
Slate Asset Management

2020 Environment, Social and Governance Report



SLATE

SLATE

Where value investing
meets investors with
values.



Letter to Our Stakeholders

To all of our stakeholders,

Since our founding in 2005, we have created value for our partners by treating people and the environment with respect. Our goal is to be a partner in ingenuity, approaching the challenges facing our business, and society at large, with imagination and resourcefulness. That is why we continue to raise the bar on our Environmental, Social and Governance (ESG) performance. As we grow as a firm, our ability to make an impact grows as well, and this report demonstrates our commitment to learning, growing and evolving our ESG policies.

Fundamentally, our goal is to create communities where our people and tenants will thrive. ESG principles are and always have been central to this objective and define how Slate conducts itself. We are proud of what we have achieved to date, and pledge to continue to do better every day.

As a firm, we have made a tangible impact under the ESG umbrella:

- Environmental: Create meaningful change by reducing our environmental impact in our properties.
- Social: Foster diverse and inclusive environments where employees and tenants feel valued, comfortable, and welcome.
- Governance: Incorporate guidelines for responsible investing and conduct consistent and transparent diligence.

Enclosed in this report, you will find a snapshot of several of the projects underway at Slate. Over the course of 2021, we will be conducting a fulsome review of our ESG policies, frameworks and targets to identify additional opportunities for leadership, and to add further rigor to our approach. In the meantime, if you have feedback on our ESG policies and practices, please do not hesitate to contact investors@slateam.com.

We are dedicated to demonstrating ESG leadership across every facet of our business and look forward to updating you on our progress and performance over the year ahead.

“Over the course of 2021, we will be conducting a fulsome review of our ESG policies, frameworks and targets to identify additional opportunities for leadership, and to add further rigor to our approach”

Blair & Brady Welch, Co-Founding Partners of Slate Asset Management



Sincerely,
Blair & Brady Welch
Co-Founding Partners
December 2020

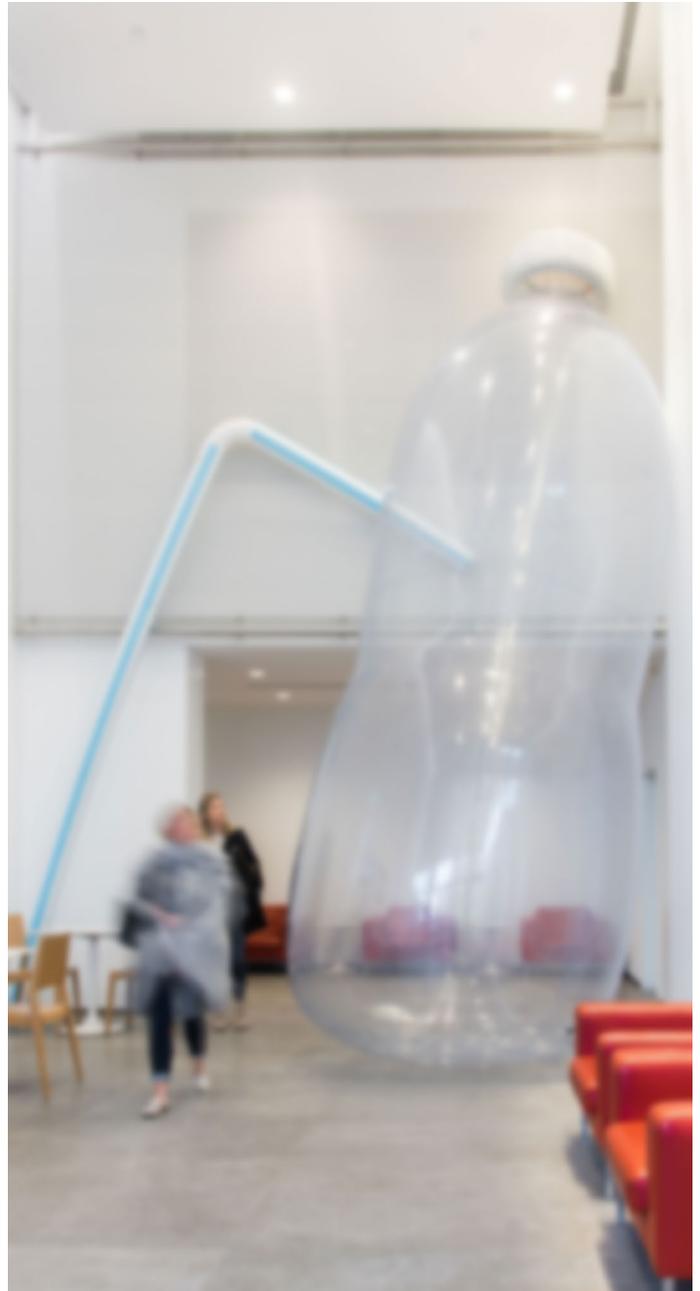
We are a global
investment and asset
management firm.



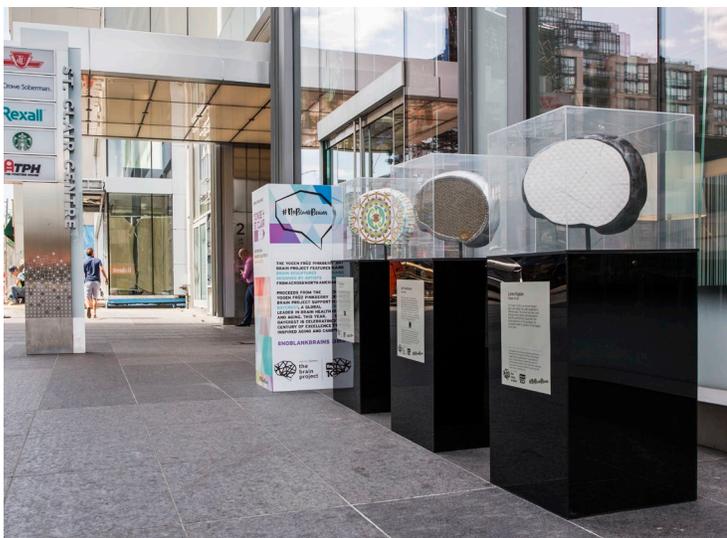
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2020 Highlights



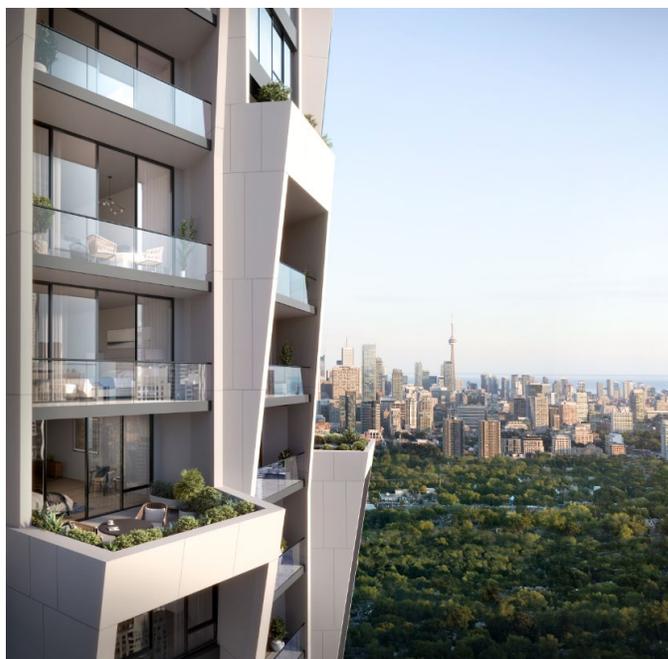
Participating for the third consecutive year, Slate sponsored **The Brain Project** in support of Alzheimer research. From July to November 2020, 6 brain sculptures were displayed outdoors across Slate's Toronto core portfolio to raise awareness about Alzheimer's through public art.

Our People

- Slate invests in employee wellness and engagement through initiatives such as the Diversity & Inclusion Committee, the Slate Sponsorship Program, the introduction of a flexible benefits package program and a no limit vacation policy
- During this unprecedented year of dealing with a global pandemic, Slate continued to support employees through flexible work arrangements and a success quick transition to employees working remotely

Our Buildings

- Completed significant environmental improvements across the portfolio to build upon BOMA BEST status and further reduce emissions and waste
- Launch of two condominium development projects in 2020 that are being built to Toronto Green Standards, with a focus on electric car parking, bicycle infrastructure, green and cool roofs, water efficiency and native species amongst other initiatives



One Delisle, Slate's Toronto Green Standard condominium project designed by world-renowned architect, Jeanie Gang, of Studio Gang.

2020 Highlights

Our Community

- In lieu of Slate’s highly-anticipated touch football tournament, “Slate Bowl”, Slate launched “Charity Bowl 2020” where we encouraged all 500+ corporate participants to contribute to 20 charities in the local markets we operate in around the world.
- Proud 2020 sponsor of The Brain Project, a global charity that creates city-wide art exhibits to raise awareness and encourage the conversation about brain health
- Partnered with local, Toronto-based artist, Juanita, to create new construction hoarding at The Junction House Project, a small gesture made to support the artist who had to shut down her art studio as a result of COVID-19
- Partnered with Alveole Rooftop Beekeeping within our Toronto core office portfolio to host bees on the rooftop of our buildings to harvest honey
- Amidst the pandemic, Slate partnered with local councilors and the community to turn Slate’s only enclosed mall parking lot into a drive-in movie theatre, raising money for local charities and highlighting the importance of community

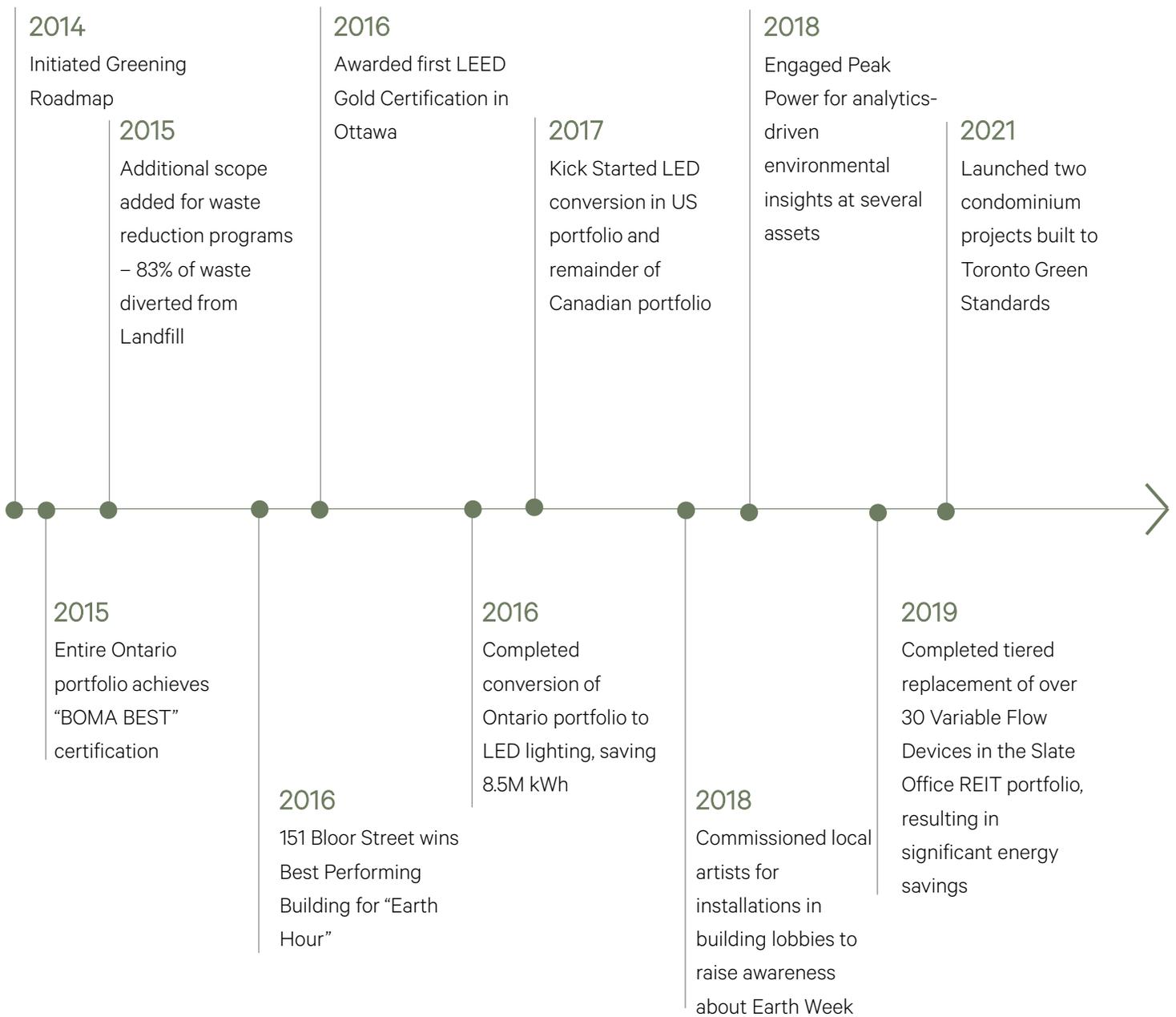


When COVID hit in March, Toronto-based Juanita was forced to give up her studio space. We approached Bogota-born artist Juanita to work with us on the new construction hoarding. From her condo, she created a series of hand-cut collage panels for Junction House. Her work is rooted in repurposing images and layers, exploring identity and culture.



Slate Charity Bowl contributed to 20 charities globally in the cities in which we operate in lieu of our

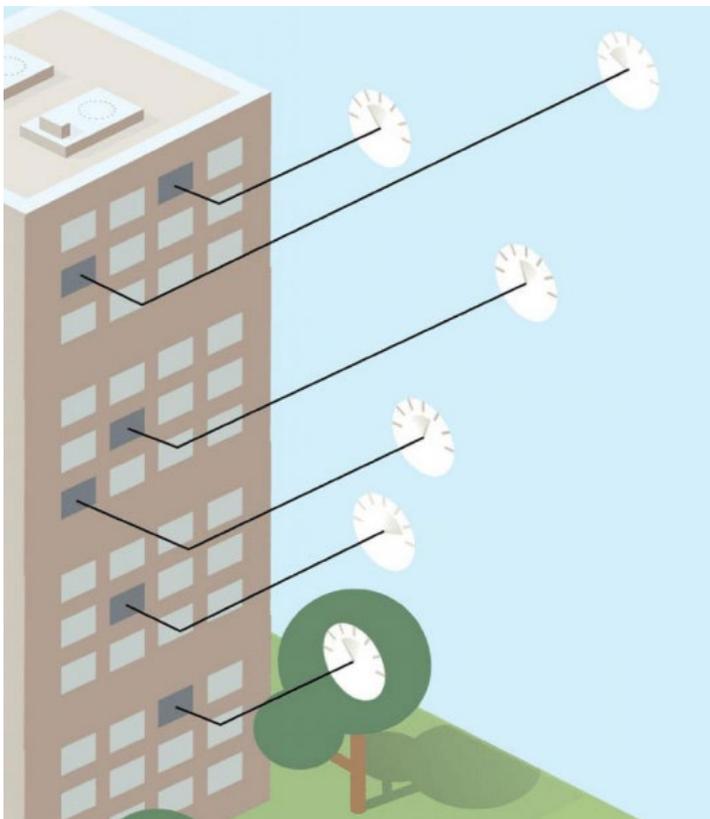
Sustainability Journey



Looking Forward

Slate has made a commitment to invest significant resources to ensure we are evolving our business in ways that maximize the positive impact we can have on our planet, our people and our communities

Environmental Initiatives at Slate



Slate Grocery REIT has rolled out submetering across portfolio to empower tenants to become more informed and efficient resulting in water, gas and electrical usage.

Current Projects

- 75% of grocery-anchored real estate portfolio in the United States now has submetering of utilities. The team is working on converting the remaining 25% of the portfolio over the next five years to reduce water, gas and electrical usage
- 2020 participation in Energy Retrofit loans with city of Toronto to finance major building upgrades achieving energy savings across Toronto core portfolio
- Engaged Peak Power, artificial intelligence powered software to operate energy resources more efficiently
- Installed solar panels on the roof of seven German grocery assets and plan to continue this initiative across Germany and the United States
- Partnered with major essential tenants in Germany and the U.S. to assist with COVID-10 vaccine pop-up centres

2020 Results

2.0M

Sq. Ft. of White Roofs completed at 30 US grocery anchored shopping centres

8.5M

Annual kWh saved across Toronto core portfolio (30% savings from previous year)

50%

Average decrease in energy consumption in 2020 resulting from LED conversation across U.S. portfolio

85%

Of GTA Office portfolio obtained BOMA Silver or higher certifications, with additional certifications ongoing

50%

Percentage of German portfolio converted to LED lighting

Case Study: Water Submetering

“ Not only are we happy to report significant reduction in water consumption across our portfolio, we are pleased to see these savings directly impacting our tenants. ”

David Dunn, Chief Executive Officer,
Slate Grocery REIT

\$15K

Total Project Cost Per Site

71.5%

Tenants Have Decreased Water Usage
Larger Tenants Demonstrate Energy Savings Between
50-70%

25%

Remaining portfolio to adopt water meters



Project Overview

- Customarily utilities, are supplied to a building through a bulk meter where the building owner is responsible for utility costs and usage monitoring. Costs are typically passed on to Tenants through a set of fixed fees or a divided utility usage amongst Tenants by square footage
- Submetering provides a property owner an accurate and granular in-depth review and monitoring of real time consumption of water which empowers tenants to become more efficient and reduce water waste
- Submetering also provides early access to maintenance issues for repair before critical equipment fails
- Slate Grocery REIT has rolled out water submetering at 75% of the portfolio to encourage tenants to reduce water waste and overall usage
- Slate has made a five year commitment to covert to remaining 25% to separate meters

Our Leadership Principles

01

Building Talent And Teams

This means delivering winning results while staying true to our core values of integrity, honesty and humility. No one is bigger than the team and we will succeed through exceptional people, strong relationships and collaboration. We invest in, coach and develop our people to become future leaders. Our culture and environment will allow our people to contribute and challenge themselves while celebrating their efforts and achievements.

02

Entrepreneurial & Growth Mindset

We will take the lead in the industry versus following. We are willing to go down the path less traveled. It's not saying no, rather, it is finding ways to be innovative and challenge the status quo. This is about possessing creativity, curiosity, courage, conviction and a belief that you can execute.

03

Ownership, Accountability & Responsibility

We trust our people to take responsibility. We act as owners and strive for excellence while holding ourselves to the highest standards. This is doing what you say you will do, setting clear expectations and being open and honest. We will go out of our way to create an exceptional client experience for both external and internal stakeholders.

04

Bias For Action

This is being agile, responsive and bringing a sense of urgency to getting things done. This is having the courage to make tough decisions. We operate as a team with excellence and sophistication. It's using judgment to keep things simple while never losing focus of the end goal.

Putting our Principles into Action



We are better together

Annual Employee Survey

Slate conducted an annual employee survey to gauge how our team was handling the challenges 2020 presented globally. Overall, we were pleased to report over 97% participation resulting in a strong net promoter score when asked “How likely Slate employees would be to recommend Slate as a good place to work.”

It is important to note, the results of the survey also demonstrated the challenges our team has faced balancing work and life in a work from home setting. We have all done what we can to maintain our “Slate way” remotely, but regardless of location, the team is very excited to come together once again in the office.

Monthly Lunch and Learns

As our team continues to grow, we must continue to foster a cohesive environment, even if remotely. To do so, we host a wide variety of lunch and learns where we encourage all staff to come together, converse over lunch and learn about a new topic, acquisition, or office initiative which will be presented by a Slate employee or guest speaker.

Slate Sponsorship Program

We have launched a sponsorship program where we match each Slate employee to someone senior to them where there is a direct working relationship. The mentor provides regular feedback and support for the protégé’s growth and development. In contrast to a mentorship program where a mentor advises, the sponsorship program is put in place for the sponsor to advocate for the protégé, making a personal investment in the protégé’s growth

Campus Recruitment and Hiring Committee

We know we are only as good as the people we are able to hire and Slate invests in attracting and retaining the best talent. We have an extensive interview process and will incorporate members from our team of varying roles and seniority. Additionally, our campus recruitment team hosts on campus information sessions, social events, and multiple office tours and industry Q&A panels at Slate HQ to ensure we are building lasting relationships with prospective future leaders of our business.

Diversity & Inclusion Committee

We strive to be a work environment in which all individuals are treated fairly and respectfully, are valued for their strengths, have equal access to opportunities and resources and can contribute fully to the organization's success.

In the context of the workplace, diversity equals representation. Without inclusion, however, the crucial connections that attract diverse talent, encourage their participation, foster innovation, and lead to business growth won't happen. Slate's Diversity & Inclusion Committee is focused on initiatives to continue to advance these goals.

Putting our Principles into Action



Introducing the 2020 Women Lead Here honourees

Slate was recognized by The Globe and Mail for the second year in a row as an organization committed to Gender Equality, in the "Women Lead Here Annual Survey"



Slate Asset Management team celebrating the holiday season over Zoom with wine tasting and Bingo.

Mental health matters

In 2019, Slate launched Beacon, an online platform offering each employee and his or her family access to complementary cognitive behavioral therapy. The program offers users access to a registered therapist and the flexibility to organize sessions from the comfort of their own home and on a schedule that is tailored to each person's individual needs.

Giving back

For the last 15 years, we have hosted Slate Bowl, Slate's highly anticipated touch football tournament, hosting over 500 of Toronto's commercial real estate community. In lieu of the event in 2020, Slate launched 'Slate Charity Bowl' where we selected 20 charities in the markets we operate in globally and made significant financial contributions to each of them.

We put family first

When you join the Slate family, we make it a priority to take care of yours. Slate offers industry leading standards for parental leave as well as a flexible reintegration plan back into the workplace for new parents. Slate provides guaranteed access to childcare at more than 90 locations across North America. With an average age of 33, there are many young families.

In 2020 Slate was happy to launch employer paid "Flexible Employee Benefits" which allows employees and their families to choose the best suite of benefits and services to meet their individual needs.

We continue to support our employees through flexible work arrangements to care for their families through market leading parental leaves, subsidized pay, and other flexible accommodations.

Governance at Slate

Our governance drives everything we do – we strive to act as an example in the industry, acting responsibly and with integrity in all aspects of our business. We hold ourselves to a high standard we would expect from a fiduciary in our position because we are more than investors – we are invested.



Our People

All employees at Slate must attest annually to a code of conduct, which dictates the professional standards we hold ourselves to. It includes specific policies surrounding:

- Business Conduct / Ethics
- Material Non-Public Information / Insider Trading
- Employee Communication
- Gifts and Entertainment
- Political Contributions
- Anti-Bribery / Corruption
- Information Security and Remote Access

Our Business

Each of our funds have formal governance measures in place which ensure alignment of all stakeholders and establish accountability for us as a manager. Some of these measures include:

- Third Party Board of Directors / Advisory Committee
- Investment Committee
- Formal Valuation Policies
- Independent Financial Audits by Reputable Accounting Firms
- Business Continuity Policy
- Disaster Recovery Policy

We take investor satisfaction seriously.

ESG inquiries are welcomed and should be directed to the attention of:

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