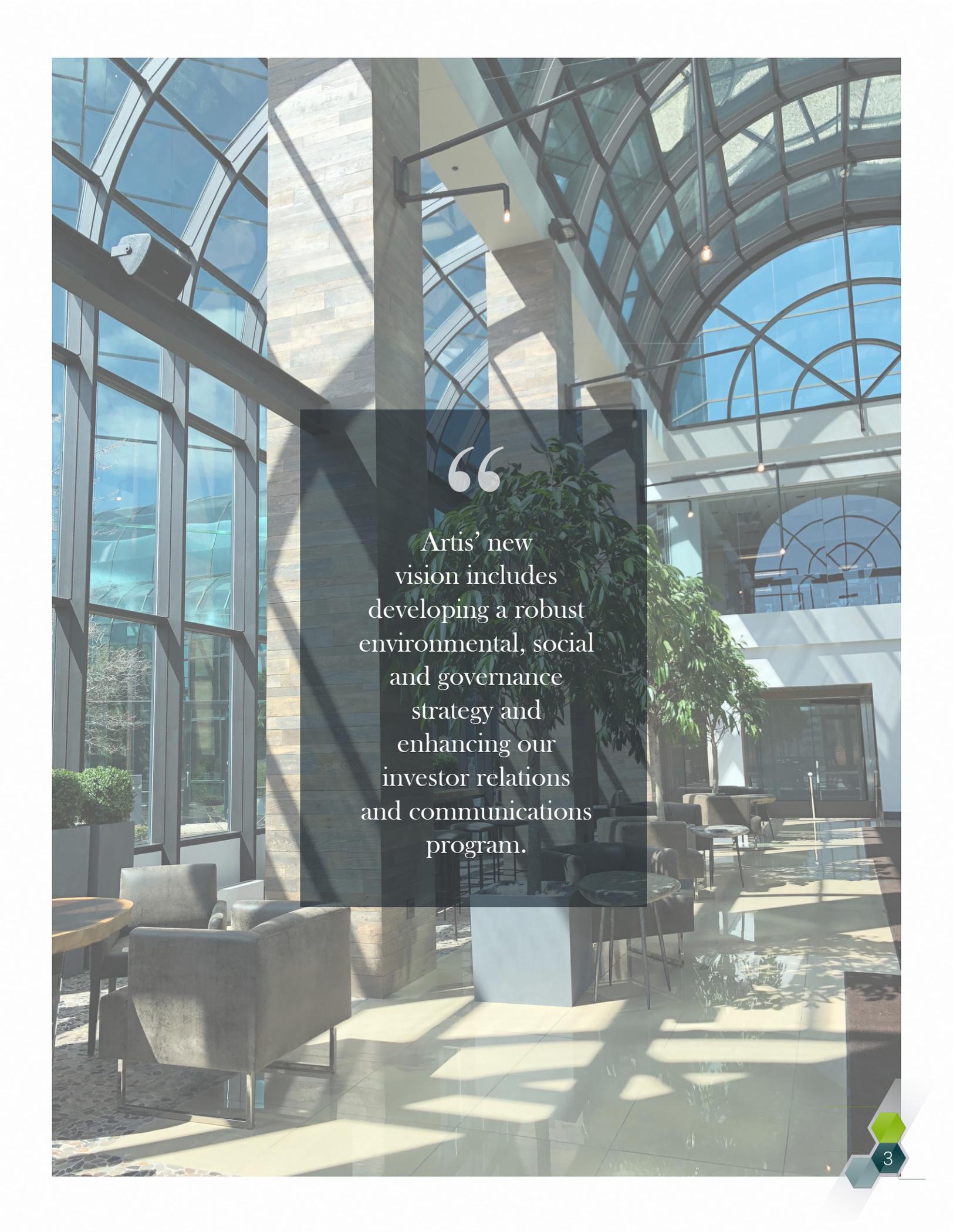
## 4. Institutionalizing the new platform

- Establishing an entrepreneurial culture that supports and promotes the execution of Artis’ long-term vision and strategy;
- Continuously raising the bar for financial reporting and other disclosures;
- Developing a robust environmental, social and governance strategy;
- Enhancing the investor relations and communications program; and
- Rebranding – new name, new image, new future.

**The goal of the REIT’s new vision and strategy is to generate meaningful long-term growth in NAV per unit and distributions by monetizing assets, strengthening the balance sheet and scaling-up through value investing in real estate. Artis will concentrate its ownership in the highest and best return opportunities in an effort to maximize long-term value for unitholders.**

Artis’ common units trade on the Toronto Stock Exchange under the symbol AX.UN and the REIT’s preferred units trade under the symbols AX.PR.A, AX.PR.E and AX.PR.I. Artis’ common units also trade in the United States on the OTCQX Best Market (“OTCQX”), under the symbol ARESF.





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Artis' new vision includes developing a robust environmental, social and governance strategy and enhancing our investor relations and communications program.

A professional portrait of Samir Manji, a man with dark hair, wearing a dark grey suit, a white shirt, and a purple patterned tie. He is sitting with his hands clasped in front of him, looking directly at the camera with a slight smile. The background is a blurred view of a landscape with mountains under a blue sky.

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It is my goal to foster an environment that goes beyond prioritizing sustainability, such that ESG is woven into the very fabric of our business – a true ESG-minded company.

A white handwritten signature of Samir Manji on a dark background. The signature is stylized and includes the name 'Manji' in a cursive script.

**Samir Manji**

President and Chief Executive Officer

To Our Valued Owners,

I am pleased to share Artis' 2020 Environmental, Social and Governance ("ESG") Report, which highlights our corporate sustainability and responsibility progress in 2020 and our ongoing efforts.

In March 2021, we announced a new vision and strategy for Artis – to build a best-in-class asset management and investment platform focused on growing net asset value per unit and distributions for investors through value investing in real estate. As part of this new and exciting vision, we are committed to making ESG a focal point and to establishing a company-wide ESG-minded culture.

To oversee and advance this integral company initiative, the Board of Trustees has expanded the mandate of the Governance, Nominating and Compensation Committee to include the oversight of ESG-related matters and to develop an equity, diversity and inclusion framework. Under the stewardship of Lis Wigmore, Chair of our Governance, Nominating and Compensation Committee, I am confident we will see our ESG program elevated, enhanced and communicated in unique ways.

We have made excellent progress already, but there is more we can do. It is my goal, and a core component of our future vision and strategy for Artis, to create and foster an environment that goes beyond prioritizing sustainability, such that ESG is woven into the very fabric of our business and forms an integral part of our day-to-day operations and culture – a true ESG-minded company. This extends beyond our board, senior executives and employees to our investment decisions and our role with stakeholders and the broader community.

Some of our ESG priorities for 2021 and beyond include:

- Improving operating efficiencies by establishing sustainability targets (using Greenhouse Gas Protocols) with respect to achieving reductions in carbon pollution, energy consumption, water consumption and waste;
- Aligning a portion of performance-based compensation with achieving ESG targets;
- Establishing an internal ESG committee;
- Participating in (with a focus on improving) Artis' GRESB rating;
- Targeting LEED certification wherever possible and prioritizing sustainable design and components on all new ground-up development projects; and
- Publishing an annual ESG report and providing regular updates on our progress.

During the remainder of 2021, we will continue improving and formalizing our priorities regarding ESG practices, establish measurable targets and will continue to make ESG a key part of our decision-making process. Achieving our ESG goals will require collaboration and teamwork; we look forward to working side-by-side with our investors, tenants, business partners and the communities in which we operate on this important initiative and commit to doing our part to facilitate and advance improvements in all areas of ESG practices.

We are further committed to strengthening our relationships with the investment community, which includes transparent and fulsome reporting on our sustainability and ESG objectives, communicating how our company is differentiating itself to create long-term value and initiating conversations around innovation in ESG practices. We recognize that investor profiles and needs are changing and are developing a roadmap for enhanced investor engagement and communication in a post-pandemic world.

The speed of change in today's world is unlike anything we have ever experienced before. A convergence of factors – economic, social, political, technological – have and will continue to shift how we live, work, and play. This is particularly evident in the real estate industry. I continue to believe it is an exciting and opportune time to be in real estate. We believe that empowering our people to continue to innovate and evolve our business, drive positive social impact and prioritize sustainability will lead to our long-term success and enable us to deliver value to all of our stakeholders.

We do not have all the answers, but we are asking the right questions and looking at our business through a critical lens and with an open mind. We will strive to be sustainability leaders, and to demonstrate a high standard of ESG consciousness and best-in-class practices and look forward to proving our commitment through ongoing review, transparency and performance. By setting ambitious objectives, we know we will achieve that much more.

Thank you for your continued support.



Samir Manji  
*President & Chief Executive Officer*  
Artis REIT



# Objectives



Sustainability is a priority across the organization. Through the implementation and management of environmental programs and protection policies, Artis is committed to minimizing its impact on the environment by reducing excess

waste generation and seeking to use energy efficient and environmentally friendly systems, fixtures and products in its buildings. Many of Artis' continuous improvement initiatives focus on sustainability and energy reduction

strategies to ensure buildings are operating at their peak efficiency. As buildings are upgraded and equipment is replaced, it is done with technology that promotes energy efficiency and best practices.

# Highlights



Recycling and composting at all Artis office locations



15 office properties with LEED designation



Prioritize the installation of LED lighting across the portfolio



Annual and ongoing battery and electronics recycling drives



17 properties with BOMA designation



Addition of Yardi Pulse to analyze, report on and reduce consumption



Addition of car charging stations at numerous properties



20 properties with Energy Star certification



Reduction in paper usage through promotion of electronic approval systems







Environmental

# Preferred Environmental Programs

Artis is committed to mitigating the impact of its operations on the environment, minimizing its carbon footprint and promoting the use of energy efficient practices in its buildings. We value energy certification and consider it an asset, both with respect to our existing portfolio and when acquiring new properties.

The three major property certifications we pursue are:

**BOMA BEST®** BOMA BEST

BOMA or the Building Owners and Managers Association promotes energy efficiency and sustainability for new and existing buildings by assigning certification levels based on achievement of energy targets.



**ENERGY STAR**

Energy Star is a voluntary U.S. Environmental Protection Agency (EPA) program that certifies buildings for superior energy performance.



**LEED**

LEED or Leadership in Energy & Environmental Design is a green building tool that addresses the entire building lifecycle, recognizing best-in-class building strategies.

Environmental

# Certified Properties

**BOMA BEST®** BOMA

**17** Properties **1,859,025** Square Feet

2145-2155 Dunwin Drive	Silver	Bower Centre	Certified	Maynard Technology Centre	Certified
2150-2180 Dunwin Drive	Silver	Campana Place	Bronze	McCall Lake Industrial	Certified
2319 Dunwin Drive	Silver	Canadian Centre	Bronze	North City Centre	Bronze
417-14th Street Building	Bronze	Grain Exchange Building	Certified	North Scottsdale Center II	Certified
5600 Cancross Court	Silver	Heritage Square	Certified	Sierra Place	Silver
ADT Building	Certified	Hillhurst Building	Bronze		



**Energy Star**

**20** Properties **3,806,906** Square Feet

220 Portage Avenue	Rating: 82	8333 Greenway	Rating: 91	Heritage Square	Rating: 87
360 Main & Winnipeg Square	Rating: 87	8476 Greenway	Rating: 81	Max at Kierland	Rating: 92
515 Junction	Rating: 86	Bell MTS Building I	Rating: 76	Meadowvale Office	Rating: 89
525 Junction	Rating: 79	Bell MTS Building II	Rating: 70	Stinson Office Park	Rating: 78
5600 Cancross Court	Rating: 77	Bell MTS Call Centre Building	Rating: 84	The Point at Inverness	Rating: 90
601 Tower at Carlson	Rating: 94	Canadian Pacific Plaza	Rating: 67	Two Marketpointe	Rating: 92
8309 Greenway	Rating: 90	Hartford Corporate Plaza	Rating: 83		



**LEED**

**15** Properties **2,765,424** Square Feet

2145-2155 Dunwin Drive	Certified	3M Distribution Facility	Certified	Max at Kierland	Gold
2150-2180 Dunwin Drive	Certified	Bell MTS Building I	Platinum	Meadowvale Office	Certified
220 Portage Avenue	Platinum	Bell MTS Building II	Platinum	North Scottsdale Center II	Gold
2319 Dunwin Drive	Certified	Bell MTS Call Centre Building	Silver	Recipe Unlimited Building	Gold
360 Main & Winnipeg Square	Gold	Heritage Square	Silver	Two Marketpointe	Gold



# Objectives



Artis takes pride in its team and recognizes that success is made possible by great people who feel empowered to make a difference and who feel fulfilled and supported in their career objectives. Artis recognizes that today, more than ever before, people want to work at a company that they feel is aligned with their core values, that they feel connected to and that they are proud to represent.

This goes far beyond day-to-day operations and extends to company policies on important topics such as diversity, equity and inclusion, community involvement, volunteerism and charitable giving, sustainability and environmental protection and awareness, professional development and work life balance, among other things.

With a total of 206 employees, (166 of which are based in Canada and 40 of which are based in the U.S.), the REIT depends on a diverse, productive and engaged workforce and culture to achieve its business objectives. The REIT strives to create an environment that promotes sustainability in all of its offices and properties.

# Highlights



Competitive and fair compensation and benefits package



RRSP matching with individual investing flexibility or autopilot managed funds



Employee and Family Assistance Program to provide 24-hour support in work, health and life



Quarterly earnings conference calls now hosted via Zoom platform to enhance investor engagement



Maternity leave and parental leave top-up options and private room accommodations for breastfeeding mothers



Named one of Canada's Top Small and Medium Employers



On-site fitness facilities or fitness allowance to be used for fitness services



Office recycling program, e-waste day and hazardous materials pick-up events



Extended health, dental, LTD, STD and travel insurance benefit premiums subsidized at 70%



One paid day per year per employee to volunteer at an organization of the employee's choice



High employee engagement with collaboration tools and platforms such as Microsoft SharePoint and Teams (including Teams Voice)



Named one of Manitoba's Top Employers



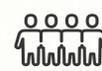
Professional development support up to \$1,800/year



Health & Wellness and Social Committees to organize educational and engaging programs for employees



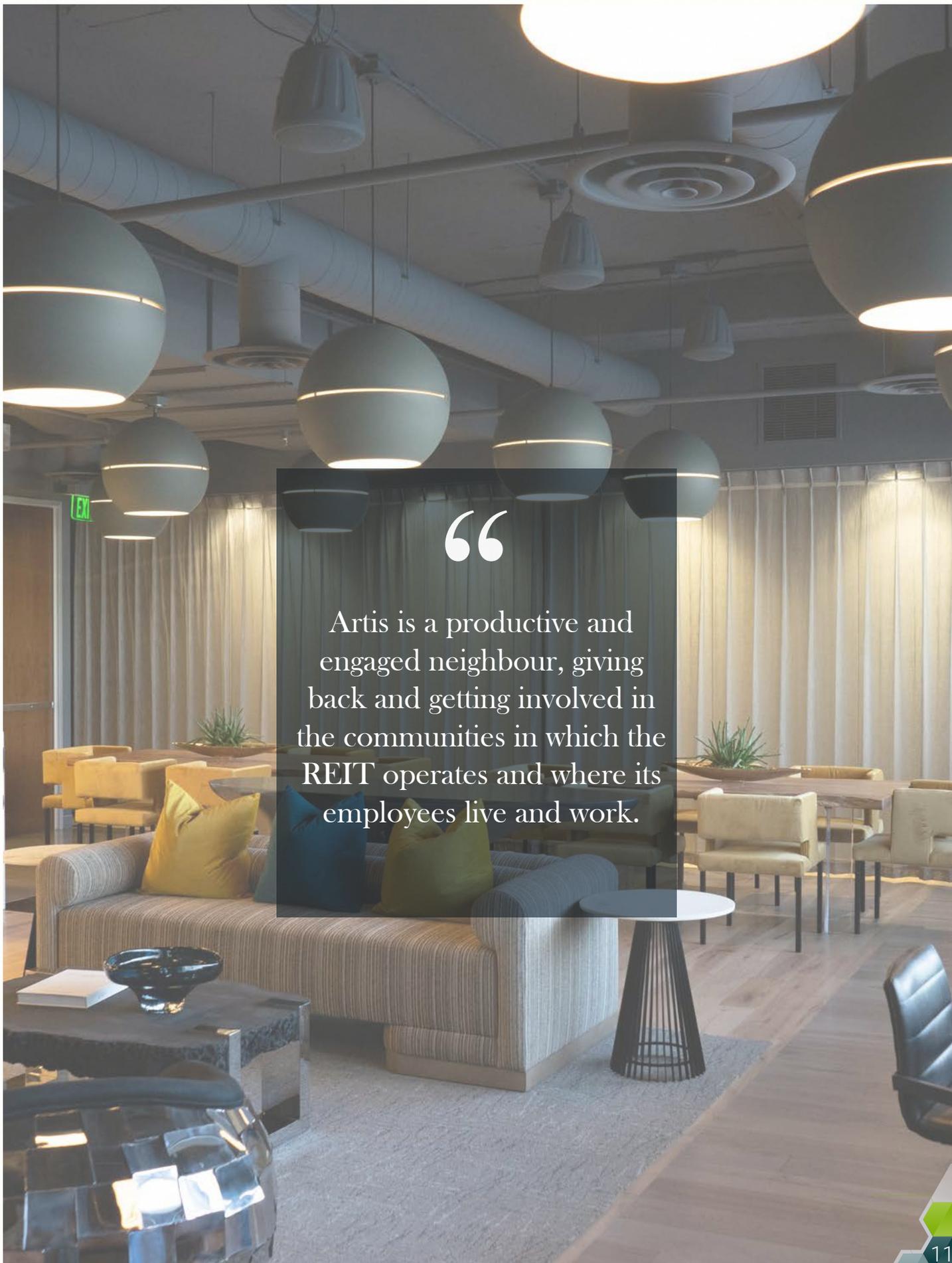
IT newsletter based on help desk tickets and new features to help improve efficiency and productivity



Accommodations for religious holidays and prayer rooms

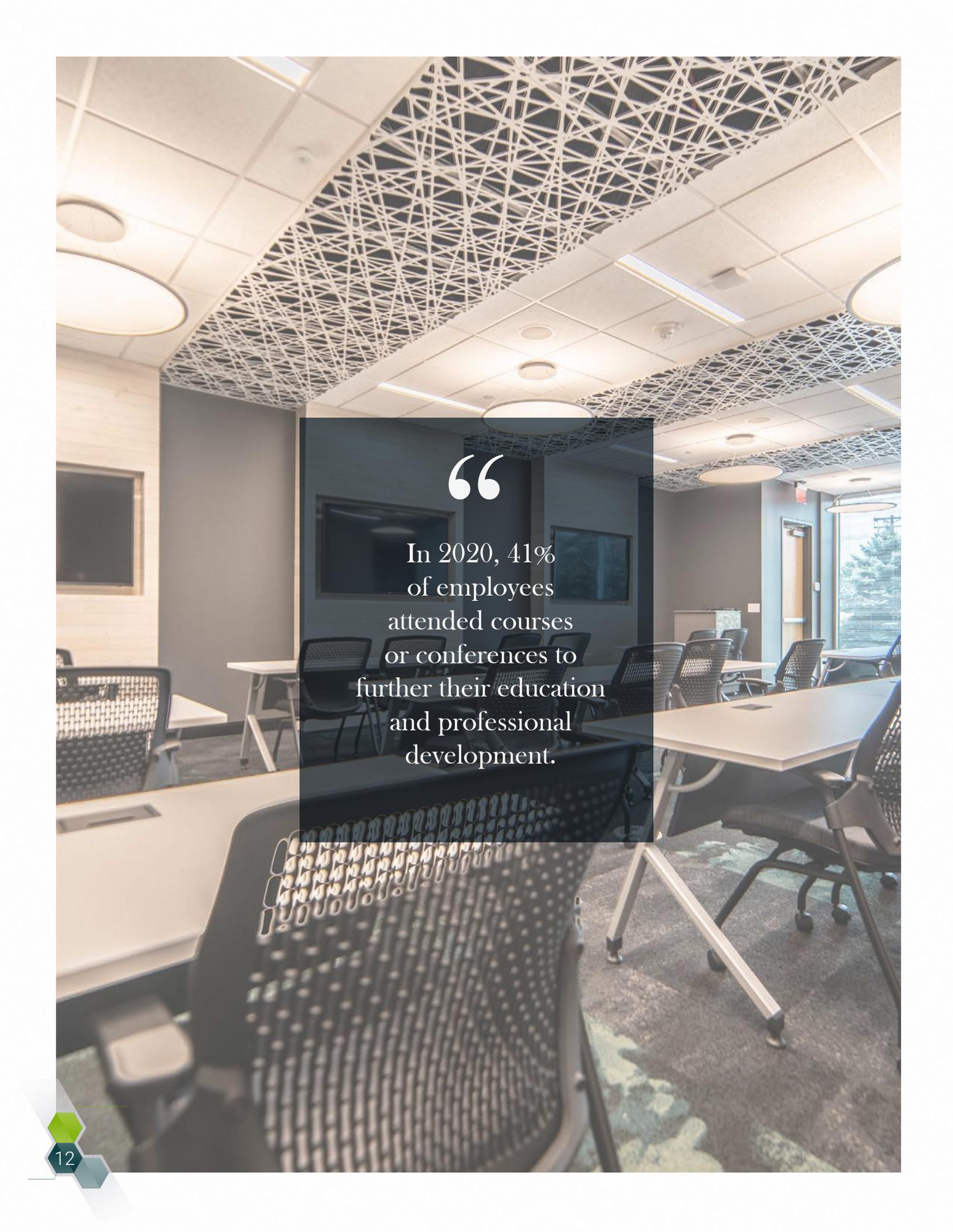


Coined "the modern workplace" by Microsoft, Artis leverages cloud infrastructure for end point management, security and collaboration



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Artis is a productive and engaged neighbour, giving back and getting involved in the communities in which the REIT operates and where its employees live and work.



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In 2020, 41%  
of employees  
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## Social

# Health & Wellness and Social Committee

Artis is committed to creating an inclusive, healthy and fun environment and culture. The dedicated health and wellness committee and social committee plan a variety of social events, lunch-and-learn education sessions, fitness classes, wellness challenges, employee potluck lunches and more throughout each year.

To support employees during this year of unprecedented change related to the COVID-19 pandemic, the prioritization of health and wellness initiatives for employees, including healthy lifestyle challenges and webinars related to stress and personal finance management were organized to offer support and connectivity

during this challenging time. In addition, Artis offers employees an opportunity to stay informed and to feel connected through the REIT's employee portal by providing company and employee updates and good news stories as well as fun and engaging contests, games and other activities.

## Social

# Professional Development

Training, continuing education and professional development at every level is key to the company's growth and continued success. Professional development provides numerous benefits for both the employee and the company, including:

- i. attracting skilled and motivated talent;
- ii. increasing employee retention;
- iii. building confidence and credibility among the workforce;

- iv. facilitating succession planning;
- v. re-energizing and keeping staff engaged; and
- vi. improving efficiency.

By providing opportunities for professional development, the company is reinvesting in its people and is ultimately making an investment in its own future.

Artis has a strong team of skilled and dedicated talent, many of whom are eager to take advantage

of Artis' professional development policy. At Artis, each full-time employee is entitled to an annual professional development allowance to use for attending courses, conferences and for general professional development opportunities. In 2020, 41% of employees attended courses or conferences to further their education and professional development.

## Social

# Community Involvement

Artis is a productive and engaged neighbour, giving back and getting involved in the communities in which the REIT operates and where its employees live and work. From organizing recycling events, to hosting school supply drives and coordinating neighbourhood cleanup contests, giving back to the community is a high priority for Artis.

Throughout the year, Artis promotes ongoing fundraising initiatives and gives its employees

an opportunity to vote for their charity of choice to receive the proceeds. These efforts return immeasurable long-lasting benefits to the community, employees and stakeholders of Artis. In addition, the REIT provides each employee with one paid day per year to volunteer at an organization of their choice. This gives employees the opportunity to support a cause that is of importance to them and demonstrates the REIT's objective to

support its employees and to align with their values. Over the last five years approximately \$16,000 has been raised by employees through various fundraising initiatives and donated to charitable organizations both local and national.



# Diversity, Equity and Inclusion

Artis believes that creating a culture that values diversity, equity and inclusion is essential to the REIT’s success; a belief that is recognized throughout the company at every level. Artis has adopted the following written policy, as provided in the Artis Employee Handbook:

“Artis strives to provide a fair and equitable workplace whereby all employees are treated with respect regardless of their race, ethnic background, age, gender, sexual orientation, disability, religion, political affiliation, etc. Discrimination on the basis of any of the above characteristics is absolutely not tolerated and will result in disciplinary action. Artis is committed to a culture of inclusion by way of hiring, promoting, and developing employees with a diverse array of skills, backgrounds, and experiences.”

The Board has adopted a Diversity and Renewal Policy that incorporates various initiatives for promoting diversity on the Board. The current objective of the policy is to maintain female representation on the Board of at least 40% and Black, Indigenous and People of Colour representation of at least 20%.

Artis’ overall objectives for diversity, equity and inclusion are:

1. to promote an environment and culture of inclusiveness and diversity within the Artis organization generally; and
2. to encourage leadership opportunities for women within the Artis organization generally. The diversity policy includes several initiatives aimed at increasing gender diversity on the Board and in senior management positions.

Artis also believes that a diversity of backgrounds, opinions and perspectives and a culture of equity and inclusion at the operational level fosters a healthy and dynamic work environment, which supports the overall business objectives of the REIT.

Diversity of experience, perspective, education, race, gender, ethnic and geographic diversity, as well as age, business experience, professional expertise and personal skills are all factors that are considered as part of Artis’ evaluation of candidates for management positions.

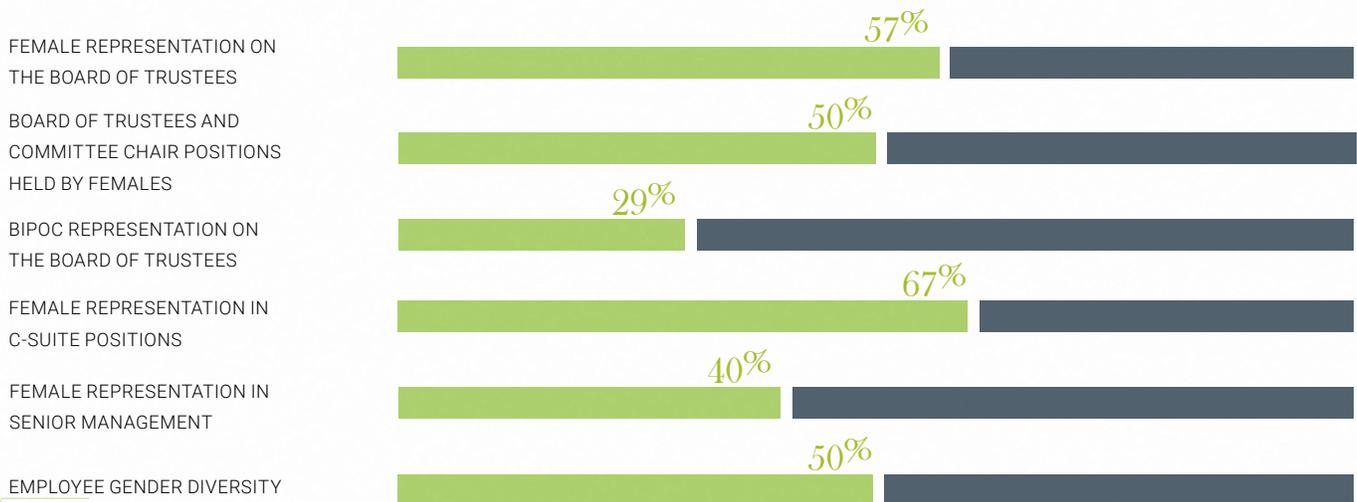
While Artis strongly supports the principle of diversity in its leadership, of which gender is an important aspect, Artis does not have a policy or formal targets regarding the representation of women at the senior management level, as the Board does not believe that quotas, strict rules or targets set forth in a formal written policy will necessarily result in the identification or selection of the best candidates for the REIT.

Rather, the identification and selection process is based on a variety of criteria including not only diversity of viewpoints, backgrounds, experiences and other demographics, but also expertise, skills, character, business experience and other relevant factors.

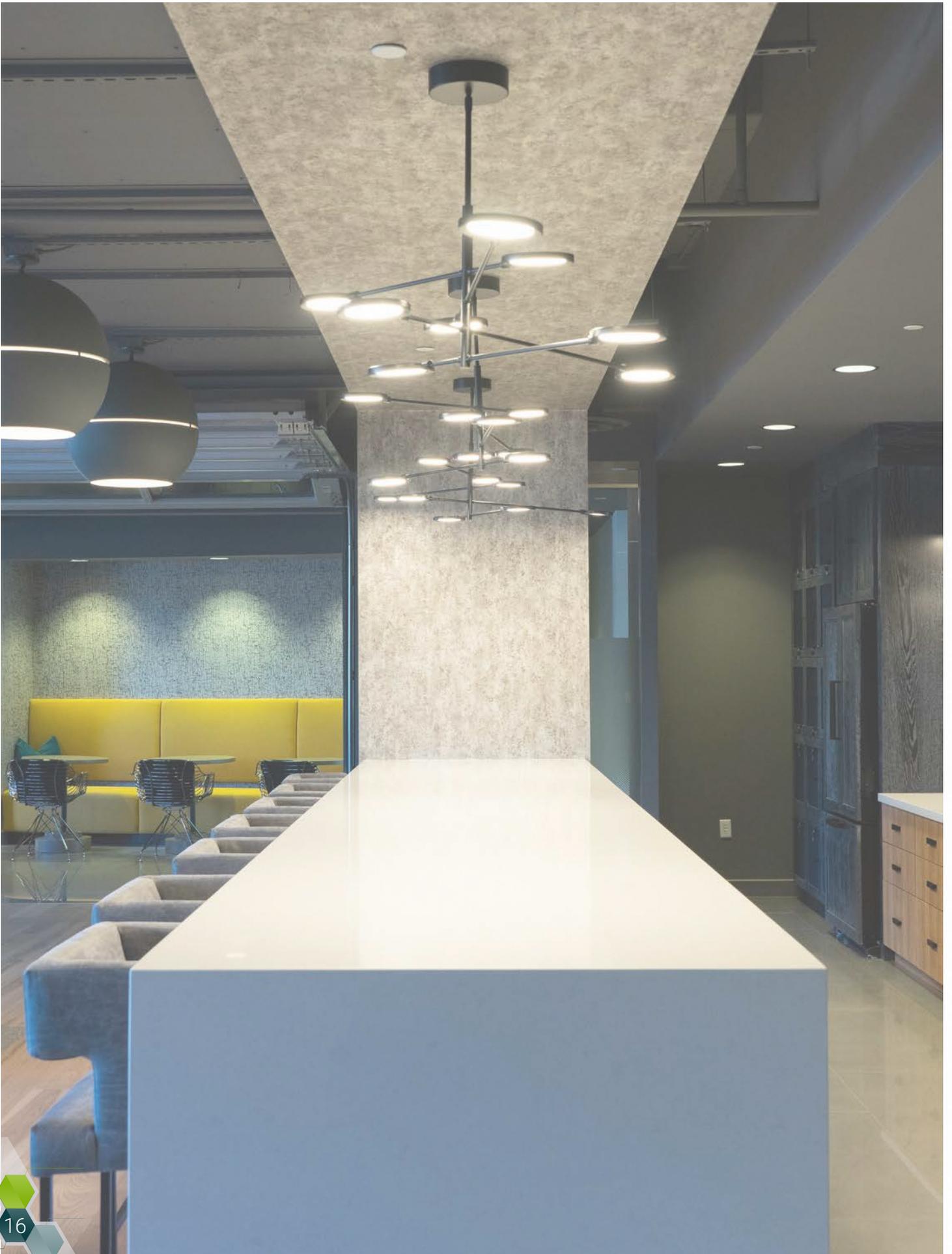
Accordingly, in searches for new senior management, the Board considers the level of female representation and diversity within its leadership positions as one of several factors used in its search process.

This will be achieved through continuously monitoring the level of female representation in leadership positions and, where appropriate, recruiting or promoting qualified female candidates as part of Artis’ overall recruitment and selection process.

## Board and Management Diversity







# Objectives



Artis' Board of Trustees is responsible for the stewardship of Artis and for overseeing the conduct of business of Artis and the activities of management. The Governance, Nominating and Compensation Committee is responsible for providing leadership in shaping the governance policies and practices of the REIT, including the environmental and social governance of Artis. Under the stewardship of the Governance, Nominating and Compensation Committee, the Board has initiated a comprehensive review of all

governance policies and practices with a view to establishing Artis as a leader in governance best practices.

Transparency, communication and accessibility are the foundation of Artis' stakeholder engagement strategy. This includes a commitment to continuously strengthen relationships with employees, the investment community, tenants, vendors and other partners and stakeholders. Internally, Management hosts regular meetings and virtual townhalls with its team of over 200 employees across

North America. Externally, Artis has augmented its investor relations engagement strategy by leveraging virtual platforms to engage with the investment community more readily.

Strong and effective governance practices are part of Artis' organizational culture. This encompasses sound and effective internal processes and procedures, minimizing risks, continuous enhancement of human resource policies and practices, a strong cyber security strategy, promoting efficiency, and having an "owner's mentality."

# Highlights



Improved the Board Mandate, Committee Charters and Position Descriptions, and various governance policies; a comprehensive review of other governance policies is ongoing.



Renamed the Governance, Nominating and Compensation Committee (formerly the Governance and Compensation Committee) to expand its scope of responsibilities to include nominating and environmental, social and governance matters



Became a corporate member of The Institute of Corporate Directors



Approved a Board Diversity and Renewal Policy with an objective to maintain a minimum of 40% female representation on the Board and a minimum of 20% Black, Indigenous and People of Colour (BIPOC) representation on the Board, and other qualification requirements;

**57%** Female representation on the Board (compared to 25% at December 31, 2019)

**29%** BIPOC representation on the Board (compared to no representation at December 31, 2019)



Implemented an enhanced Code of Business Conduct and Ethics, Whistleblower Protection Policy and Insider Trading and Blackout Policy.



Robust cyber security strategy developed around employee awareness and understanding of security responsibilities, including training for new and existing employees



Reduced Board retainer fees for all Trustees by 25%



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