

# 2021

## Environmental, Social & Governance Report



# Where value investing meets investors with values

## ABOUT THIS REPORT

### Reporting Framework, Scope and Period

This report has been prepared with reference to the GRI standards and presents the material issues and impacts of our ESG activities for the period between January 1, 2021, and December 31, 2021.

Throughout this report, “Slate” or the “Firm” refers to Slate Asset Management L.P.

All currency is in Canadian dollars unless otherwise noted.

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# LETTER TO STAKEHOLDERS

At Slate, delivering value to our investors goes hand in hand with creating spaces where people want to be – where tenants, communities and employees can thrive. Slate has long understood the value of owning real assets that remain resilient in the face of economic and environmental changes. Over the last two years, we have seen COVID-19 catalyze a paradigm shift in how many of us live, work, and play, all set against the backdrop of global climate change.

The case for environmental, social and governance leadership in the real estate industry has never been more clear. Approximately 40 percent of global CO<sub>2</sub> emissions come from buildings<sup>1</sup>. To meet the climate commitments of the Paris Agreement, buildings will have to achieve net zero emissions by 2050. While the real estate sector explores strategies to reduce emissions, we must also examine how to adapt our existing properties to be resilient in the face of climate change impacts, and more frequent and extreme weather events, such as flooding, hurricanes or heatwaves, many of which we are already experiencing on a seasonal basis. In anticipation, the sector can expect to see tightening regulation and stricter and more ambitious building code requirements.

Increasingly, investors are evaluating their exposure to climate risk as they allocate capital. Demands for energy efficiency and green technologies in the built environment are increasing, and “green leases,” which include environmental performance criteria, are becoming more common. Green buildings, those that use recycled and low carbon construction materials and prioritize water and energy efficiency, are increasingly in demand.

Equally, investors, tenants and customers want to know how real asset owners are making a positive social impact. There is an expectation to not only manage and minimize our environmental impact, but also ensure our buildings are providing comfortable and safe environments that support tenant and local community health and wellbeing. High standards of integrity and governance are critical. They underpin good environmental and social performance across our investments and are reflected in our corporate social responsibility approach.

Demonstrating ESG leadership requires commitment to ongoing improvement and innovation. In 2020, we published our first summary 2019 ESG Report, which provided an initial overview of the ESG initiatives underway across our firm. Since then, we have taken significant steps to further strengthen and formalize our approach, with measures and actions that have further strengthened our

commitments to ESG. We believe that managing our environmental and social impacts, together with strong governance, will help us to continue to realize the full potential of our partners’ capital.

Climate change represents a significant challenge to the real estate sector, requiring urgent action to find solutions through available technologies. With our deep real estate knowledge and expertise, Slate has begun exploring the role of resource efficient and low-carbon infrastructure in 2022. Our intention is to create and launch an investment strategy that will invest, in part, in proven technology solutions that drive reductions in carbon emissions. We plan to deploy these technologies across our own real estate assets.

We appointed Slate’s first Global Head of ESG, Bozena Jankowska, who brings nearly two decades of experience at the intersection of finance and sustainability to our firm. In late 2021, we began reviewing our existing ESG Policy, which resulted in the launch of a more ambitious iteration early in 2022, committing Slate to embed industry leading ESG strategies and practices across our entire business. The Policy identifies the material issues facing our business, commits us to take action to address them and sets out a framework for ESG integration, governance and reporting. Critically, it also links remuneration to ESG outcomes.

Our immediate implementation priorities include creating the Slate ESG Committee, which will oversee the development and implementation of our ESG framework and roadmap across Slate business lines to ensure a consistent global approach. Early efforts will focus on establishing a performance baseline with the collection of data necessary to measure our environmental and social performance going forward. This includes understanding physical climate change risks for existing properties and new acquisitions, and establishing consistent mechanisms for measuring energy, water, waste and CO<sub>2</sub> emissions across our properties. We are also evaluating our diversity and inclusion initiatives and developing new ESG disclosure and training. When it comes to social impacts, we are engaging with tenants, property managers and local communities to identify areas for improvement, including the introduction of green lease clauses and ESG requirements for property managers.

Getting this right means listening to our stakeholders’ ideas and aspirations, and understanding how we can contribute to building stronger, more resilient communities. We are confident that a consistent approach to ESG will further

enhance the value we provide to you, our investors, and partners, by reducing our environmental impact, creating sustainable spaces where tenants and communities thrive, and creating a superior culture and work environment for our team members.



**Brady Welch and Blair Welch,**  
FOUNDING PARTNERS  
SLATE ASSET MANAGEMENT



<sup>1</sup> Why The Building Sector? – Architecture 2030 : <https://architecture2030.org/why-the-building-sector/>



# CORPORATE OVERVIEW



SLATE BY THE NUMBERS as at December 31, 2021

**\$10B**  
ASSETS UNDER MANAGEMENT

**497**  
PROPERTIES

**31.9M**  
SQ.FT. of GROSS LEASABLE AREA

**120**  
EMPLOYEES

**12**  
GLOBAL OFFICES

**SOT.UN**  
**SGR.UN**  
LISTED ON TSX

Slate Asset Management is a privately-held, global alternative investment platform targeting real assets. Since its inception in 2005, Slate has applied a value-oriented and hands-on approach to asset management, earning the reputation of a best-in-class investor and establishing a proven track record of delivering attractive returns.

Slate has over \$10 billion in assets under management in North America and Europe. Slate's investment platform is centered around four pillars with thematic strategies spanning the risk spectrum from core-plus to opportunistic:

- Real Estate – Slate directly invests in real estate assets where our vertically integrated team controls and manages all aspects of an investment. Slate has a fully integrated in-house development team with capabilities spanning the entire spectrum of residential and commercial development.
- Real Estate Credit – Bridge and transitional lending, acquisition and restructuring of loans, debt securities and flexible liquidity solutions to strong sponsors across all asset classes.
- Securities – Our long-only strategy investing in real assets via non-controlling public and private securities.
- Infrastructure – Slate is launching our infrastructure strategy in 2022, targeting assets central to global energy transition and GHG reduction.

# OUR ESG STRATEGY

## An ESG Strategy Built to Last

In the time since Slate published its first summary ESG report in 2020, there has been a dramatic shift in global perceptions and expectations surrounding ESG performance and reporting. Investors in public markets, as well as private capital, are asking for greater rigor and transparency on ESG. Business owners and corporate boards increasingly recognize that demonstrating strong ESG performance is now table stakes for any leading organization. Meanwhile, consumers are demanding more of the companies and brands they support.

Slate's objective of creating long-term value for its investors and partners is intrinsically tied to our goal of creating spaces where people thrive, by contributing to our communities and working towards enhanced environmental resiliency. We believe that integrating ESG factors across our business will enable us to better manage investment, operational and reputational risks. It also has the potential to open new areas of opportunity for our firm.

In 2021, we began to formalize our approach to ESG, leveraging the knowledge of third-party experts and consulting widely within the firm. This led to the development of an ambitious ESG roadmap. We hired a Global Head of ESG to lead on this and to develop an approach and framework for the implementation of the ESG roadmap across Slate, starting with a review of our ESG Policy and approach.

Our ESG strategy is embedded within our ESG roadmap. It applies to Slate's global operations and investment activities – including our employees, business partners, tenants and service providers – and aims to formally embed leading ESG strategies and practices across our footprint. It will ensure that we identify and manage material issues for each of our investments over the course of their entire life cycle. All teams, across all business lines, share in the responsibility for championing ESG factors.

### ESG Performance and Reporting Framework

In late 2021, we began the process of establishing a more robust internal ESG data collection and reporting framework that will support tracking, and ultimately reporting, our performance on key ESG metrics to meet the EU Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy disclosure requirements, the Global Real Estate Sustainability Benchmark (GRESB) and the Taskforce for Climate Related Financial Disclosures (TCFD).

To support this level of disclosure, Slate is in the process of implementing a comprehensive monitoring and data collection framework that will enable us to:

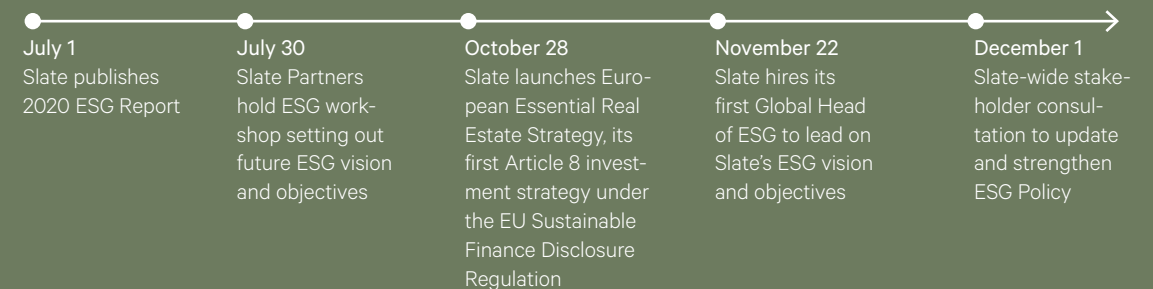
- Establish baseline ESG performance
- Review and set ESG commitments and targets
- Monitor progress and performance
- Develop an ESG management and improvement plan for properties
- Expand and enhance external ESG reporting

Data collection priorities for all properties include:

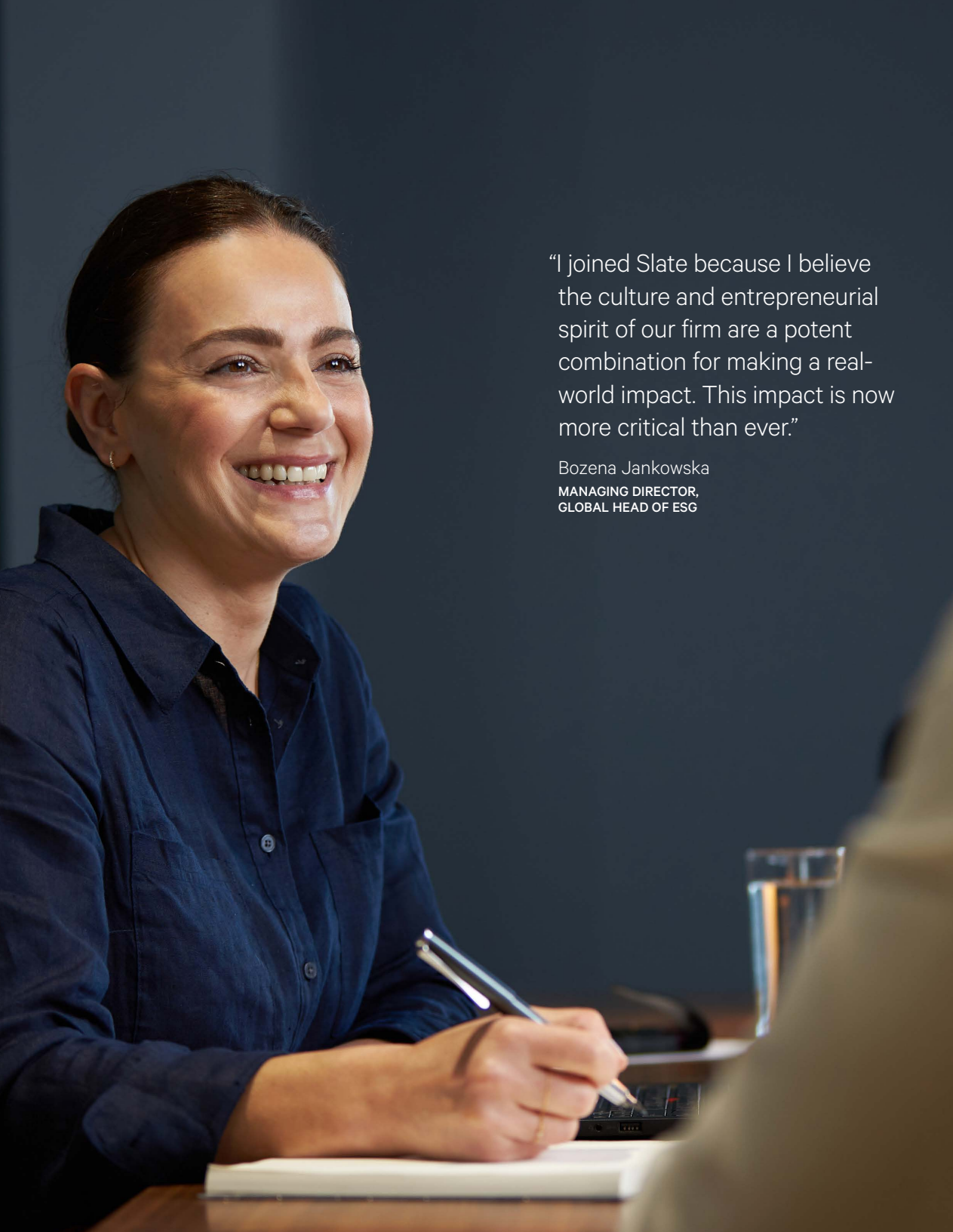
- Energy consumption
- Carbon emissions
- Physical climate risks
- Climate transition risks
- Water consumption
- Waste generation



## 2021 ESG TIMELINE







“I joined Slate because I believe the culture and entrepreneurial spirit of our firm are a potent combination for making a real-world impact. This impact is now more critical than ever.”

Bozena Jankowska  
MANAGING DIRECTOR,  
GLOBAL HEAD OF ESG

## CHARTING A COURSE FOR ESG LEADERSHIP

Since we published our first ESG report, the world has been forced to confront a devastating pandemic. COVID-19 revealed widening social and economic divides in a climate constrained world. Many of our societal inequities and shortcomings have been exposed, and the “new normal” calls for the creation of a more sustainable economy. This has crystallized in a global shift where investors, employees, and consumers have defined a new set of priorities which will reset the “business-as-usual” model for society, the environment and the economy.

In this context, ESG requirements are evolving rapidly, and we believe Slate has an enormous opportunity to make a tangible, real world impact. We are in the business of working with real assets – spaces where people live, work and play – which have the power to help influence individual behaviours. We can improve energy efficiency and reduce the carbon footprint of our buildings, while supporting the rollout of green infrastructure such as electric vehicle charging stations. We can make a powerful social impact in our communities through neighborhood revitalization and prioritizing local hiring and diverse supply chains. You will find a number of case studies that illustrate the impact we can have throughout this report.

One of the biggest challenges facing Slate, as well as the real estate sector more broadly, is the development of a practical roadmap for achieving net zero emissions in the built environment. Slate’s entrepreneurial DNA and creative approach to problem solving will be a vital asset in this regard. One of our most valued attributes is the ability to

create opportunities. A great example of this is our Cities and Communities Impact Infrastructure Strategy (launched in 2022), which will target infrastructure assets that advance the global energy transition and drive a shift to a lower carbon economy in cities and communities. Through this strategy, we’ll be deploying proven and scalable technologies and deep sector expertise to create buildings and spaces that are fit-for-purpose in a carbon constrained world.

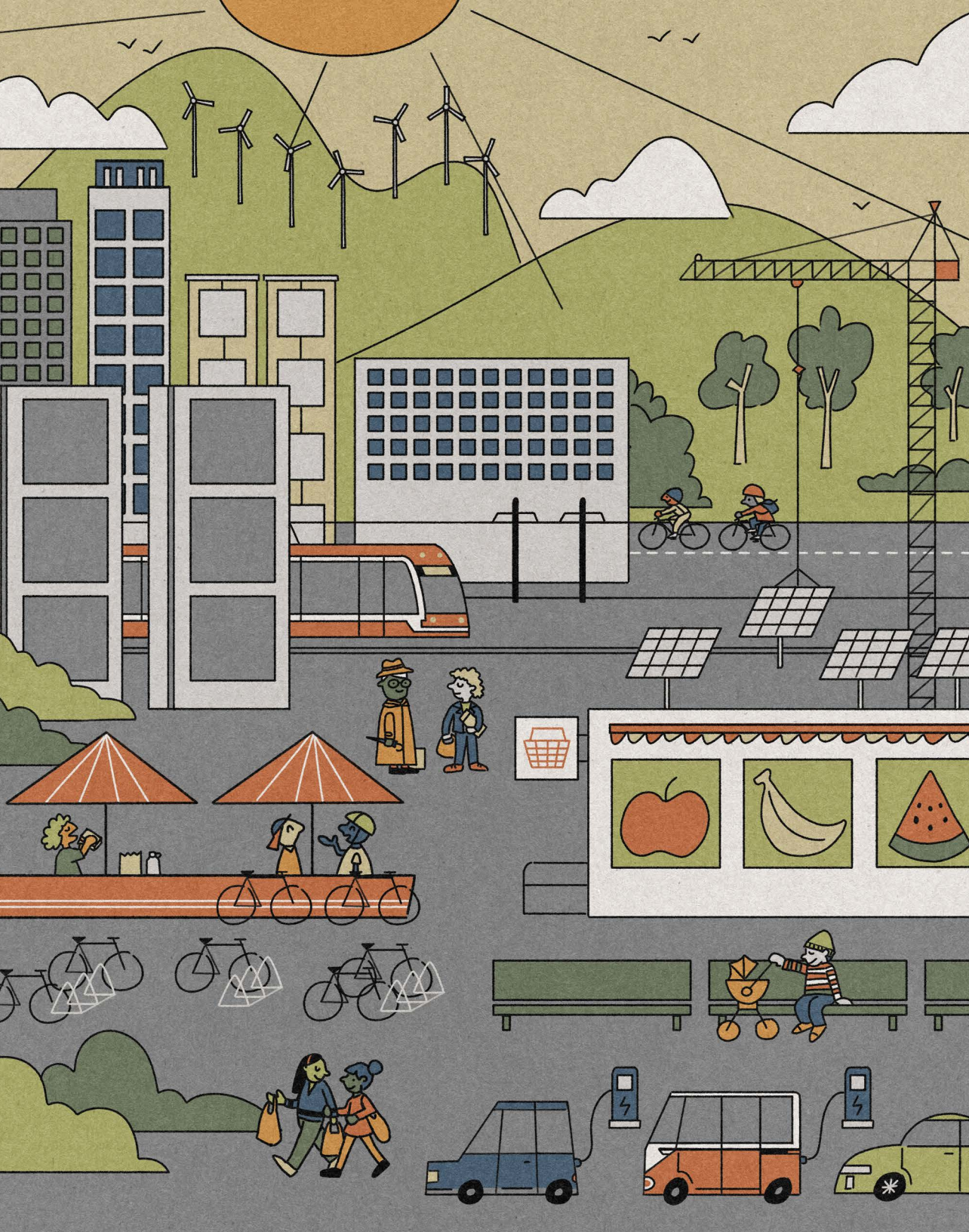
While ESG principles have long been at the heart of Slate’s operating model, we are in the early stages of formalizing and implementing an ESG strategy that will be consistently and rigorously applied to all areas of the business. The adoption of an even more ambitious ESG Policy, supported by a clear ESG strategy and roadmap for implementation, has created a solid foundation and renewed momentum as we move ahead on our ESG journey.

We know that we have the support of Slate’s partners, employees and investors, who understand our vision for ESG leadership and are actively backing us on our journey.

We look forward to sharing our progress with you as we move forward on the implementation of our ESG roadmap.

**Bozena Jankowska**  
MANAGING DIRECTOR,  
GLOBAL HEAD OF ESG





# CLIMATE CHANGE

## Climate Change is the Biggest Global, Systemic Challenge We Face

There is a clear need for innovative, scalable, and immediate solutions. The effects are already being felt across the world.

The real estate sector is a major global carbon contributor, with approximately 40 percent<sup>2</sup> of carbon emissions attributable to the running and operation of buildings alone. At the same time, real estate assets are at risk from extreme climate related weather events, given their permanence.

<sup>2</sup> Why The Building Sector? – Architecture 2030:  
<https://architecture2030.org/why-the-building-sector/>

Proactively managing our climate change risks and identifying opportunities have a number of key benefits. These include:

- Reducing regulatory and reputational risk;
- Sharing costs and savings with tenants;
- Reducing the risk of stranded assets; and
- Improving asset value and desirability.

### OUR APPROACH

#### Identifying Risks

- Identifying and analyzing physical climate change risks, as well as energy transition risks, and opportunities in investment decisions and underwriting
- Improving the resilience of our buildings to extreme weather events
- Incorporating climate change and greenhouse gas reduction considerations into risk management and asset management activities across the firm
- Evaluating climate change related opportunities and risk mitigation with property managers, tenants, development teams and borrowers

#### Monitoring Impacts

- Measuring direct greenhouse gas emissions (Scope 1), purchased energy-related emissions (Scope 2), and engaging with tenants to track other indirect (Scope 3) greenhouse gas emissions

#### Taking Action

- Evaluating and reducing greenhouse gas emissions compared to industry benchmarks
- Implementing low-emitting technologies in development design and retrofits, and energy efficiency improvements in lending business plans
- Incorporating requirements in property manager agreements and tenant leases that include energy efficiency cost sharing, performance data sharing and climate change preparedness policy and procedures

◀ Slate partnered with emerging artist Catherine Chan on the illustrations throughout this report. Learn more on page 11.



## Collecting ESG Data

Effective management of ESG risk is underpinned by robust baseline data. Understanding where risks lie across our portfolio, and how significant they are, is a vital first step. In the latter half of 2021, Slate began the development of a plan in the form of an ESG roadmap, to serve as the foundation for Slate's future ESG strategy.

With input from one of Canada's leading management consultancy firms specializing in sustainable finance, Slate held an Executive ESG Workshop in July, attended by Slate Partners, during which Slate's ESG priorities were identified. Over the following months, Slate fleshed out an ambitious and detailed ESG Roadmap, which laid out its key ESG priorities, actions and implementation timetable, starting in December 2021.

One of the core elements of the ESG roadmap, and one of the first priorities, was establishing systems for the monitoring and collection of energy, water and waste data across our portfolio properties. This will provide Slate with critical baseline data, allowing the firm to begin setting future ESG performance targets across portfolios and individual assets.

### Carbon Emissions Data

In December 2021, we began to implement our plan for standardizing data collection across Slate. Starting with measuring energy performance and establishing baseline carbon emissions, Slate will be able to evaluate, benchmark and set targets for carbon reduction programs and identify future opportunities across portfolio properties.

### Physical Climate Risk Assessment

Embedding climate risks in investment decisions has long been a consideration for Slate. The physical effects of climate change pose risks to real assets – causing property damage or disrupting tenant operations. Understanding our properties' exposure and future resilience to climate risks is critical. Slate is taking action to enhance its approach to assessing these risks by adopting established, third-party, forward-looking climate models. The goal is to embed this analysis into the firm's acquisition and asset management processes in 2022.

## CASE STUDY

### Embodied Carbon Approach Cuts Emissions at New Toronto Development

Slate's development strategy has always prioritized transit-oriented opportunities in major metro areas. Buildings with good access to public transit are highly valued by commercial tenants and residents alike. These properties encourage the use of more sustainable and lower carbon modes of transportation.

But often the design and construction of the building itself has the biggest impact on its carbon footprint. Slate's 1 St. Clair West redevelopment in Toronto's Yonge & St. Clair neighborhood dramatically limited the carbon footprint of the project by evaluating the impact of various design and construction decisions on the development's embodied carbon. Slate was able to retain 69 percent of the embedded carbon through a selective demolition and retention strategy.

The strategy was to keep most of the existing structure, rather than just the façade, which is more typical of heritage preservation in Toronto. A Slate commissioned study conducted by Gensler, a global design and architecture firm, found that the existing structure and building cladding contains more than one million kilograms of embedded carbon. The study further found that Slate's adaptive reuse approach – in contrast to new construction – saves 730,500 kilograms of embedded carbon. This volume of carbon is equivalent to 5,200,000 kilometers of airline travel saved.

Slate retained the existing structure at 1SCW, keeping the cultural and aesthetic attributes of the building intact and preserving neighborhood architecture. The building's distinctive and elegant design is characteristic of the versatility of precast concrete in the 1960s and is representative of the range of modernist office buildings associated with this material and style in Toronto. It also played an important role in the creation of Yonge & St. Clair as an office node outside of the downtown core and helped shape the distinctive "canyon-like" built form of the area.

The plan enables Slate to have a larger podium than would typically be permitted for new construction (as per the City of Toronto's Tall Building Guidelines). This will greatly enhance the public realm by providing more open space, drastically improve pedestrian safety, and will allow for more benches and landscaping.

The development includes the construction of over 300 new residential units along a major transit corridor, helping to curb urban sprawl and reduce dependence on cars, as reflected by the minimal amount of parking proposed for the development. It also modernizes outdated and undesirable office areas into spaces that will attract high-quality tenants that will provide exciting, well designed office space for employees. The office space is highly accessible, with proximity to low-emission public transit for employees.

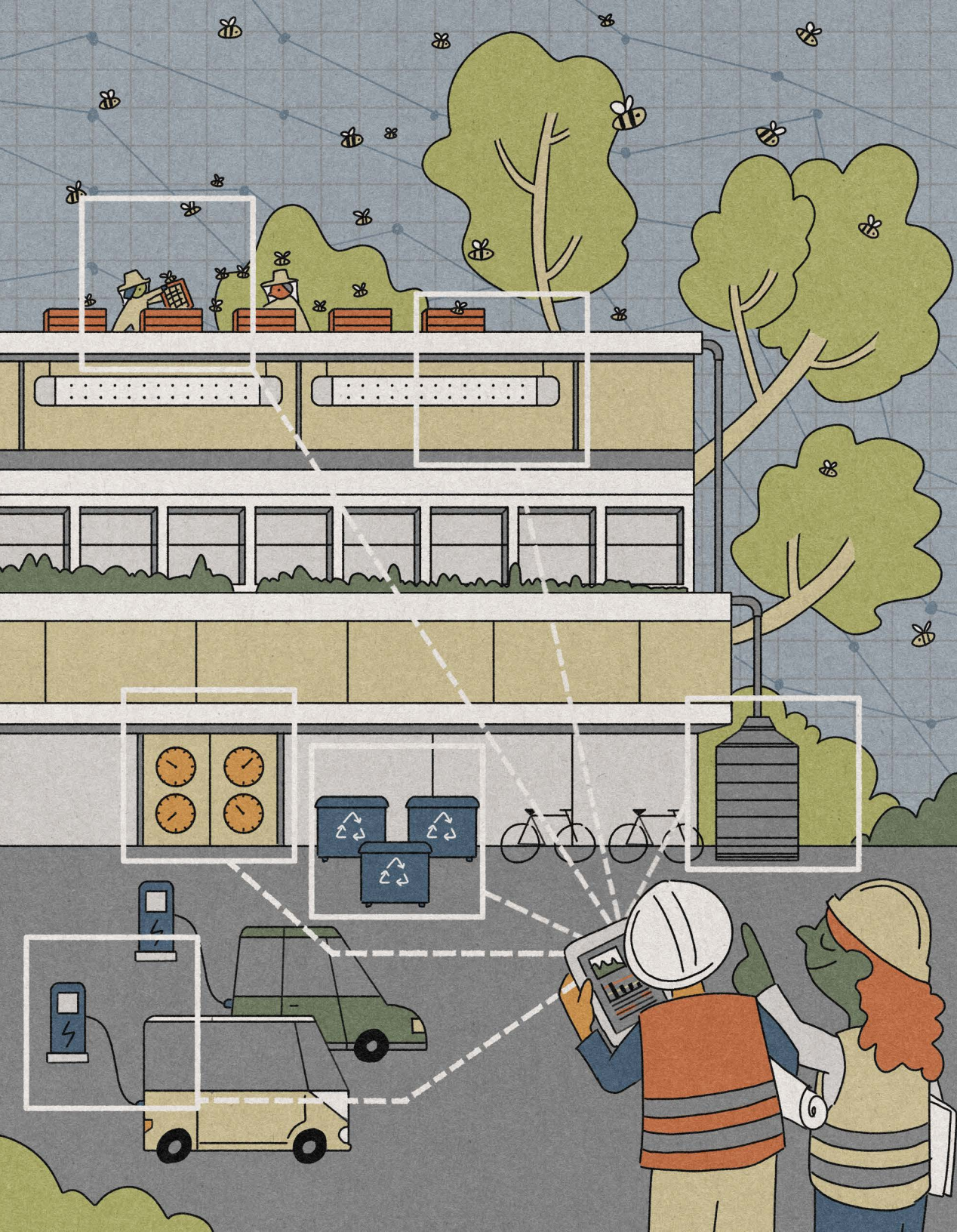
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Slate's adaptive reuse saves 730,500 kilograms of embedded carbon.

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# RESOURCE EFFICIENCY

## Building Resource Efficiency Into Our Business

By managing environmental impacts and achieving efficiency gains, Slate aims to maintain and build a portfolio of efficient and resilient buildings that serve our tenants, local communities and the environment. At our existing properties and developments, we strive to monitor and reduce energy, water consumption and waste to landfill.

Our focus on resource efficiency extends beyond the four walls of our buildings. We consider opportunities to enhance biodiversity and habitats around our properties and new developments. We support environmental leadership and innovation by seeking out and investing in environmental technologies and partnerships that will benefit buildings, tenants and communities.

This approach allows us to pursue and achieve green building certifications, which provide our stakeholders with

added assurance that Slate's buildings represent a commitment to environmental management and sustainability.

In addition to managing energy, water, waste and biodiversity at our own properties, we are pursuing sustainable and green lending principles in our debt investments, and where possible, incorporating green lease concepts into our tenancy agreements.

### CASE STUDY

#### Rooftop Beekeeping

As a way to continue to engage with our tenants and provide them with exciting, sustainability-focused experiences, we have continued to evolve and expand our partnership with Alvéole Rooftop Beekeeping, a turnkey urban beekeeping service. With much of the world today residing in metropolitan areas, the urban beekeeping initiative works to enhance biodiversity and integrate nature back into the cityscape by utilizing unused rooftop space for beehives. In addition to promoting bee populations, the hives produce ultra-local urban honey, opening the door for businesses and tenants to further increase urban agriculture. Today, we have eight rooftop honeybee hives across four Slate-owned properties in Canada, specifically within our Slate Office REIT and Yonge & St. Clair portfolios, which house approximately 80,000 bees.

In 2021, the partnership produced a number of impactful results for our buildings, tenants and the surrounding communities. Alongside the Alvéole team, Slate hosted two beekeeping and

informational workshops for our tenants over the year to promote sustainable involvement and hands-on interaction with the building's hives. Using the beehives as a demonstration, we can facilitate broader discussions on sustainability within Slate's portfolio and beyond.



*Beehives at participating Yonge + St. Clair Slate-owned buildings produced 13,440 grams of urban ultra-local honey.*



CASE STUDY

### Engaging Our European Grocery Tenants On Resource Efficiency

Across Slate’s European essential real estate portfolios, major anchor tenants share Slate’s ESG vision and goals. They have well established sustainability programs and strategies – some spanning 10 years – which include ambitious climate change targets across properties leased from Slate. Most tenants are responsible for building out and retrofitting properties leased from Slate, including managing their own power purchase and utility contracts.

One major anchor tenant has reduced their greenhouse gas emissions per square meter by 50 percent from 2006 levels across their retail spaces in 2020, whereas another major anchor tenant reduced their building related Scope 1 and Scope 2 emissions by 27 percent from 2017 levels.

Most major tenants have a strong focus on energy efficiency and energy management across stores. Examples include retrofitting stores with LED lighting and energy efficient refrigeration, implementing company-wide energy management systems and installing smart meters in stores and warehouses that facilitate central, real-time monitoring of energy usage.

Some grocery anchor tenants have ambitious investment plans to improve the sustainability of their stores and logistics centres. Sourcing low carbon energy sources to power stores, installing renewable energy and e-mobility infrastructure at locations such as charging stations for electric vehicles and bikes.

As Slate continues to evolve its ESG commitments and strategies, engaging with tenants to align common goals will be key. Data collection on resource efficiency – energy, water and waste – will be critical to enable Slate to measure and establish baseline performance and set future resource efficiency targets across its property portfolios and in partnership with tenants. Over 2022, Slate plans to engage with anchor tenants on their ESG programs and the all-important exchange of energy, waste and water data to help with performance monitoring and reporting.



Grocery properties in Norway (top) and Germany (bottom), part of Slate’s European Essential Real Estate Portfolio

CASE STUDY

### The First Blockchain-Based, Electric Vehicle-to-Building Pilot in Canada

Using innovation and entrepreneurial thinking to solve critical challenges is embedded in Slate’s DNA. That kind of thinking led Slate to partner with IBI Group and SWTCH Energy on a pilot project to explore the viability of vehicle-to-grid charging technology in multi-tenant commercial buildings.



Launched in 2021, this clean energy pilot aims to improve the electric vehicle (EV) charging landscape in North America by addressing the barriers to EV adoption and creating an energy distribution model that benefits both building and EV owners.

The three-year pilot, located at Slate-owned 55 St. Clair West in Toronto, demonstrates how commercial building owners can accommodate the growing demand for EV charging stations while simultaneously improving the building’s energy efficiency and reducing operational costs.

As electric vehicles gain popularity and adoption, the question of how to accommodate a rise in EV charging infrastructure without additional strain on the electrical grid is becoming increasingly urgent. Vehicle-to-grid technology allows buildings to draw energy from parked EVs during on-peak hours rather than the grid. During the pilot, a parked Nissan Leaf will store energy during off-peak hours and redistribute that energy to the building and the EV chargers in use, creating an energy flow that is cost-effective and environmentally sustainable.

The technology and model developed by SWTCH is unique as it includes a financial incentive for EV owners to participate in the program by leveraging the blockchain. The SWTCH app tracks when energy is being drawn from a car’s battery and when it’s being charged, creating a history of credits and debits securely managed through blockchain technology that participants can monitor on their phones.

By proving up this innovative charging and energy management solution, Slate and its partners hope to significantly reduce the cost of EV charging infrastructure and materially enhance grid efficiency.

SWTCH charging system at 55 St. Clair West, Toronto, Canada





## SOCIAL IMPACT

### Making a Lasting Community Impact

As an owner and developer of real assets where people live, work and shop, Slate has an opportunity to support the creation of resilient, safe, and sustainable communities in collaboration with tenants and stakeholders.

Our investments have the potential to enhance quality of life and support community revitalization through repositioning or redevelopment of deteriorating assets, and the development of unused or underused spaces to elevate the physical infrastructure, culture, reputation and aesthetic of neighborhoods.

To do this, we engage with tenants, communities, and other stakeholders to evaluate activities and investments that support their aspirations and goals for the neighborhood.

Our activities seek to support economic development and revitalization by prioritizing local skills, job creation and opportunities, and the growth of local and regional businesses and diverse supply chains.

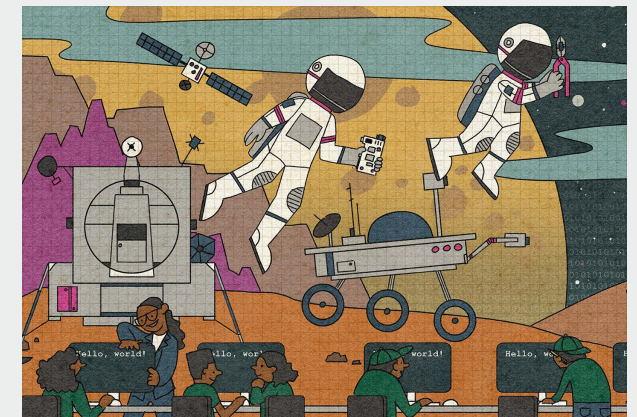
Slate is also committed to protecting the health, safety, and wellbeing of stakeholders in the development and operation of its properties by setting clear standards that Slate, its partners, property managers, development teams, service providers, or others acting on its behalf must abide by. These include appropriate policies, systems or measures that comply with local health and safety laws and regulation, at a minimum. Slate also prioritizes health, safety and wellbeing factors in its investments and considers the benefit or impact to tenants, the community and other stakeholders, including building wellbeing design features and amenities.

#### FEATURE ARTIST



Catherine Chan  
ARTIST

As part of our long-term commitment to the arts, we have partnered with Catherine Chan, an emerging Toronto-based artist, on several of the illustrations included in this report. Catherine enjoys telling unique stories through the world of illustrations, with her personal creations often exploring her own relationships as an immigrant, a mother, and a lifelong learner, both as self-exploration and self-declaration. To learn more about Catherine and her artwork, you can visit: [www.chancatherine.com](http://www.chancatherine.com).





CASE STUDY

Fostering Community Through Public Art

Since 2016, Slate has sponsored dozens of public art projects of all shapes and sizes, from towering building-sized murals to rotating lobby sculptures. These art installations are not piecemeal projects – they are part of a holistic strategy for creating long-term value for investors, tenants and the surrounding community.

Not only does public art strengthen a community’s identity and foster a sense of local pride, it also elevates a neighborhood’s cultural relevance, reputation and aesthetic appearance. In this way, public art contributes to tenant satisfaction, tourism and economic vitality, and stronger capital appreciation for our investors. It’s an investment that equally benefits all of our stakeholders.



In 2021, Slate partnered with the muralist BirdO, the Beltline Urban Murals Project (BUMP) and the Calgary Downtown Association to create a new mural at 441 5th Avenue SW, which was completed in August 2021. BirdO is best known for surreal, large-scale murals that combine imagery of animals and geometric shapes. A peregrine falcon, native to the city’s famous Bow River valley, was selected as the subject. In Halifax, Nova Scotia, Slate commissioned local artist John McPartland, known as ABSEN, to create a mural on the exterior wall of the city’s Maritime Centre that depicts Nova Scotia’s spirit of innovation and entrepreneurship. The mural features vibrant blue tones and draws on the



metaphor that “a rising tide lifts all boats” to showcase the character of this coastal province and the evolving maritime industries that have made it a prominent global player.

Engaging tenants and the local community is always a critical part of creating a public art installation. In Calgary, the muralist BirdO created an online portal where residents could share their ideas for his mural on a Slate-owned property before work got underway.

In addition to creating opportunities for tenants and residents, Slate makes a deliberate effort to work with artists from diverse backgrounds who reflect the communities where the firm operates. It has also partnered with Friends of Ruby, an organization dedicated to the well-being of LGBTQI2S youth, to create art therapy programs, as well as public art projects in support of the Brain Project, Earth Day and breast cancer research.

When Slate commissioned its first large-scale mural in Toronto in 2016, it was one of the only murals of its size in the city. Since then, many others have been completed. Re-imagining properties and neighborhoods that others overlook has always been central to Slate’s value-creation approach. Whether it’s through traditional mediums, or new digital avenues, investments in public art will continue to benefit tenants, communities and investors for decades to come.

CASE STUDY

Rotating Artist Program

The firm creates new platforms for local artists to show their work and gain recognition through its Rotating Artist program, which provides unique spaces within Slate properties for local artists to display their works of all mediums. The program is run in partnership with helloart and OCAD University in Canada.

In 2021, Slate’s Rotating Artist Program, in partnership with helloart and OCAD University, featured 18 works by four local artists: Meg Hackney, Cecilia Scott, Emma Craig, and Charlotte Healey at the firm’s Yonge & St. Clair properties in Toronto.



Meg Hackney



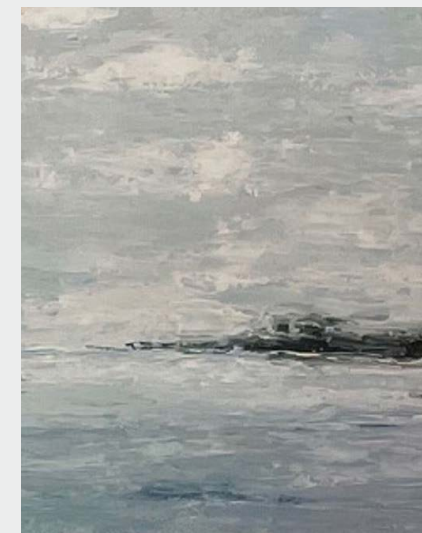
Cecilia Scott



Emma Craig



Charlotte Healey







## GOVERNANCE

### Built on a Solid Foundation

Good governance underpins everything that Slate does. Integrity, accountability and trust are at the core of Slate's culture. Slate believes that integrating ESG practices into its operations, management practices, processes and systems is key to the long-term growth and success of its business and the value it seeks to create for investors and communities.

Our ability to attract capital rests on our ability to demonstrate that we are responsible stewards of capital. Slate's governance structure is designed to ensure its investment process and activities are conducted with the highest level of integrity. We have robust controls in place and maintain a culture that eschews fraud, bribery, anti-competitive behaviour, money laundering and terrorist financing.

Part of this process involves reviewing and screening Slate's investors, property managers, development teams, service providers, tenants, borrowers, clients and investments for any related flags, fines, or penalties. All counterparties go through anti-money laundering, know-your-client (KYC) and sanctions list screening, as well as extensive background checks. We continually monitor our governance policies and procedures for any necessary enhancements. We also plan to strengthen our approach to evaluating ESG performance of securities in investment management decisions.

#### Bringing ESG Governance to Life at Slate

The Management Committee, which is made up of Slate's Partners, has oversight over the implementation of our ESG Policy. With support from the Global Head of ESG, it began

revisions and updates to the ESG Policy in December 2021. An ESG Committee, which was formed in early 2022, will report to the Management Committee. It will be responsible for developing and reviewing Slate's ESG strategies and initiatives, and ensuring a consistent approach to the ESG Policy. More robust ESG governance structures are planned to be implemented over the course of 2022, following publication of the revised ESG Policy.

Slate's Partners and senior leadership team members are responsible for implementing the Policy as it relates to their individual areas of operation and control. Respective Portfolio Managers are responsible for Policy implementation throughout the holding period of an investment. Slate employees are responsible for implementing Policy practices and action plans as they relate to their individual areas of operation and control.

The Slate Management Committee, ESG Committee and all Slate employees are supported by the Managing Director, Global Head of ESG, who is responsible for implementing and advancing ESG practices and thought leadership across Slate and its investment activities.



### Strengthening Risk Management and Internal Controls

Slate continuously reviews best practices and evolving trends to ensure its governance frameworks remain consistent and robust.

For example, we recently initiated an Enterprise Risk Management Assessment (ERMA) of Slate by a leading third-party consultant. Part of this process involved a survey of internal stakeholders to identify risks at all levels across the Slate platform. Mitigation plans are put in place for identified risks and updated annually.

We also commissioned a review of our internal controls which will include an analysis of alignment with Sarbanes-Oxley (SOX) requirements.

These initiatives are designed to further institutionalize how Slate operates as a firm.

### Code of Conduct

Slate's Code of Business Conduct and Ethics provides guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of Slate Asset Management and its subsidiaries and affiliates. It sets out basic principles to guide all trustees, directors, managers, officers and employees of Slate, as well as suppliers, property managers,

tenants and business partners. All Slate personnel must conduct themselves accordingly and seek to avoid even the appearance of improper behaviour.

Employees receive annual training and are asked to certify their compliance with the Code. Slate has a strict policy of non-retaliation for reports of misconduct by others made in good faith. Slate personnel who violate the standards in the Code may be subject to disciplinary action, up to and including termination of their employment.

### Whistleblower Policy

Slate maintains a Whistleblower Policy that encourages any employee with a good faith concern, about any accounting or auditing matter or any other potential violation of the Code of Business Conduct and Ethics, to report their concerns using one of several methods available.

Employees may report concerns directly to Slate's internal Whistleblower Policy Administrator or anonymously through a third party.

Slate will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any Slate employee based upon any lawful actions with respect to good faith reporting of complaints.



“Our governance and risk management protocols ensure we are consistently upholding the highest standards of integrity and performance.”

**Robert Armstrong**  
PARTNER AND COO







# CORPORATE SOCIAL RESPONSIBILITY

## Strong Corporate Citizenship Built on Strong Values

In addition to our investment activities, Slate is committed to integrating ESG principles and practices across our corporate footprint by focusing on factors that are important to employees and communities.

We invest in the health, safety and well-being of our employees, through competitive salaries and compensation structures, flexible work schedules and leading health benefits packages, parental leave and vacation policies. The firm is deeply committed to fostering a diverse and inclusive work environment in which all individuals are treated fairly and respectfully and are valued for their strengths. We also strive to ensure employees have equal access to opportunities and resources that will allow them to contribute fully to Slate's success.

Our goal is to engage employees to support their growth, professional development and mentorship. We monitor employee engagement and satisfaction through annual surveys, and implement change to address feedback we receive.

Slate also contributes to local communities through donations, volunteer services and support for charitable organizations.

### Listening to Our Employees

In 2021, Slate launched its first annual employee survey designed to collect feedback and input on key issues affecting employees, including career progression, job satisfaction and issues relating to diversity and inclusion (D&I). Employee participation in our 2021 survey was high, with a 97 percent response rate.

Survey questions are reviewed annually to ensure we are soliciting feedback on relevant issues and business areas. In the 2022 survey, we have addressed employee perception and understanding of Slate's ESG performance.

The feedback received last year helped determine significant improvements to continue making Slate a great place for our colleagues to work. Based on the survey results,

we prioritized three key takeaways from 2021: 1) improving work-life balance, 2) providing focused training and development opportunities and 3) strengthening our internal communication. Some of the ways we have advanced each of these priorities are detailed below.

#### Work Life Balance

- Enhanced parental leave policy to include seven additional weeks of paid maternity leave
- Increased hiring and added admin support globally
- Provided five global days off in addition to the no-limit vacation policy

#### Training and Development

- Implemented a formalized onboarding program for new analysts
- Initiated quarterly new hire intro meetings
- Introduced annual skills training

#### Communication

- Introduced semi-annual global townhalls
- Established further rigor around year-end performance reviews
- Implemented additional mid-year performance reviews
- Created analyst and associate office hours

To ensure an objective view of equity and opportunity for advancement, Slate also carries out an analysis of all employees at the director level and above who have been in their current role for longer than two years to identify any potential barriers to advancement. The process allows Slate to identify and address any barriers to career progression among various demographic groups by providing an objective view of advancement across the firm.





### **Analyst Rotation Program Sets Young Professionals Up For Success**

Our investment platform is dynamic and diverse, spanning geographies, public and private markets, and a wide spectrum of risk profiles and investment strategies. It's an ideal training ground for young professionals seeking exposure to a broad range of learning opportunities within commercial real estate.

We created our Analyst Rotation Program to help student interns and early career professionals learn real estate fundamentals and gain exposure to a wide array of potential career paths within the real estate industry. Over the course of two years, program participants get the chance to complete three placements across different areas of our business. The first two placements are typically within our Investments and Asset Management teams. The third placement provides exposure to other business functions – such as development, investor relations or marketing – and could be located in another regional office, giving participants exposure to international markets.

The Rotation Program is open to new analysts who join Slate with under two years of work experience. Our objective is to train well-rounded professionals and provide ample opportunities for internal networking and knowledge sharing between teams and colleagues. As part of that effort, senior leaders at Slate also hold weekly “office hours,” where they offer mentorship, skills training and career guidance to our analyst-level team members.

Slate sees great value in cultivating young talent within our organization, and we strive to give team members the opportunity to continue their learning and development within our business. At the end of the two-year program, our goal is to permanently place participants on one of our teams – based on their personal goals, professional skill set and the needs of the firm – so they can continue their growth at Slate.

### **Sponsorship Program Centres on Career Advocacy**

At Slate, we believe building talent and teams is a key to our success. That was the driving leadership principle behind the creation of the Slate Sponsorship Program.

The Program matches Director/Manager/Vice President level employees with someone senior to them who acts as a sponsor, supporting the protégé's growth and development. Sponsors and protégés are expected to meet quarterly (at a minimum), and sponsors are asked to view the development of their protégé(s) as a key part of their job. Sponsorship differs from mentorship in a critical way. A mentor typically provides advice and guidance. A sponsor advocates for their protégé and is personally invested in their growth.

Participants are encouraged to cultivate openness and trust in the relationship through constructive feedback and discussion of ongoing challenges and growth opportunities.

### **Parental Support Programs Tailored to Individual Needs**

In 2020, Slate completed a full review of its parental leave policy that resulted in substantial changes to the program. We recognized that parenting does not begin the day a baby is born and it does not end 12 months later. Our goal was to look at parental needs more holistically, to design a program that is flexible, recognizing that a one-size-fits-all approach does not reflect the requirements of all parents.

Slate provides up to six months of parental leave with full pay in Canada and the United States. Our new, flexible parental support program allows parents to decide how much additional time they want to take off, and allows more flexibility on when they take that time. Employees have the flexibility to return to work on a part time basis when they feel ready or take a full 12-month leave. They can also decide on the level of contact they wish to have with Slate during this time. Once employees return to work, Slate provides additional support to help with the transition, as well as on-site parking to assist with logistics for child-care pick-up and other needs. We also have a program that allows employees to transition back to full time work over time, even after a 12-month leave.



## Building a Strong Culture

Slate encourages a collegial culture and provides opportunities for coworkers to connect with each other, helping to form bonds that strengthen teams and drive results. We are proud of the company's unique corporate culture that has been built over the years, and that continues to be nurtured and encouraged by our senior leadership.

We made a special effort to maintain our culture and connection through the pandemic by organizing a series of virtual activities for employees, including virtual yoga sessions and cocktail hours. Other pandemic-related support included home delivery meal kits.

Now that we are slowly reintegrating, Slate employees are able to access the carefully considered office set-up with its common areas and game zones that foster community. Colleagues are encouraged to step away from their desks and socialize, so they can build stronger working relationships with each other and between teams.

In addition to social activities outside of work, Slate is proud to host the annual Slate Bowl, which has become one of our most popular events in Toronto. Now on to its 15th year, the Slate Bowl is a massive touch football tournament that welcomes more than 600 Slate employees, business partners and representatives from the financial services and real estate industry.



## Empowering Women in Real Estate

Slate is committed to promoting and empowering women all across the real estate industry. Slate's EmpoWRE Network is designed to foster female leadership, connection and networking through intimate events hosted all around the world. In 2021, Slate's EmpoWRE Network hosted its first annual tennis clinic, numerous lunches and cocktail events across cities in North America. The group's events attract female real estate and finance professionals at all levels, for meaningful relationship-building and discussion that promotes continued career advancement and success.





# GRI CONTENT INDEX

Statement of use	Slate Asset Management LP has reported the following information cited in this GRI content index for the period January 1, 2021 and December 31, 2021 with reference to the GRI Standards
GRI 1 used	GRI: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	P4
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	2-3 Reporting period, frequency, and contact point	P1
	2-6 Activities, value chain and other business relationships	P3, 4
	2-12 Role of the highest governance body in overseeing the management of impacts	P13
	2-13 Delegation of responsibility for managing impacts	P13
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