



SUSTAINABILITY REPORT

2017



A Message from the President & Chief Executive Officer

At Artis, we have valued corporate sustainability for many years, and are pleased to release our third annual Sustainability Report. As one of our core strategies, we believe that promoting and investing in environmentally sustainable assets makes good business sense.

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.

We value three globally recognized programs, LEED®, BOMA BEST and Energy Star, to measure and maintain a high standard of sustainability. Each of these 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 Cara Foods Building, located in Vaughan, Ontario, and celebrate

the achievements of 360 Main Street and 333 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 Community Involvement and Investment in Our People sections outline initiatives we have implemented to demonstrate and reinforce our commitment to our community. We believe it is important to support the personal values of our employees, while promoting practices which are sustainable for the communities in which we invest, live and work, including education and development programs, charitable events and philanthropy.

Corporate sustainability will continue to be a focus at Artis. We continue to demonstrate 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. 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: **Cara Foods Building**



Cara Foods Building is a two-storey office building constructed in 2008. The property has earned LEED Gold Certification and an Energy Star Rating.

Material & Resources

During the construction of the Cara Foods Building, Artis' management diverted 75% of construction waste from the landfill and used at least 15% recycled and 20% regional materials.

Indoor Environmental Quality

The Cara Foods Building offers natural light in 75% of the spaces, enhancing tenant comfort and well-being. Low-emitting materials such as carpet, paints, composite wood, laminate and green cleaning products are used, ensuring superior indoor air quality is maintained.

Water Efficiency

Artis' management uses water efficient landscaping at the Cara Foods Building and has achieved a 30% reduction over similar newly constructed buildings. Water performance is closely monitored and measured.

Investment In Our People

Artis recognizes that its 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 positive and productive culture to achieve its business objectives.

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. The company recognizes that having a rewarding, fun and positive environment helps to attract and retain the best people. There is also a dedicated health and wellness



committee, who plans various fitness classes, lunch & learns and wellness challenges throughout each year.

"In 2017 we really ramped up our wellness programming initiatives, reaching a broader group of employees and providing a greater variety of activities" said Lisa Carriere, Chair of the Health & Wellness Committee, Artis REIT. "We've had a successful wellness program since 2014, and with the years of experience, we have been able to speak to staff and learn what they desire in an employee wellness program. This has helped us to achieve greater participation, as well as greater health and happiness of our employees."

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 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 employee contributes to the company.

Community Involvement

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. Artis supports a number of charitable organizations through donation of our time and financial resources and through creative employee fundraising initiatives.

In 2017, over \$2,600 dollars was raised by various employee fundraising initiatives, and distributed to seven charities, both local and national.

In addition to these efforts, programs such as a transit subsidy, office recycling, e-waste day, school supply donation drives, and

hazardous material pick-up events create a culture of sustainability in our workplaces and at our properties.

Artis encourages its employees to give back to the community by providing all staff one paid day off per year to volunteer at a charitable organization of their choice and by organizing volunteer and fundraising events throughout the year. 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 the causes they're passionate about.



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.



Continuous Improvement

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

Innovation

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

Transparency

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



Measured Performance



17.0% OF PROPERTIES
HAVE AT LEAST ONE DESIGNATION
FROM OUR PREFERRED PROGRAMS



25.0% REDUCTION IN
ELECTRICITY USE IN OUR LEED
CERTIFIED BUILDINGS

Property Highlight: **360 Main Street and 333 Main Street win big at First Annual Manitoba Race to Reduce Awards**

In 2017, Artis REIT joined Manitoba's First Annual Race to Reduce competition, further demonstrating its commitment to sustainability and promotion of community events. The Manitoba Race to Reduce is a four-year energy challenge, with a goal of reducing total energy use by 10% in participating commercial buildings.

At the award ceremony commemorating the end of the first year of the challenge, five awards were presented to celebrate the energy reduction milestones that took place in the first year of the Manitoba Race to Reduce Challenge. Artis REIT buildings won the following three awards:

- **Largest Energy Reduction – 360 Main Street**

Awarded to the building that saved the largest amount of energy in the first year of the race

- **Most Improved Energy Use – 360 Main Street**

Awarded to the building that reduced its energy use by the largest proportion compared to their consumption in 2016

- **Most Improved Energy Use Intensity – 333 Main Street**

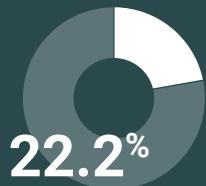
Awarded to the building that reduced its energy use intensity the most compared to 2016

360 Main Street is currently LEED Gold and Energy Star certified, and 333 Main Street is LEED Silver and Energy Star certified.



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:



OFFICE PROPERTIES
ARE 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	Bell MTS Call Centre Building - Winnipeg, MB
Gold	Centrepoint - Winnipeg, MB	Silver	Bell MTS Place I & II - Winnipeg, MB
Gold	360 Main & Winnipeg Square - Winnipeg, MB	Silver	Production Court - Burnaby, BC
Gold	800-5th Ave - Calgary, AB	Certified	3M Distribution Facility - Milton, ON
Gold	Cara Foods Building - Vaughan, ON	Certified	Meadowvale Office - Mississauga, ON
Gold	GSA Professional Office Building - Phoenix, AZ		
Gold	MAX at Kierland - Scottsdale, AZ		
Gold	North Scottsdale Corporate Center II - Phoenix, AZ		
Gold	Stampede Station - Calgary, AB		
Gold	Two MarketPointe - Bloomington, MN		
Silver	Heritage Square - Calgary, AB		



OFFICE PROPERTIES
ARE BOMA BEST

BOMA (Building Owners and Managers Association Building Environmental Standards)

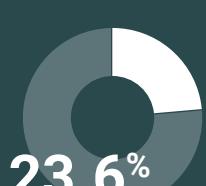
BOMA or the Building Owners and Managers Association promotes energy efficiency and sustainability for new and existing buildings by assigning certification levels based on achievement of energy targets.

Gold	800-5th Ave - Calgary, AB	Bronze	Campana Place - Calgary, AB
Gold	Concorde Corporate Centre - Toronto, ON	Bronze	Centre 70 Building - Calgary, AB
Gold	Stampede Station - Calgary, AB	Bronze	Hillhurst Building - Calgary, AB
Silver	630-4th Ave - Calgary, AB	Certified	ADT Building - Calgary, AB
Silver	Centre 15 Building - Calgary, AB	Certified	Alpine Building - Calgary, AB
Silver	Eau Claire Place II - Calgary, AB	Certified	Bower Centre - Red Deer, AB
Silver	Sierra Place - Calgary, AB	Certified	Heritage Square - Calgary, AB
Bronze	417-14th Street Building - Calgary, AB	Certified	Maynard Technology Centre - Calgary, AB
Bronze	Britannia Building - Calgary, AB	Certified	McCall Lake Industrial - Calgary, AB

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.

Bell MTS Call Centre Building - Winnipeg, MB	800-5th Ave - Calgary, AB
Hartford Corporate Plaza - New Hartford, NY	MAX at Kierland - Scottsdale, AZ
Heritage Square - Calgary, AB	220 Portage Avenue - Winnipeg, MB
360 Main & Shops of Winnipeg Square - Winnipeg, MB	North Scottsdale Corporate Center II - Phoenix, AZ
6475 Metral Drive - Nanaimo, BC	601 Tower at Carlson - Minnetonka, MN
Production Court - Burnaby, BC	The Point at Inverness - Englewood, CO
Bell MTS Buildings I & II - Winnipeg, MB	
Stampede Station - Calgary, AB	
GSA Professional Office Building - Phoenix, AZ	
Two MarketPointe - Bloomington, MN	



OFFICE PROPERTIES ARE
ENERGY STAR 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, it's done with technology that promotes energy efficiency and best practices.