



## Sustainability Programs

2011

Key Center  
Bellevue, Washington  
LEED for Existing Buildings Gold

*At Kilroy Realty Corporation, we believe in aggressively pursuing high-performance environmental building initiatives that create economic value for our tenants, shareholders and employees.*

Liberty Station  
San Diego, CA  
LEED For Core & Shell Gold





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One Paseo  
San Diego, CA  
Registered for LEED for Neighborhood Development

## *Introduction to our Sustainability Programs*

At Kilroy Realty Corporation, we believe that investing in high performance green buildings demonstrates both responsible corporate citizenship and good business sense. As such, we pursue excellence in sustainability throughout our portfolio in energy and water efficiency, tenant engagement, environmental construction, sustainable building operations, and green building certifications.

Kilroy Realty Corporation has also been at the cutting edge of building energy efficiency for six decades. Continuing this tradition, beginning in 2010 we energy benchmarked the entire office portfolio, allowing us to strategically deploy more ambitious energy efficiency projects. In 2011, these projects included interior and exterior lighting retrofits, VFD installations, elevator motor modernizations, and HVAC upgrades. Our Demand Response program compliments these efficiency projects as well.

Our commitment to water reduction focuses on both interior and exterior water use. We have installed waterless urinals throughout our portfolio, in addition to low/dual flush toilets and faucet aerators. Our weather-based irrigation systems reduce watering cycles, and we are pursuing upgrades to our cooling towers to manage process water use.

Tenants control a wide portion of a building's resource consumption, and engaging them directly is an important component of our sustainability programs. To this end, we have launched quarterly tenant sustainability communications that address recycling, green cleaning, and energy efficiency. In addition, we periodically meet with our tenants in person to revitalize our recycling programs.

On the purchasing side, Kilroy has committed its new development, renovations, facility alterations, and tenant improvements to strict standards for construction materials purchasing. Complementing these purchasing standards is our rigorous Green Cleaning program: all eligible cleaning products must meet GreenSeal standards, and the paper products are phasing out virgin tree fiber.

Our sustainability strategy includes a commitment to LEED Gold certification for all new development, and we evaluate major renovations and existing buildings for certifications. Currently, 25% of our office portfolio is LEED certified, and in 2010 we began work on one of the world's first LEED for Neighborhood Development projects.





201 3rd ST  
San Francisco, CA  
LEED for Existing Buildings Gold

## *Energy Efficiency*

We have recently executed a variety of energy efficiency projects in our office portfolio. In 2011 we conducted lighting retrofits in over two million square feet of office space, and project to include another 1.6 million square feet in 2012. Many of these projects include a bi-level stairwell lighting component.

On the mechanical side, we added Variable Frequency Drives to several buildings to modulate fan usage and increase energy efficiency and we also added Variable Air Volume boxes to modulate airflow at the zone level. Additional 2011 HVAC upgrade projects included the replacement of two existing chillers and eight air conditioning units with more efficient models. We also piloted an oil-fouling removal

technology for building chillers. Other recent projects have included retrofitting elevator motors to a system that uses significantly less energy and installing high-SRI white roofs.

It is a key strategic goal of ours to implement all energy projects across our office portfolio with a payback period of three years or less. Projects with longer payback periods are evaluated on a case-by-case basis. This objective allows us to strategically choose projects that will lead to tangible financial savings. Any potential sustainability project we consider goes through rigorous financial modeling which includes projections of future utility rate increases, maintenance savings, tenant behavior modeling, and weather considerations as appropriate.

*In 2011 our lighting retrofits alone saved over 2 million kilowatt hours, enough to light over 1,600 average homes. The emissions reductions from these retrofits are the equivalent of taking 255 cars off the road, or planting 400 acres of trees.*

# KILROY REALTY CORPORATION ENERGY STAR CERTIFIED BUILDINGS

1. Key Center, Bellevue, Washington
2. 2211 Michelson, Irvine
3. 3760 Kilroy Airport Way, Long Beach
4. 3780 Kilroy Airport Way, Long Beach
5. 3800 Kilroy Airport Way, Long Beach
6. 3900 Kilroy Airport Way, Long Beach
7. 12100 W Olympic Blvd, Los Angeles
8. 12200 W Olympic Blvd, Los Angeles
9. 2355 Northside Dr, San Diego
10. 2365 Northside Dr, San Diego
11. 2375 Northside Dr, San Diego
12. 2385 Northside Dr, San Diego
13. 100 First St, San Francisco
14. 250 Brannan St, San Francisco
15. 303 Second St, San Francisco
16. 201 Third St, San Francisco



Westside Media Center  
Los Angeles, CA  
ENERGY STAR Certified

Benchmarked Buildings	88
Energy Star Certifications	16
Sq Ft Energy Star Certified	3,156,800
% Office Portfolio Certified	28%
Sq Ft Energy Star Eligible	5,580,357
%Office Portfolio Eligible	49%



## ***LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED)***

Kilroy Realty has been and continues to be a pioneer in LEED certified building design and construction. We built the first LEED for Core & Shell building in San Diego, and are executing a major renovation in El Segundo with the goal of LEED for Core & Shell certification, the first for that city. We are also developing one of the world's first LEED for Neighborhood Development projects. Building and operating our buildings to LEED standards makes both environmental and business sense; our LEED certified buildings have higher occupancy rates on average than the rest of our office portfolio, and prospective tenants come to us looking to rent space in LEED certified buildings.

Our Director of Sustainability Programs coordinates all of our LEED certifications internally, which has streamlined the LEED process for us. She holds LEED AP credentials in two specialties: Building Design and Construction and Interior Design and Construction. Only a handful of LEED APs worldwide have earned more than one specialty credential. At the end of 2011, 25% of our office portfolio had achieved a certification under a LEED rating system, and we will be aggressively increasing the volume of LEED projects in our development pipeline in coming years. We have 400,000 square feet registered for LEED, and anticipate that these projects will be certified in 2012. In addition, we have 26 acres registered for our LEED for Neighborhood Development project.

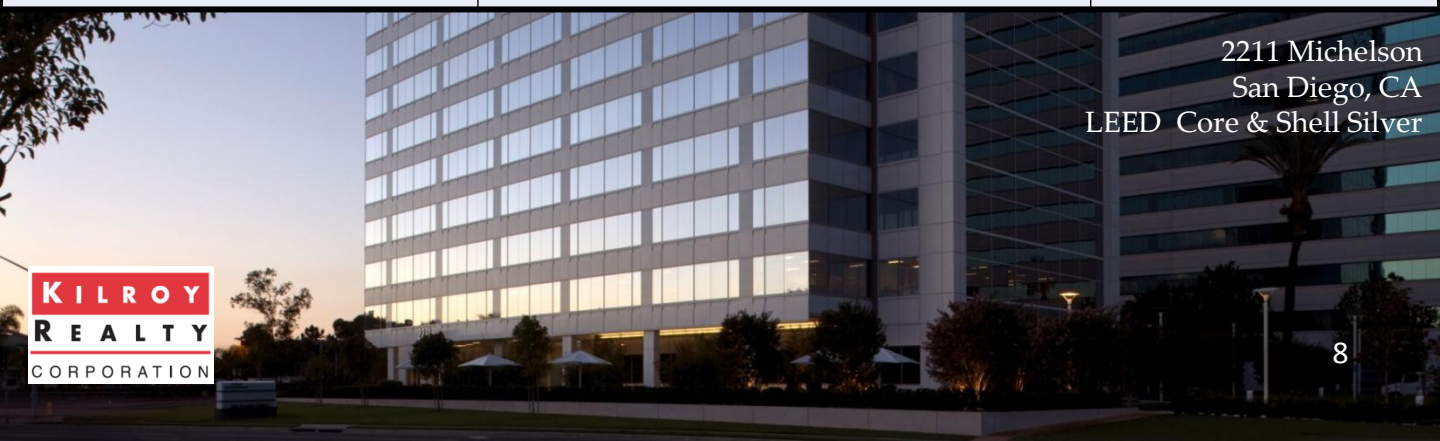
***25% of Kilroy Realty Corporation's office portfolio is LEED certified, all projects have achieved Gold or Silver***

# Kilroy Realty Corporation

## LEED Buildings



Building	Certification	Sq Ft
Kilroy Sabre Springs	Core & Shell Silver	149,817
Santa Fe Summit (4 buildings)	Commercial Interiors Gold	465,812
2211 Michelson	Core & Shell Silver	271,556
303 2 <sup>nd</sup> St	Existing Buildings Gold	731,972
100 First St	Existing Buildings Gold	466,490
Liberty Station	Core & Shell Gold	103,900
Key Center	Existing Buildings Gold	488,470
201 3 <sup>rd</sup> St	Existing Buildings Gold	311,545
<b>Total</b>		<b>2,981,096</b>
<b>% of Office Portfolio</b>		<b>25%</b>



2211 Michelson  
San Diego, CA  
LEED Core & Shell Silver



# LEED projects in the KRC Portfolio

## *LEED for Core & Shell*

Certifies the building envelope, systems, and site work, excludes tenant improvements

## *LEED for New Construction*

Certifies the building envelope, systems, interior improvements, and site work

## *LEED for Existing Buildings\**

Certifies existing buildings, focuses on coordinated green policies across building operations teams

## *LEED for Commercial Interiors*

Certifies the tenant fit-out of an existing building

## *LEED for Neighborhood Development*

Certifies multi-building projects, focuses on site selection, connectivity, and environmental performance



303 Second Street  
San Francisco, CA

LEED for Existing Buildings Gold

\*Existing Buildings Projects must recertify every 5 years. All other rating systems confer permanent certification.

## *Recycling*

We are in the process of rolling out a recycling revitalization program across the portfolio. In this program, tenants throw away only recyclable materials at their desks, and take their non-recyclable waste to common area bins. This change has resulted in a jump from an 11% landfill diversion rate to a 65% diversion rate in the new program's pilot buildings. This program requires an in-person training with tenants, and the response so far has been overwhelmingly positive.

In addition, in 2011 we launched a composting program in our El Segundo buildings that built on and complemented the regular recycling revitalization program. Previously, only our San Francisco buildings had composting programs. The program has been very successful, and we look forward to rolling out composting to more buildings in 2012.

Finally we have a robust e-waste program in all of our office buildings. We ensure that e-waste providers are processing our electronic waste domestically and not shipping it abroad, a common practice that causes significant environmental and health problems.

*Average Kilroy  
Recycling Diversion  
Rate:*

**28%**

*Highest Performing  
Building:*

**82%**

*Percentage of office  
portfolio  
participating in  
composting:*

**20%**





Kilroy Sabre Springs  
San Diego, CA  
LEED for Core & Shell Silver

## *Green Cleaning*

We launched our formal Green Cleaning Program in 2010. To do this, we decided to extend the highly effective green cleaning programs from two of our LEED for Existing Buildings Gold properties, which achieved all of the possible green cleaning points in their certifications, to the rest of the office portfolio. In our program, all cleaning products must meet the relevant LEED environmental standard, either GreenSeal or the California VOC limit. Also, our vacuums must achieve the Carpet and Rug Institute Seal of Approval, and we use microfiber cloths and rags to capture additional dirt to improve air quality. Finally, we have replaced many of our traditional plastic trash bags with a biodegradable product, others with a compostable product, and have begun reducing virgin tree fiber in restroom paper products.

## *Water Efficiency*

In 2011 we continued our practice of installing waterless urinals as standard in all new construction, in addition to low-flow faucets and lavatories. Much of the existing portfolio has these types of fixtures as well.

We are currently in the process of water benchmarking the portfolio, after which we will be able to engage in additional water efficiency projects in 2012. We currently have 21 buildings water benchmarked, representing 2.9 million square feet of the portfolio; these buildings on average use 2.6 gallons of indoor water per square foot per month. The average in commercial real estate is 4.03.\*

We anticipate that our future water efficiency projects will include cooling tower upgrades, the installation of even more sophisticated irrigation controllers such as the WeatherSmart system, and retrofits of our existing restroom faucets with aerators.

## *Corporate Philanthropy: The Rozalia Project*

Kilroy Realty Corporation began a partnership with the Rozalia Project in 2011. The Rozalia Project is a high-performing nonprofit dedicated to water stewardship and research, and we sponsored one week of their 2011 Summer Trash Tour. On this tour, the Rozalia Project conducted both waterway cleanup and educational events aimed at increasing public awareness of water pollution.

During our sponsored week, the Rozalia Project picked 1,758 pieces of trash out of the ocean and had over 400 participants in its programs, their most significant week since their founding. Of this trash, the Rozalia Project took 818 pieces of plastic, much of it microplastic, from the surface of the Charles River. That discovery is inspiring the Rozalia project to develop new research on microplastic in urban waterways.

Kilroy Realty Corporation decided to sponsor the Rozalia Project because this nonprofit makes a significant, positive environmental impact through strategic educational outreach and targeted programs. We look forward to sponsoring their 2012 Summer Trash Tour.



Rozalia Project Education Outreach



Trash-Finding ROV



Rozalia-Removed Trash



Rozalia Project Research Boat



## Partnerships and Awards

Partnering with leading sustainability organizations allows Kilroy Realty Corporation to stay on the cutting edge of sustainability. We work with the following organizations and initiatives to meet our sustainability goals, and have been recognized for our efforts with a prestigious industry award.



By becoming an ENERGY STAR partner, we have agreed to benchmark the energy use in all of its buildings in ENERGY STAR. Our average score is 75 out of 100.



In 2011 we were recognized with the Leaders Top Performer Award from the EPA's ENERGY STAR program. This rare achievement demonstrates our commitment to environmental protection through superior energy performance. Nationally, only two commercial real estate owners achieved this award in 2010.



We joined the US Green Building Council in 2011 to demonstrate its commitment to LEED and sustainability in building design, construction, and operations. Our Director of Sustainability Programs serves on both the USGBC-LA LEED for Existing Buildings Committee, and the Westside Branch Steering Committee.



Kilroy Realty Corporation is very active in the Building Owners and Managers Association, and in 2011 we endorsed BOMA's 7-Point Challenge. This is a voluntary commitment to report and reduce energy use. In addition, our Director of Sustainability Programs serves as the Vice Chair of the BOMA-GLA Sustainability Committee.



We participated in the Clinton Climate Initiative's Los Angeles Commercial Building Performance Partnership in 2011, and received audits of its headquarters at Westside Media Center. We have implemented most of the recommended measures already, and will execute the rest next year.

## *Tenant Communications*

Communicating to and working with tenants on the environmental performance of our buildings is a core part of our sustainability strategy. Tenants control approximately 55% of a building's energy use on average\*, so excluding them from sustainability initiatives is to render a sustainability agenda incomplete.

Beyond targeting particular buildings for recycling revitalization, we send out a quarterly sustainability communication to all of our tenants portfolio-wide on various sustainability matters. These communications began with a big-picture description of our commitment to sustainability; this communication also indicated that for certain initiatives we would be requesting tenant participation.

Subsequent communications have been tailored to each building's particular environmental programs, such as an announcement of an electronic waste pickup day, and celebrate its specific achievements, such as an ENERGY STAR certification. These communications reinforce our continued commitment to sustainability and provide an opportunity for dialogue about ongoing programs.

In 2012, our goal is to launch a plug-load management pilot to enable our tenants to manage their energy use more effectively.

\*Melton, Paula. 'Occupant Engagement—Where Design Meets Performance.' Environmental Building News. 2011.



Santa Fe Summit  
San Diego, CA  
LEED for Commercial  
Interiors Gold





## *Conclusion*

Thank you for reading our inaugural sustainability report. We are proud of our environmental accomplishments so far, and we look forward to expanding and enhancing our sustainability programs in the future. Leadership in sustainability is a key factor in our ability to execute our business model.

Specifically, Kilroy Realty Corporation's objective is to deliver a steady stream of high quality, adaptable and productive work environments for the wide range of industries attracted to the vibrant economic centers dotting the west coast of the United States. To us, a high quality work environment is one that is sustainably built and operated, so our sustainability programs are critical in enabling us to deliver premium product to our rapidly evolving market.

## Kilroy Realty Corporation

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Kilroy Airport Center Long Beach  
Long Beach, CA  
ENERGY STAR CERTIFIED



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Sara Neff oversees sustainability initiatives at Kilroy Realty Corporation such as the implementation of energy and water efficiency projects throughout the portfolio, the recycling and green cleaning program, all LEED certifications, and the greening of building and construction standards. Prior to joining Kilroy, Sara worked at Google and in solar at Idealab, participated in irrigation and soil erosion work in India, and led green consulting projects in Brazil and Argentina. Sara was awarded BOMA's Generation BOMA Professional of the Year in 2011. She holds an MBA from Columbia Business School and a BS from Stanford University.