



Production Court, Burnaby, BC



2016 Sustainability Report 

# A Message from the President & Chief Executive Officer

At Artis, we believe that promoting and investing in environmentally sustainable assets makes good business sense. We are pleased to release our second annual Sustainability Report, demonstrating our commitment to sustainable practices that ensure the long-term success and efficiency of our assets and helps the company to attract and retain the best tenants and employees.

As one of Canada's most prominent landlords, we are responsible for setting a high standard of sustainable practices and demonstrating the importance of environmental care and protection for our investors, tenants, employees and communities. At Artis, we create a culture that values and prioritizes corporate sustainability, and we consider it our mandate to invest in, develop and manage buildings in an environmentally prudent and resource efficient manner.

To measure and maintain this standard of sustainability, we value three globally recognized programs, LEED®, BOMA BEST and Energy Star, each of which is featured in the Preferred Environmental Programs section. We consider certification by one or more of these programs important to our asset investment and management strategy.

In Property Highlights, we feature North Scottsdale Corporate Center, located in Scottsdale, Arizona, and 360 Main Street, located in Winnipeg, Manitoba. These properties demonstrate an exceptional standard of efficiency in their respective communities, and are outstanding examples of our commitment to corporate sustainability.

At the ground level, our Investment in Our People and Community Involvement outlines numerous initiatives we have implemented to demonstrate and reinforce our commitment to sustainable practices and the community, including education and development programs, charitable events and philanthropy.

This report showcases our commitment to sustainability and environmental best practices and to the communities in which we invest, live and work. I look forward to sharing our progress and the exceptional results of our corporate sustainability program throughout the year.



Armin Martens, P.Eng., MBA  
President & C.E.O.



## Property Highlight: 360 Main Street Upgrades & Curtain Wall Renewal



In 2016, Artis REIT announced plans for a significant exterior redevelopment of 360 Main Street, home to the REIT's head office and recognized as one of the most prominent buildings in downtown Winnipeg. This project will include a complete renewal of the existing curtain wall and environmental barrier to improve the functionality and efficiency of the building.

**"This is not a paint job, this is a complete re-imaging of the existing structure and is quite sustainable if you think about it. We're not tearing down a perfectly good structure, yet we're giving a brand new look to it to re-establish our presence at Portage and Main. I think that's very critical."**  
– Raymond S.C. Wan, Principal, Raymond S.C. Wan Architects

Raymond S.C. Wan Architects' design for 360 Main Street is not only showcased on Winnipeg's skyline, but also corroborates Artis' focus on sustainability; effectively reducing the

building's environmental impact by minimizing the solar heat gain on the building. Using a high-performance low emissivity coating on the glass will cause a reduction to the building's cooling costs, and will effectively promote continued success with our preferred environmental programs.

**"For the 360 Main renewal, I can say with all confidence that we are committed to maintaining an elevated standard in sustainable practices, and we do so by demonstrating our care and our protection of the environment with this renewal."** – Sue Ziemski, National Manager for Sustainability and Senior Property Manager, Artis REIT

360 Main Street is currently both LEED Gold and BOMA BEST certified. In keeping with this commitment to sustainability, every component of the existing curtain wall including the aluminum, steel and glass will be recycled.

# SUSTAINABILITY OBJECTIVES

## Performance

Practice dedication and commitment to the highest standard of social and environmental responsibility as it relates to the acquisition of assets, development and redevelopment projects and the ongoing management of the portfolio.



## Innovation

Stay current with the newest ideas and technologies for enhanced sustainability.

## Continuous Improvement

Continuous review and analysis of building efficiency to assess and adopt best practices, policies and procedures.

## Transparency

Implement systems to measure progress, keep tenants informed of sustainability initiatives and report results to stakeholders and the community.

## Community Involvement

Artis supports a number of charitable organizations through donation of our time and financial resources and through creative employee fundraising initiatives. Giving back to the communities in which we live, work and thrive has always been important to us; fundraising efforts return long-lasting benefits to society, employees, and the REIT.

organization of their choice and by organizing volunteer and fundraising events throughout the year.

In 2016, over \$2,000 dollars was raised by various employee fundraising initiatives, and distributed to seven charities, both local and national.

Volunteering is a great way to help employees achieve a healthy work-life balance while providing the opportunity to learn new skills and make a meaningful contribution to their local community and causes they're passionate about. Artis encourages its employees to get involved and give back to the community by providing all staff one paid day off per year to volunteer at a charitable

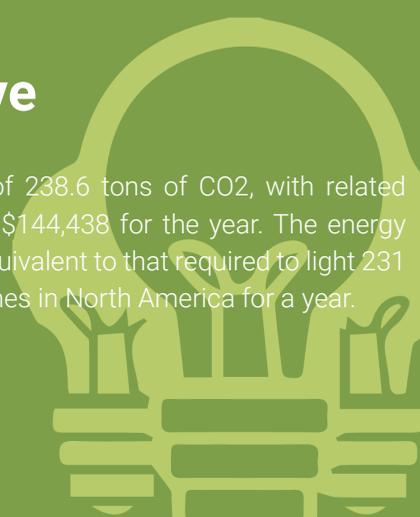
In May 2016, Artis REIT made a donation to the Canadian Red Cross and to Fort McMurray's local animal shelter to support the immediate needs of the community and assist with recovery from the impact of the wildfires.

## Lighting Replacement Initiative

In 2016, 35 properties participated in energy savings projects with an aim to reduce energy consumption by replacing old technology light fixtures with new technology LED fixtures and lamps.

reduction of 238.6 tons of CO<sub>2</sub>, with related savings of \$144,438 for the year. The energy saved is equivalent to that required to light 231 typical homes in North America for a year.

By the end of 2016, this resulted in a reduction of energy consumption by 2,774,987 kWh, a



Measured Performance in 2016



24.0% REDUCTION IN GHG EMISSIONS



7.03% REDUCTION IN WATER USE



# Investment In Our People

Artis' success is made possible by great people and great assets. With more than 200 employees in 11 cities across Canada and the United States, the REIT depends on a strong culture to achieve our business objectives.

The company recognizes that having a rewarding, fun and positive environment helps to attract and retain the best people. The corporate culture at Artis is enhanced by an array of engagement initiatives, many of which were designed based on employee feedback, including regular social events across the company and showcasing accomplishments of employees on the company intranet. There is also a dedicated health and wellness committee, who plans various fitness classes, lunch & learns and wellness challenges throughout each year.

Training and continuing education is key to the company's growth and improvement. Each full-time employee is entitled to an annual education budget of \$1,800. In 2016, 39% of Artis' workforce was approved to participate in external training and development.



In addition to external training and development initiatives, Artis has developed its own internal training program, called AX.UNiversity. In the classes, which are split into three half-day sessions, employees are given the opportunity to gain knowledge about the various departments at Artis, and learn directly from their colleagues about the value that each individual contributes to the company.

**"[In 2016] we focused our efforts on corporate training initiatives and team building opportunities both in our learning programs and wellness initiatives, we've taken care of the basics like competitive compensation, useful benefits programs and some nice perks like social committee events and healthy snack days. Now we are prioritizing long-term learning and career development tools to make sure our employees have the skills to do their jobs today and a picture of what their future with the organization might look like."**  
- Morgan Johnson, Senior Manager – Human Resources, Artis REIT



## Property Highlight: North Scottsdale Corporate Center

North Scottsdale Corporate Center II is a four-storey, Class A office building constructed in 2007. The property has earned LEED Gold Certification and an Energy Star rating of 80.

### Material & Resources

Artis has committed to purchasing mercury-reduced lamps, electric powered equipment (rather than gas powered) and to effectively recycling durable goods.

### Indoor Environmental Quality

Sustainable and green cleaning equipment is consistently used, contributing to the excellent indoor air quality at North Scottsdale Corporate Center II. In a recent occupant survey, tenant comfort scored highly thanks to a customizable lighting system which allows users to control the lighting in their space according to their needs and comfort.

### Water Efficiency

Artis uses additional indoor plumbing fixtures and fittings to increase water usage efficiency. Water performance is closely monitored and measured.



**5.71%** REDUCTION IN  
**NATURAL GAS USE**



**5.0%** REDUCTION IN  
**ELECTRICITY USE**

# Preferred Environmental Programs

Artis is committed to minimizing its carbon footprint and promoting the use of energy efficient tenant 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:

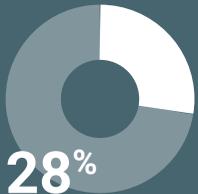


26%  
OFFICE PROPERTIES  
LEED CERTIFIED

## LEED (Leadership in Energy & Environmental Design)

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

Platinum	220 Portage Avenue - Winnipeg, MB	Silver	Heritage Square - Calgary, AB
Gold	109 Quarry Park Blvd SE - Calgary, AB	Silver	Humana Building - Glendale, AZ
Gold	360 Main & Winnipeg Square - Winnipeg, MB	Silver	MTS Call Centre Building - Winnipeg, MB
Gold	800-5th Ave - Calgary, AB	Silver	MTS Place I & II - Winnipeg, MB
Gold	Cara Foods Building - Vaughan, ON	Silver	Production Court - Burnaby, BC
Gold	GSA Professional Office Building - Phoenix, AZ	Certified	37 Quarry Park Blvd SE - Calgary, AB
Gold	MAX at Kierland - Scottsdale, AZ	Certified	3M Distribution Facility - Milton, ON
Gold	North Scottsdale Corporate Center II - Phoenix, AZ	Certified	49 Quarry Park Blvd SE - Calgary, AB
Gold	Stampede Station - Calgary, AB	Certified	Meadowvale Office - Mississauga, ON
Gold	Two MarketPointe - Bloomington, MN		



28%  
OFFICE PROPERTIES  
ENERGY STAR CERTIFIED

## Energy Star

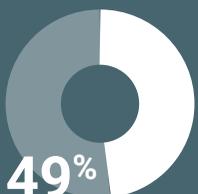
Energy Star is a voluntary U.S. Environmental Protection Agency (EPA) program that certifies buildings in the U.S. for superior energy performance.

Energy Star	488 Albert Street - Nanaimo, BC	Energy Star	800-5th Ave - Calgary, AB
Energy Star	MAX at Kierland - Scottsdale, AZ	Energy Star	Hartford Corporate Plaza - New Hartford, NY
Energy Star	220 Portage Avenue - Winnipeg, MB	Energy Star	MTS Place I - Winnipeg, MB
Energy Star	360 Main & Winnipeg Square - Winnipeg, MB	Energy Star	1700 Broadway - Denver, CO
Energy Star	6475 Metral Drive - Nanaimo, BC	Energy Star	Stampede Station - Calgary, AB
Energy Star	Two MarketPointe - Bloomington, MN	Energy Star	GSA Professional Office Building - Phoenix, AZ
Energy Star	601 Tower at Carlson - Minnetonka, MN	Energy Star	North Scottsdale Corporate Center II - Phoenix, AZ
Energy Star	MTS Call Centre Building - Winnipeg, MB	Energy Star	MTS Place II - Winnipeg, MB
Energy Star	The Point at Inverness - Englewood, CO	Energy Star	Production Court I & III - Burnaby, BC
Energy Star	109 Quarry Park Blvd SE - Calgary, AB	Energy Star	Heritage Square - Calgary, AB
Energy Star	Humana Building - Glendale, AZ		

## BOMA (Building Owners and Managers Association Building Environmental Standards)

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.

BOMA BEST Gold	220 Portage Avenue - Winnipeg, MB	BOMA BEST Bronze	417-14th Street Building - Calgary, AB
BOMA BEST Gold	360 Main & Winnipeg Square - Winnipeg, MB	BOMA BEST Bronze	Britannia Building - Calgary, AB
BOMA BEST Gold	415 Yonge Street - Toronto, ON	BOMA BEST Bronze	Campana Place - Calgary, AB
BOMA BEST Gold	800-5th Ave - Calgary, AB	BOMA BEST Bronze	Centre 70 Building - Calgary, AB
BOMA BEST Gold	Cancross Court - Mississauga, ON	BOMA BEST Bronze	Hillhurst Building - Calgary, AB
BOMA BEST Gold	Concorde Corporate Centre - Toronto, ON	BOMA BEST Bronze	Production Court II - Burnaby, BC
BOMA BEST Gold	MTS Place I - Winnipeg, MB	BOMA BEST Certified	109 Quarry Park Blvd SE - Calgary, AB
BOMA BEST Gold	Stampede Station - Calgary, AB	BOMA BEST Certified	37 Quarry Park Blvd SE - Calgary, AB
BOMA BEST Silver	Birchcliff Energy Building - Calgary, AB	BOMA BEST Certified	49 Quarry Park Blvd SE - Calgary, AB
BOMA BEST Silver	Canadian Centre - Calgary, AB	BOMA BEST Certified	ADT Building - Calgary, AB
BOMA BEST Silver	Centre 15 Building - Calgary, AB	BOMA BEST Certified	Alpine Building - Calgary, AB
BOMA BEST Silver	Dunwin Portfolio - Mississauga, ON	BOMA BEST Certified	Bower Centre - Red Deer, AB
BOMA BEST Silver	Eau Claire Place II - Calgary, AB	BOMA BEST Certified	Heritage Square - Calgary, AB
BOMA BEST Silver	Ford Tower - Calgary, AB	BOMA BEST Certified	Maynard Technology Centre - Calgary, AB
BOMA BEST Silver	MTS Place II - Winnipeg, MB	BOMA BEST Certified	McCall Lake Industrial - Calgary, AB
BOMA BEST Silver	Production Court I - Burnaby, BC	BOMA BEST Certified	Millennium Centre - Red Deer, AB
BOMA BEST Silver	Production Court III - Burnaby, BC	BOMA BEST Certified	MTS Call Centre Building - Winnipeg, MB
BOMA BEST Silver	Sierra Place - Calgary, AB	BOMA BEST Certified	North City Office - Edmonton, AB



49%  
OFFICE PROPERTIES  
BOMA BEST CERTIFIED



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# SUSTAINABILITY GOALS

## Promote Comfort & Safety

Artis strives to provide a clean environment and attentive building management at all of its properties, as well as adequate and efficient lighting in parkades and parking lots.

## Conserve Energy

Artis continuously makes efficiency improvements at its properties and works with its tenants to facilitate their energy conservation needs, contributing to lowered emissions and reduced energy use. In addition, sustainability is a key consideration in Artis' design and development of new real estate.

## Improve Technology

Artis employs leading edge technologies where possible, including in the modernization of older buildings.

While Artis continually improves its properties to enhance the tenant experience, management always looks to do so in a way that will reduce the building's environmental footprint over the long term. Many of Artis' continuous improvement initiatives focus on sustainability and energy reduction strategies to ensure buildings are as efficient as possible. As buildings are upgraded and equipment is replaced, its done with technology that promotes energy efficiency and best practices.

