

# 2019 SUPPLIER EXCELLENCE SURVEY RESULTS

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# Introduction

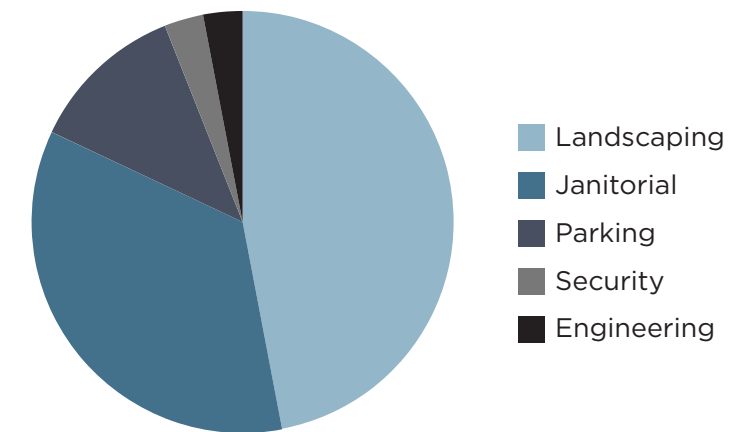
At Kilroy Realty Corporation, we recognize that much of the environmental footprint of our operations lies in our supply chain. This spans all of the services and products we procure to construct and operate our buildings and the services and products that those suppliers in turn procure. To better understand what our supply chain is doing around sustainability, in 2018 we performed an analysis to identify our Tier 1 suppliers, those with whom we have a direct financial relationship, and then further identified Critical Tier 1 suppliers, those for whom a disruption would immediately impact our day-to-day operations. We determined that our Engineering, Janitorial, Security, Landscaping and Parking suppliers fall into this Critical Tier 1 category.

Building on supply chain work done by Host Hotels, we then developed a Supplier Excellence Survey, which we sent to selected Critical Tier 1 suppliers as a beta test. Using our analysis of those results, we sent an improved Supplier Survey to all critical Tier 1 suppliers in 2019 and analyzed the results, summarized in this report. Each critical Tier 1 supplier has been given a personalized report of these results with specific recommendations for improvement, and in this way we hope to influence environmental and social outcomes in our supply chain.

## 2019 Supplier Excellence Survey Respondents

Total Critical Tier 1 suppliers: 27

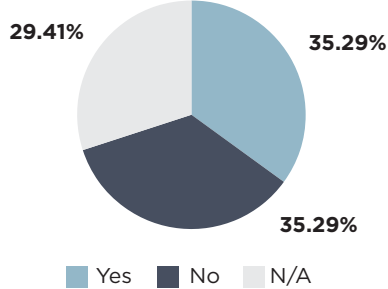
Response rate: 67%



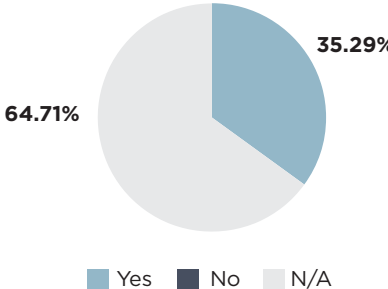
The first year results indicate that our suppliers have made progress on meeting social goals but fewer have set or are measuring progress towards environmental goals. Helping suppliers improve both social and environmental performance will be a priority in 2020. We look forward to expanding this important work in 2020 and beyond.

# Environmental Sustainability

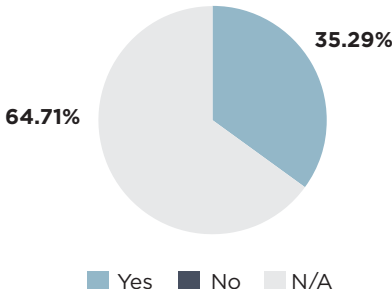
Does your company have an Environmental Sustainability program?



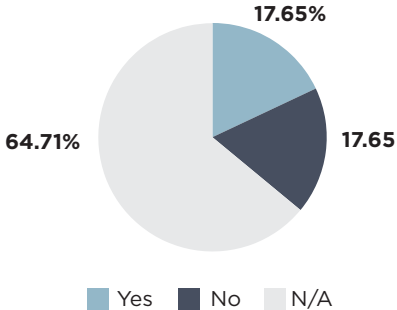
Does your company monitor environmental data?



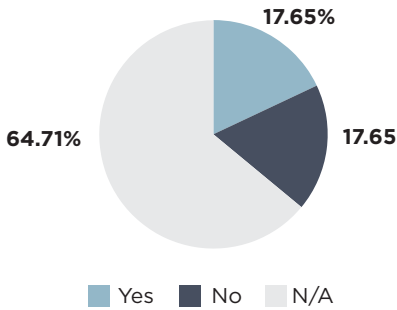
Does your company monitor energy usage?



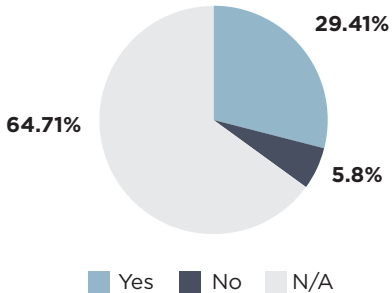
Does your company monitor renewable energy usage?



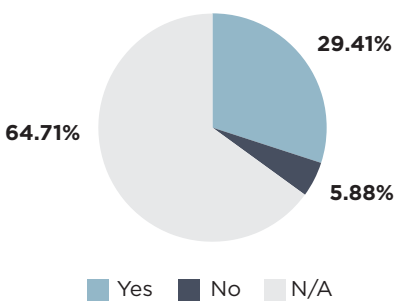
Does your company monitor greenhouse gas emissions?



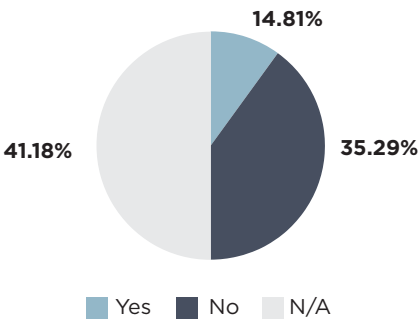
Does your company monitor water usage?



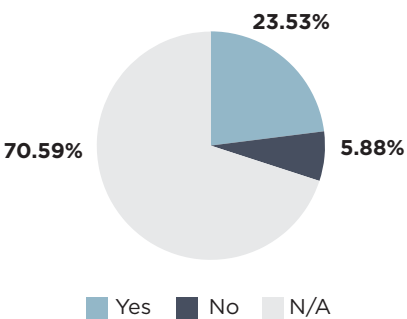
Does your company monitor waste and where it goes?



Does your company have environmental targets or working on developing targets for workspaces and/or properties leased by your company?

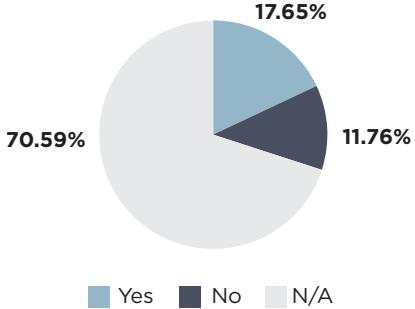


Has your company set energy reduction targets?

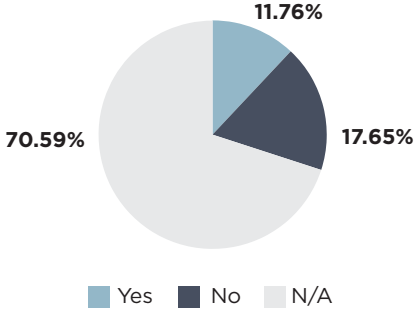


# Environmental Sustainability, continued

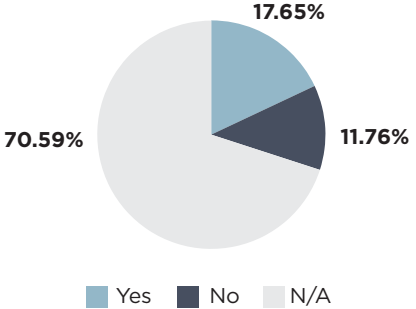
Has your company set renewable energy targets?



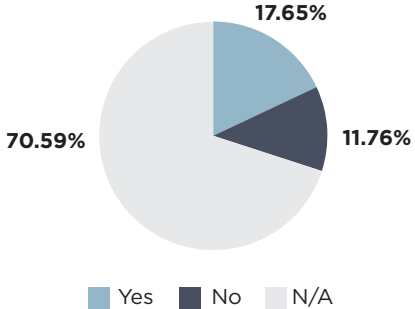
Has your company set greenhouse gas emissions targets?



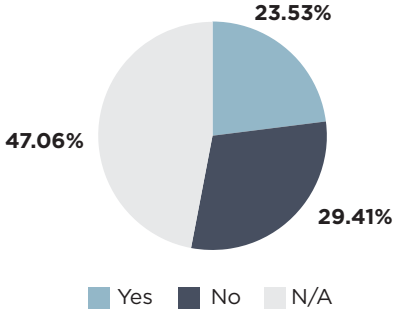
Has your company set water reduction targets?



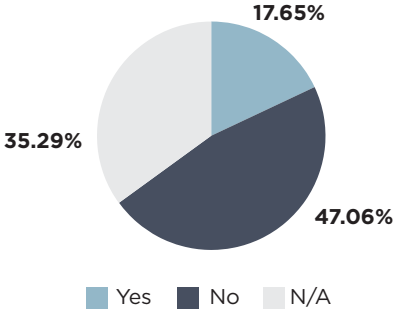
Has your company set targets around reducing landfill waste?



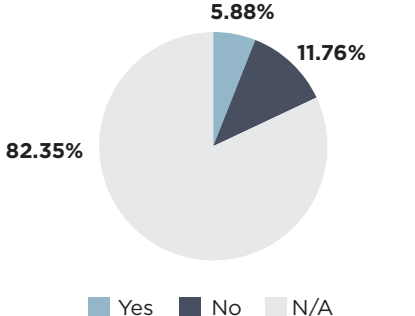
Does your company provide products or service offerings with sustainability certifications or credentials?



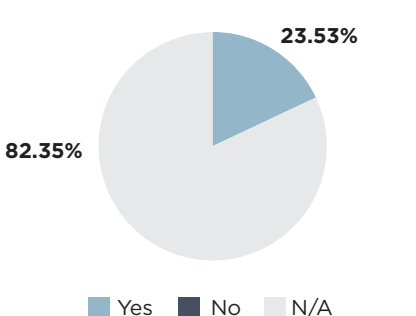
Does your company have an Environmental Management System?



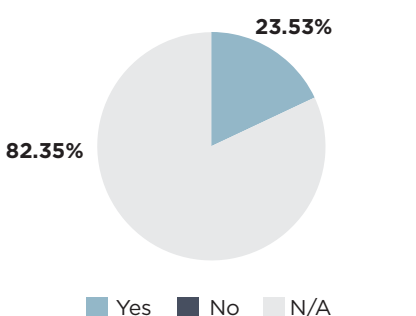
Is your company's EMS registered/accredited to a system standard such as ISO 14001?



Does your company monitor compliance with local environmental regulations?

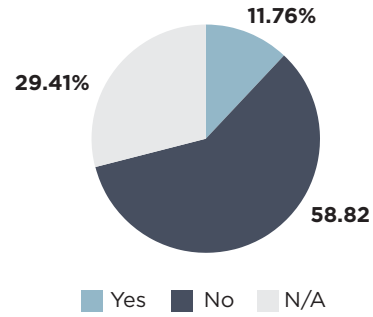


Does your company conduct environmental risk assessments?

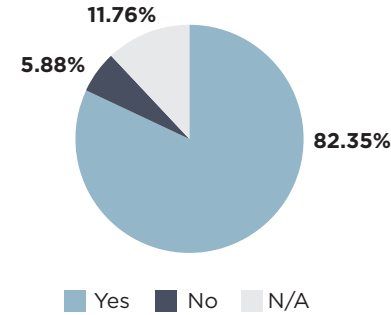


# Corporate Responsibility, Ethics, and Human Rights

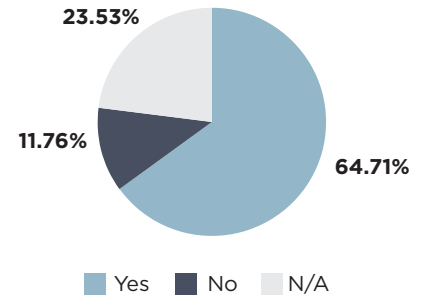
Does your company publish an Environmental Social Governance (ESG) Report and/or have ESG information available online?



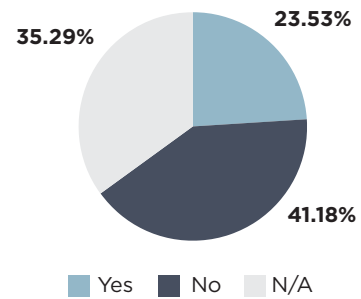
Has your company read and adopted Kilroy's Vendor Code of Conduct?



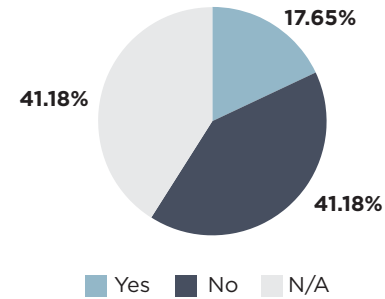
Does your company publicly support respecting human rights as defined by the United Nations Universal Declaration of Human Rights?



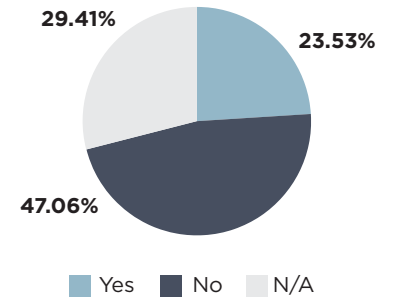
Does your company have a Responsible Sourcing Program or is it working on developing one?



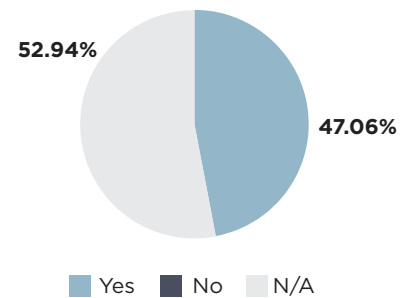
Does your company request your suppliers to support the respect of human rights as defined by the United Nations Universal Declaration of Human Rights?



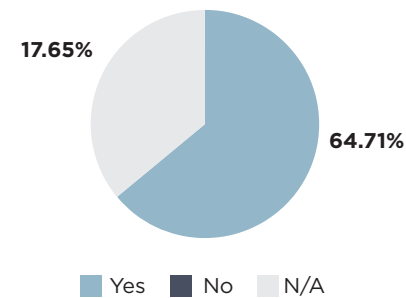
Does your company have a publicly stated Business Ethics and Code of Conduct?



Does your company Business Ethics and Code of Conduct policy include compliance with all applicable federal, state and local laws and regulations?

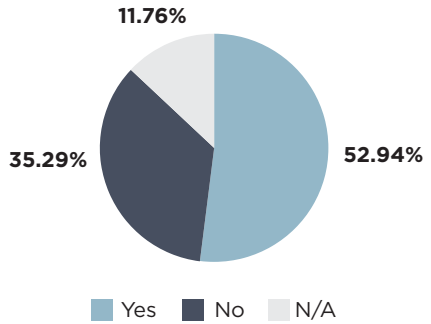


What is your company's % of suppliers that publicly support respecting human rights as defined by the United Nations Universal Declaration of Human Rights?

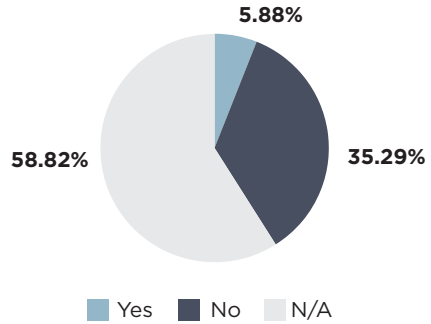


# Quality Management

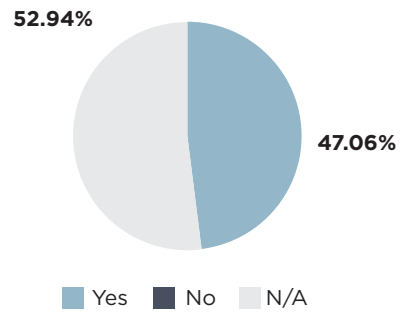
Does your company have a Quality Management System (QMS)?



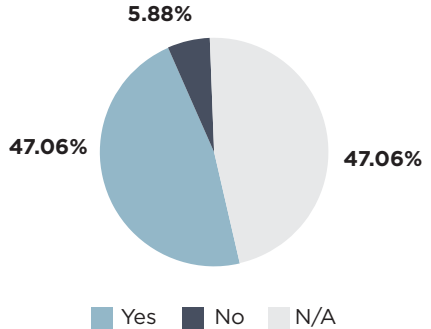
If your company has a QMS, is it registered/accredited to a quality system standard such as ISO 9001?



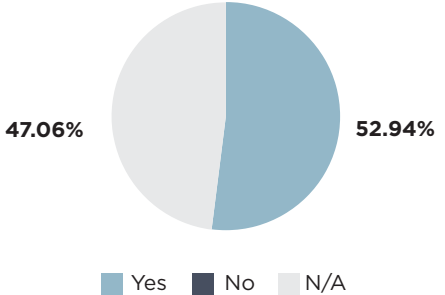
Does your company have a documented quality policy?



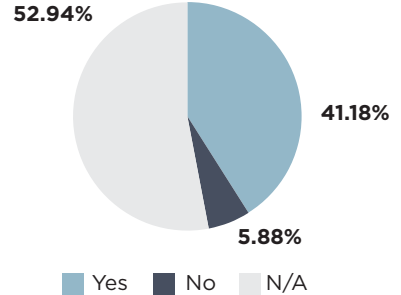
Does your company have employee training to the commitment and quality assurance processes?



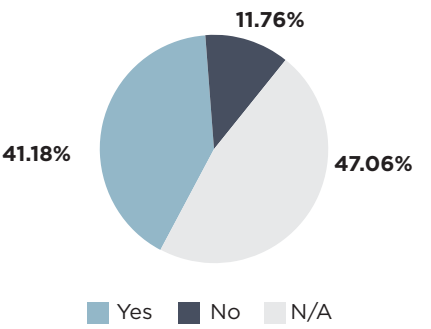
Does your company have performance monitoring?



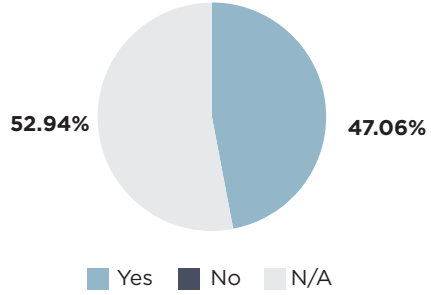
Does your company have quality assurance and quality control?



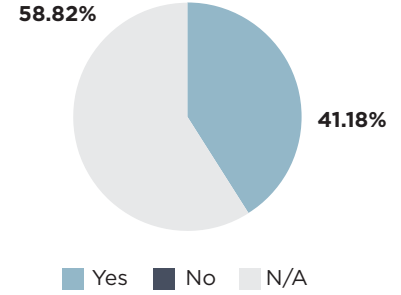
Does your company have QA/QC validation and verification?



Does your company have documentation control?

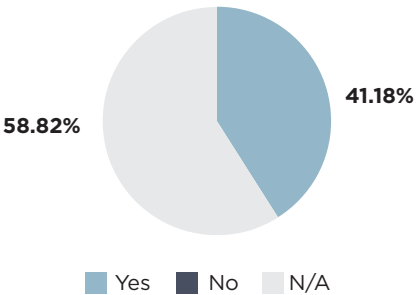


Does your company maintain accurate and complete records of all documentation essential to Kilroy business practices?

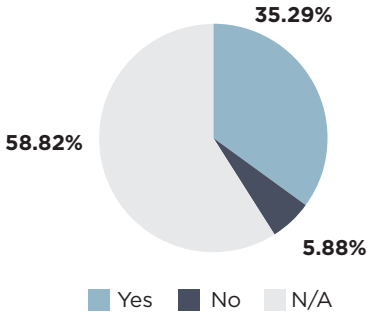


# Quality Management, continued

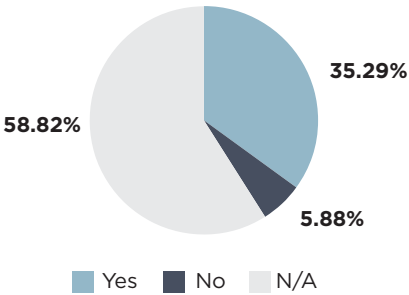
Does your company retain master copies on file as a quality record?



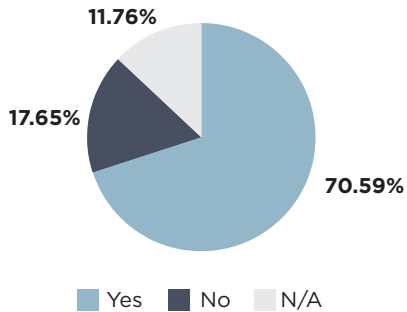
In the past year has your company had products or services disruptions?



In the past year has your company had quality issues?

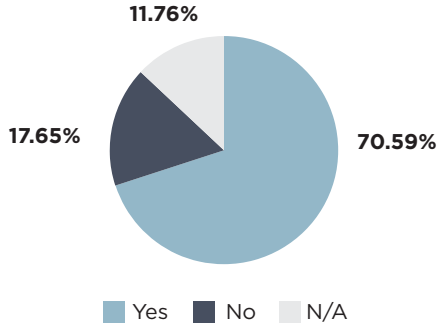


Does your company evaluate/measure customer satisfaction?

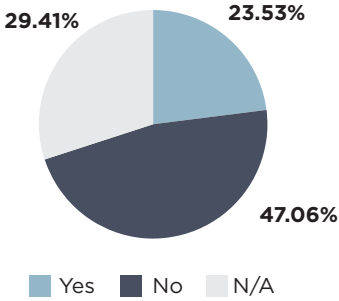


# Purchasing Program

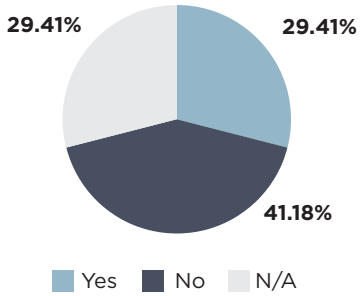
Does your company have a list of approved suppliers and/or contractors?



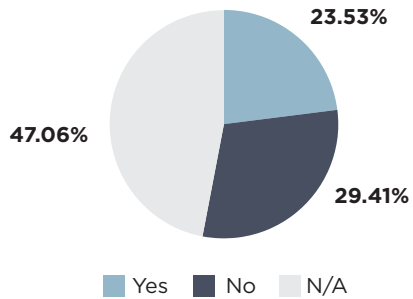
Does your company have a formal/auditable process for supplier and/or contractors approvals?



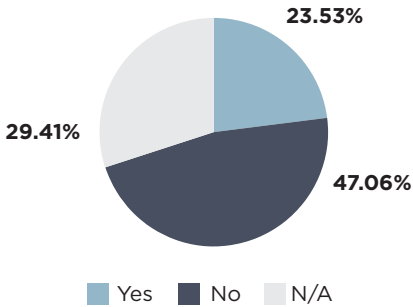
Does your company have a formal/auditable process to review and approve purchasing documents for accuracy and correct specifications before release?



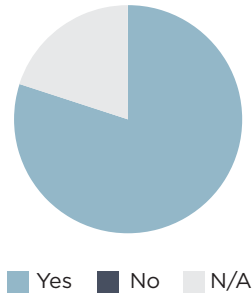
Does your company have formal/auditable processes for handling, storing, packaging, delivery and disposal of materials?



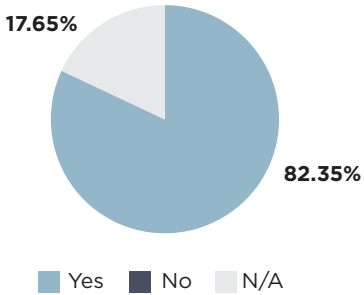
Does your company have a corrective action in place for your suppliers and/or contractors?



Does your company have a publicly available Business Ethics and Code of Conduct Document?



Does your company have a document retention schedule?





# Recommendations

We are constantly trying to improve our environmental and social programs based on feedback from investors, tenants, industry groups, nonprofits and more. We believe this feedback is essential for us to improve our environmental and social performance.

Based on your responses to our survey and the overall responses we received, we would like to make a high level recommendation on an initiative your company could undertake to improve its sustainability performance. This is a recommendation only.

Thank you for your participation in our first Supplier Excellence Survey!

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**K I L R O Y**