Carbon Neutral Operations Commitment

We announced at the Global Climate Action Summit (GCAS) that we commit to establishing carbon neutral operations by year end 2020. GCAS brought together the world’s climate leaders to launch deep environmental commitments and accelerated action from cities, states, businesses and investors. We believe that ours was the most meaningful climate commitment made at the Summit from the American real estate sector.

Our CEO John Kilroy made the announcement in the opening remarks of the Sustainable Communities track at GCAS, which featured government leaders and real estate developers from Europe, Africa and Asia. “KRC has a longstanding commitment to sustainability because it is the right thing to. Our sustainability programs have been and will continue to be positive for our bottom line, promoting tenant and employee satisfaction, reducing operating cost and making our buildings more resilient to whatever may lie ahead,” said Mr. Kilroy in his remarks.

Achieving carbon neutral operations will involve three steps for us. First, we will continue to reduce the energy consumption of our stabilized properties and entire announced development pipeline through maximizing onsite energy reductions. Second, we will continue to take advantage of all onsite solar and battery installation opportunities. Finally, we will make the remainder of the energy consumption 100% renewably powered by adding capacity to the grid through an offsite energy power purchase agreement, executed in 2018.

Through these programs, KRC will reach Scope 1 (direct emissions from onsite combustion of natural gas) and Scope 2 (indirect emissions from onsite consumption of electricity) carbon neutrality by the end of 2020, exceeding our carbon reduction goals previously validated by Science Based Targets (see page 27).