

KILROY ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

K I L R O Y

Effective Date - July 7, 2013; Updated January 1, 2021

TABLE OF CONTENTS

Sustainability Strategy	2
I: Context of the Organization	
1.1 Organization and Context	3
1.2 Needs and Expectations of Stakeholders	4
1.3 Scope of the Environmental Management System	5
1.4 Environmental Management System (EMS)	6
II: Leadership	
2.1 Leadership Commitment	7
2.2 Environmental Policy	7
2.3 Organizational Roles, Responsibilities and Authorities	9
III: Planning	
3.1 Actions to Address Risks and Opportunities	10
3.2 Environmental Objectives and Planning to Achieve Them	12
IV: Support	
4.1 Resources	16
4.1.1 Sustainable Sites Policies	16
4.1.2 Solid Waste Management and Construction Waste Policies	17
4.1.3 Emissions and Greenhouse Gas (GHG) Policies	18
4.1.4 Energy Reduction Policies	19
4.1.5 Occupant Health and Safety Policies	20
4.1.6 Materials Selection Policies	21
4.1.7 Water Reduction Policies	22
4.1.8 Resilience Policies	23
4.2 Competence	23
4.3 Awareness	23
4.4 Communication	24
4.5 Documentation	25
V: Operation	
5.1 Operational Planning and Control	26
5.2 Emergency Preparedness and Response	26
VI: Performance Evaluation	
6.1 Monitoring, Measurement, Analysis and Evaluation	29
6.2 Internal Audit	29
6.3 Management Review	30
VII: Improvement	
7.1 General	31
7.2 Nonconformity and Corrective Action	31
7.3 Continual Improvement	31
Appendix A - Sustainability Policies	32
Appendix B - Internal Audit Plan	67

SUSTAINABILITY STRATEGY

Our sustainability strategy involves four stages: Market Assessment, Action Plan, Implementation and Review.

Kilroy's EMS is aligned with the ISO 14001 standard and we use the Plan-Do-Check-Act stages of the Deming Cycle as the foundation of our strategy.

Step One: **Market Assessment** (Plan)

The first stage is Market Assessment, which allows us to identify sustainability trends in real estate. We learn about these trends via educational events, participation in relevant sustainability committees, other industry forums and trade publications.

Step Two: **Action Plan** (Plan)

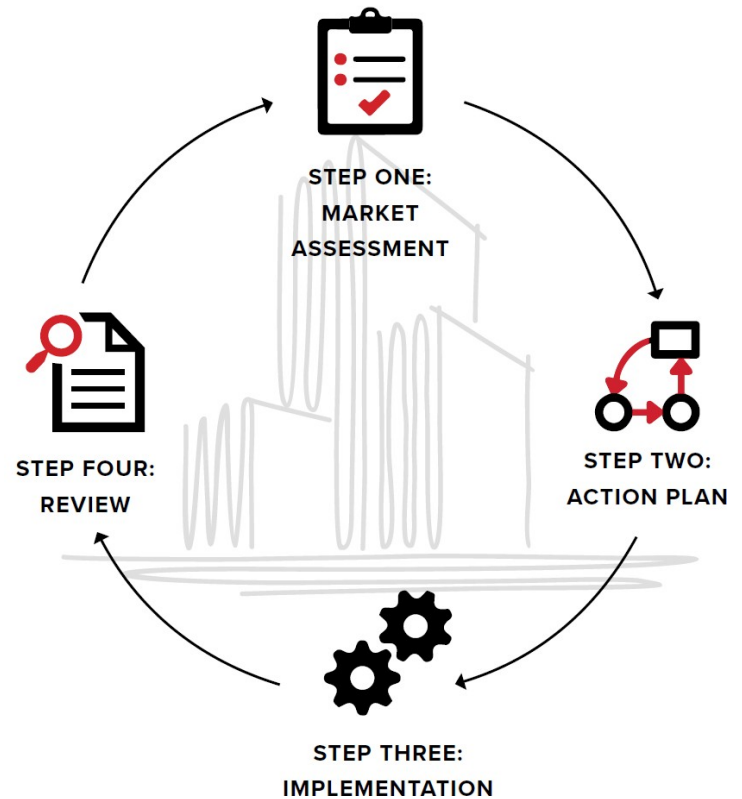
We then formulate an Action Plan which includes defining the scope of the environmental policy and identifying the most important areas of impact and the relationship with primary stakeholders. Additionally, Kilroy has identified how our operations interact with the environment and developed objectives, targets (short-term and long-term), programs and processes necessary to manage the interactions and environmental aspects of our environmental policy.

Step Three: **Implementation** (Do)

After the formulation of an Action Plan, we then Implement. The sustainability team (Senior Vice President of Sustainability, Vice President of Engineer and Sustainability Manager) will be responsible for the overall development and implementation, and will work with the various departments on their respective aspects. Training and support will be provided to ensure conformity with the policy.

Step Four: **Review** (Check & Act)

Finally, we Review our results. This last stage informs our analysis of available market research and allows us to create and modify our action plans in an ongoing process of continuous improvement. Communication channels are created to monitor and document the progress, ensure compliance with applicable legal requirements and identify and correct nonconformity. Additionally, the sustainability team and senior management review and determine what changes to the EMS are necessary to ensure its continuing sustainability adequacy and success based on a performance assessment of the EMS's effectiveness.



EMS BACKGROUND AND PURPOSE

Kilroy's EMS was formally developed and published in July 2013, and has been revised periodically as the EMS has evolved. In this revision, the EMS has been amended to align with the ISO 14001:2015 standard. The EMS establishes a systematic approach to Kilroy's sustainability activities verifying the activities are conducted in a manner that is consistent with the goals of this EMS, State and Federal environmental regulations and Executive Orders.

SECTION I: CONTEXT OF THE ORGANIZATION

1.1 Organization and Context

At Kilroy, we believe in aggressively pursuing high-performance environmental buildings initiatives that create economic value for our tenants, shareholders and employees. With nearly 70 years of experience owning, developing, acquiring and managing real estate assets in West Coast real estate markets, Kilroy Realty Corporation (KRC), a publicly traded real estate investment trust and member of the S&P MidCap 400 Index, is one of the region's premier landlords. We provide physical work environments that foster creativity and productivity and serves a broad roster of dynamic, innovation-driven tenants, including technology, entertainment, digital media and health care companies.

Our sustainability programs incorporate **Social, Governance, and Environmental** aspects of our operations.

- **Social** topics include our hiring practices and employee engagement, as well as our philanthropy and nonprofit partners.
- **Governance** issues span our corporate governance structures, disclosures and whistle-blowing mechanisms as well as our relationship with certain stakeholder groups, such as investors.

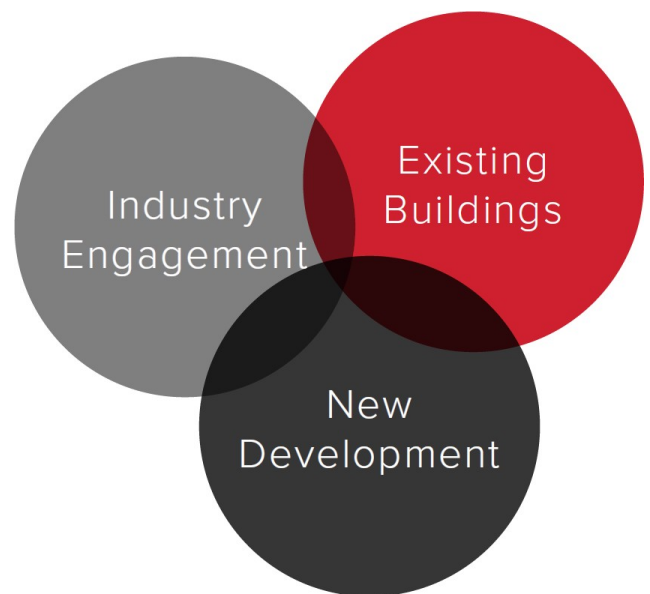
We see our **Environmental** programs as comprising three interacting divisions, Existing Buildings, New Development and Industry Engagement.

- Our **Existing Buildings** program spans all of our energy projects, water projects, recycling revitalizations, installations of electric vehicle charging stations, tenant engagement, indoor air quality testing and the LEED for Existing Buildings Volume Program.
- The **New Development** program focuses on minimizing the environmental impact of ground up construction and major renovations projects, embracing environmentally-focuses leading-edge building materials and technologies, WELL certifications and LEED certifications in the Building Design & Construction and Commercial Interiors rating systems.
- Our **Industry Engagement** program is comprised of our sustainability disclosures to our investors and other stakeholders, our partnerships with sustainability-focused organizations, industry outreach efforts, our awards, philanthropy and the creation of our annual sustainability report.

1.2 Needs and Expectations of Stakeholders

We take an active approach to stakeholder engagement, and we incorporate stakeholder comments into our business decisions. Our stakeholders are the main drivers of our operations, and we take pride in communicating with them via a wide variety of methods.

Our stakeholders are determined as part of our materiality process. Both our stakeholder groups and approach to stakeholder engagement are externally assured annually by DNV GL Business Assurance USA, Inc. (DNV GL) as part of the independent assurance process for Kilroy's Sustainability Report.



Stakeholder Group	Engagement Approach	Material Aspects and Topics of Discussion
Tenants	<ul style="list-style-type: none"> • Dedicated Asset Management teams • Biennial tenant satisfaction surveys • Social media • Electronic Tenant Handbooks • Three annual tenant sustainability memos • Events, such as Earth Day, Bike to Work, and Healthy Workplaces • In-person recycling revitalization trainings • Competition participation • Collaboration on efficiency projects 	Energy, Water, Effluents and Waste, Emissions, Local Communities, Certifications, Transparency, EV Charging Stations, Bicycle Storage Infrastructure, Green Cleaning, Awards, Green Leasing, Health and Wellness
Employees	<ul style="list-style-type: none"> • Annual Kickoff calls with sustainability team • Training programs and support • Annual performance reviews • Intranet site for internal communications • Whistleblower mechanism • Collaboration on projects and certifications 	Energy, Water, Effluents and Waste, Certifications, Resilience, Awards, Trainings and Education, Health and Wellness, Diversity and Equal Opportunity, Nondiscrimination
Investors	<ul style="list-style-type: none"> • NAREIT presentation and podcast • Dedicated investor disclosures • Quarterly earnings calls including Q&A with senior management • Dedicated Investor Relations team • Investor meetings and investor events • Questionnaires and surveys • Property Tours 	Economic Performance, Anti-Corruption, Anti-Competitive Behavior, Certifications, GRESB Participation, Transparency, Emissions, Governance, Energy, Water, Community Relations, Resilience, Health and Wellness
Government	<ul style="list-style-type: none"> • Advocacy related to specific development projects • Engagement with government representatives on sustainability issues • Working group/committee participation for the development of new legislation • Attendance at sustainability hearings • Collaboration throughout the permitting process 	Materials, Emissions, Energy, Water, Public Policy, Access to Transit and Amenities, Transparency, Barriers to Utility Data Access, Benchmarking Ordinances, Compliance, Environmental Grievance Mechanisms
Brokers	<ul style="list-style-type: none"> • Broker Green Leasing collaboration • Award application collaboration • Regional broker appreciation events • Attendance and hosting of various broker meetings • Panel discussions/webinars 	Certifications, Green Leasing, Utility Disclosure, Green Building Standards

Stakeholder Group	Engagement Approach	Material Aspects and Topics of Discussion
NGOs	<ul style="list-style-type: none"> • Leadership, Membership and Employee participation in NGO activities • Attendance at conferences and other industry events • Employee volunteerism • Corporate Philanthropy • Strategic partnerships 	Transparency, Certifications, Energy, Water, Emissions, Effluents and Waste, Smart Growth, District Energy Systems, Health and Wellness
Industry Associations	<ul style="list-style-type: none"> • Active participation at conferences and meetings • Participation on committees and leadership teams, such as BOMA International Energy and Environment Committee • Partnerships 	Energy, Water, Transparency, Certifications, Resilience, Reporting Frameworks, Health and Wellness
Contractors, Vendors and Suppliers	<ul style="list-style-type: none"> • Attendance at conferences and other industry events • Contract development and interaction throughout duration of service • One-on-one meetings and calls 	Materials, Energy, Water, Procurement practices, Effluents and Waste, EV Charging Infrastructure, Transparency, Health and Wellness
Media	<ul style="list-style-type: none"> • Press releases • Interviews with media regarding KRC operations and sustainability • Events around significant achievements, such as groundbreakings • Social media 	Energy, Water, Transparency, Tenant/Broker/Investor Engagement, Health and Wellness
Communities	<ul style="list-style-type: none"> • Hosting community events, such as emergency preparedness awareness events • Interaction with communities throughout the development process, such as town hall meetings • Social media • Community engagement websites 	Resilience, Energy, Water, Smart Growth, Access to Transit and Amenities, Economic Development

1.3 Scope of the Environmental Management System

The scope of the Kilroy EMS encompasses the stabilized building portfolio and the development pipeline. Our stabilized portfolio includes all of our properties with the exception of development and redevelopment properties currently under construction or committed for construction, “lease-up” properties, undeveloped land, and real estate assets held for sale. We define redevelopment properties as those properties for which we expect to spend significant development and construction costs on the existing or acquired buildings pursuant to a formal plan, the intended result of which is a higher economic return on the property. We define “lease-up” properties as properties we recently developed or redeveloped that have not yet reached 95% occupancy and are within one year following cessation of major construction activities. Our stabilized portfolio also excludes our future development pipeline.

	Material within KRC	Material outside KRC
Economic		
Economic Performance	Yes	Yes

	Material within KRC	Material outside KRC
Environmental		
Materials	Yes	No
Energy	Yes	Yes
Water	Yes	Yes
Emissions	Yes	Yes
Biodiversity	No	No
Effluents and Waste	Yes	Yes
Compliance	Yes	Yes
Environmental Grievance Mechanisms	Yes	No
Social		
Training and Education	Yes	No
Diversity and Equal Opportunity	Yes	No
Non-discrimination	Yes	No
Local Communities	Yes	Yes
Anti-Corruption	Yes	Yes
Public Policy	Yes	No
Anti-Competitive Behavior	Yes	Yes
Product & Service Labeling	Yes	Yes
Aspects Not in GRI		
Resilience	Yes	No
Transparency	Yes	Yes

1.4 Environmental Management System (EMS)

Kilroy's business model 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 of the west coast of the United States. To us, a high quality work environment must be sustainably built and operated, so our sustainability programs and Environmental Management System (EMS) are critical in enabling us to deliver premium products to our rapidly evolving market and to achieving our business goals of maximizing occupancy and minimizing tenant turnover. We have the objective to build and operate LEED buildings because our LEED buildings average 2.3% higher occupancy rates than our non-LEED buildings, even more when the pre-leased LEED Gold and Platinum Development portfolio is considered. Further, a property that has focused on energy efficiency protects tenants from energy market volatility and regulatory risk and lowers operating costs for tenants by an average of 8%, which contributes to tenant retention, so our existing buildings objectives focus on reducing energy, as well as water and waste, costs. We also believe investors reward companies that are proactive on sustainability (one study shows that sustainable real estate companies enjoy, on average, an increase in stock price of 3,400 basis points over non-sustainable competitors), and have developed the objective of voluntarily disclosing our sustainability data in our annual report and via GRESB. We continue to study the impact of sustainability on other financial metrics, such as value at sale, to foster further alignment between the financial and environmental at Kilroy.

Our sustainability vision is a portfolio that minimizes the environmental impact of the construction and operation of our buildings, while maximizing tenant comfort, health and financial savings. To achieve this vision, Kilroy has developed and implemented an EMS that outlines the organizational structure and associated responsibilities as well as processes, procedures and tools for integrating environmental consideration and objectives into the ongoing decision-making processes and operations of the organization. The EMS will assist with the accomplishment of achieving the highest level of performance in energy and water efficiency, waste management, tenant engagement, environmental construction, sustainable building operations, green building certifications, materials selection and community involvement.

This EMS confirms the commitment of Kilroy to establish, implement, maintain and continually improve the management system in order to achieve its intended outcomes, including the enhancement of environmental performance.

SECTION II: LEADERSHIP

2.1 Leadership Commitment

Top Management, or Senior Management, demonstrates leadership and commitment with respect to the EMS. Top Management retains accountability of the effectiveness of the EMS and ensures the commitments of the EMS are performed. Top Management is also responsible for communicating with John Kilroy, the Chairman of the Board, President and Chief Executive Officer. Communication occurs regularly via a variety of methods: phone calls, emails, in-person meetings, formal memos and formal reports.

Commitments of Top Management include:

- Ensuring that the environmental policy and objectives are established and are compatible with the strategic direction and the context of Kilroy;
- Ensuring the integration of the EMS requirements into Kilroy's business processes;
- Ensuring resources needed for the EMS are available and utilized;
- Ensuring the importance of environmental management and conformation to the EMS are effectively communicated;
- Ensuring the EMS achieves its intended outcomes;
- Directing and supporting all stakeholders (employees, tenants, vendors, etc.) to contribute to the effectiveness of the EMS;
- Promoting continual improvement;
- Supporting other relevant departments to demonstrate the connection as it applies to their areas of responsibility.

2.2 Environmental Policy

Our environmental policy incorporates **Social, Governance, and Environmental** aspects of our operations. Kilroy's environmental program comprise three interacting divisions: **Existing Buildings, New Development, and Industry Engagement**. It is Kilroy's policy to manage and maintain Kilroy operations and facilities in such a manner to:

Social

- Strive to maintain a corporate environment without losing the entrepreneurial spirit on which Kilroy was founded more than 70 years ago.
- Support the continual improvement of training and education programs for our employees.

Governance

- Continue promoting the long-term interests of our stockholders through regular engagement with investors.

Existing Buildings

- **Energy:**
 - Reduce energy use and GHG emissions by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool);

- Achieve ENERGY STAR certification for 75% of eligible existing buildings by 2016;
- Perform energy audits or retrocommissioning (RCx) every 5 years on all existing buildings;
- **Water:** Reduce water use by 10% from 2015 consumption levels by 2020;
- **Waste:** Achieve a recycling annual office waste diversion rate of at least 50% in the existing portfolio by 2020;
- **Climate Change Adaptation:** To address climate change concerns, enable all buildings in IOU territories to participate in Demand Response;
- **Monitoring:** Benchmark all energy, water and waste data on at least a monthly basis, including tenant data;
- **Engagement:**
 - Engage tenants to reduce their environmental impact through regular communications and action-oriented programs;
 - Implement Green Leasing;
- **Indoor Environmental Quality:** Maintain a portfolio-wide green cleaning program that would earn maximum points under LEED for Existing Buildings;
- **Transportation:** Provide electric car charging stations per tenant needs;
- **Certifications:** Participate in the LEED for Existing Buildings Volume Program and certify eligible existing buildings through USGBC's performance-based certification platform, Arc.

New Development

- **Certifications:** To ensure our sustainability policies are implemented, all ground-up construction will pursue LEED Gold or Platinum certification, and all major renovations will pursue LEED Silver certification or better;
- **Materials:** To reduce impacts on human health and our environmental footprint throughout our supply chain, materials purchased for and disposed of during our projects will meet the rigorous standards in this policy: Construction Materials Sustainability Policy;
- **Energy:** To reduce operating costs and carbon emissions, per LEED the Building Design & Construction Rating System, all projects will achieve an energy efficiency target at least 10% better than the relevant version of either Title 24 or ASHRAE 90.1;
- **Climate Change Adaptation:** In addition to energy efficiency efforts, to ensure that our buildings are adaptable to climate change concerns, all buildings will be equipped with controls systems that enable them to participate in Demand Response to protect the reliability of the electric grid;
- **Location:** We seek out projects that are located in dense, urban areas that meet the requirements of the LEED Development Density & Community Connectivity and Alternative Transportation credits;
- **Resilience:** To ensure the longevity and safety of our buildings, the structural design of our projects must meet the highest standards for protection against seismic events or other natural hazards;
- **Water:** To protect our water supply and reduce operating costs, all projects must meet at minimum a 30% reduction from the LEED baseline.
- **Biodiversity:** To protect our natural ecosystems, all projects with exterior landscape must incorporate at least two regionally-appropriate pollinator-friendly plants. In addition, we will attempt to relocate, rather than exterminate, any unwanted bees;
- All projects in our development pipeline are already focused on these objectives, and we look forward to focusing even more on our supply chain in 2017.

Industry Engagement

- Participate in industry standard disclosures, such as GRESB, and create an annual sustainability report using Global Reporting Initiative (GRI) guidelines;
- Participate in at least 10 industry-specific forums annually to communicate our best practices and learn

from our peers;

- Earn recognition for our energy reduction efforts through the ENERGY STAR program.

2.3 Organizational Roles, Responsibilities and Authorities

Senior Management (Top Management)

Senior Management is defined as the Senior Vice President, Sustainability, as the decision-making responsibilities and authorities for Kilroy's EMS are within their purview. Senior Management is responsible for (1) review of performance targets and objectives and (2) review of proposals for initiatives and plans to meet the EMS programs in accordance with Kilroy's procedures. Senior Management is also responsible for ensuring that approved, budgeted resources are available and that technical direction is available in a timely manner to implement the EMS programs. Senior Management is also the point of contact and responsible for reporting on the performance of the EMS, including environmental performance, to top management.

Sustainability Team

The Sustainability Team (Senior Vice President, Sustainability; Vice President, Facilities and Engineering and Sustainability Manager) will be responsible for (1) the overall development and maintenance of the EMS and (2) work with the various departments on their respective aspects. They are responsible for promoting and championing the programs, helping all employees become aware of the programs, obtaining and providing necessary training and facilitating the implementation of the programs.

Kilroy EMS Program Team

The Kilroy EMS Program Team (Executive Vice President, Asset Management; Vice President, Development & Government Affairs; Vice President, Human Resources; In-House Counsel; Vice President, Risk Management and Sustainability Team) are responsible for developing knowledge, skills and abilities to provide technical information necessary to achieve the scope of the EMS programs. Periodically, they will also recommend program targets and initiatives, as appropriate.

SECTION III: PLANNING

3.1 Actions to Address Risks and Opportunities

The planning stage of the EMS consists of the following major steps - identifying environmental and material aspects using the Global Reporting Initiative (GRI) and compliance obligations, setting objectives and targets for reducing environmental impacts, and establishing programs to achieve them.

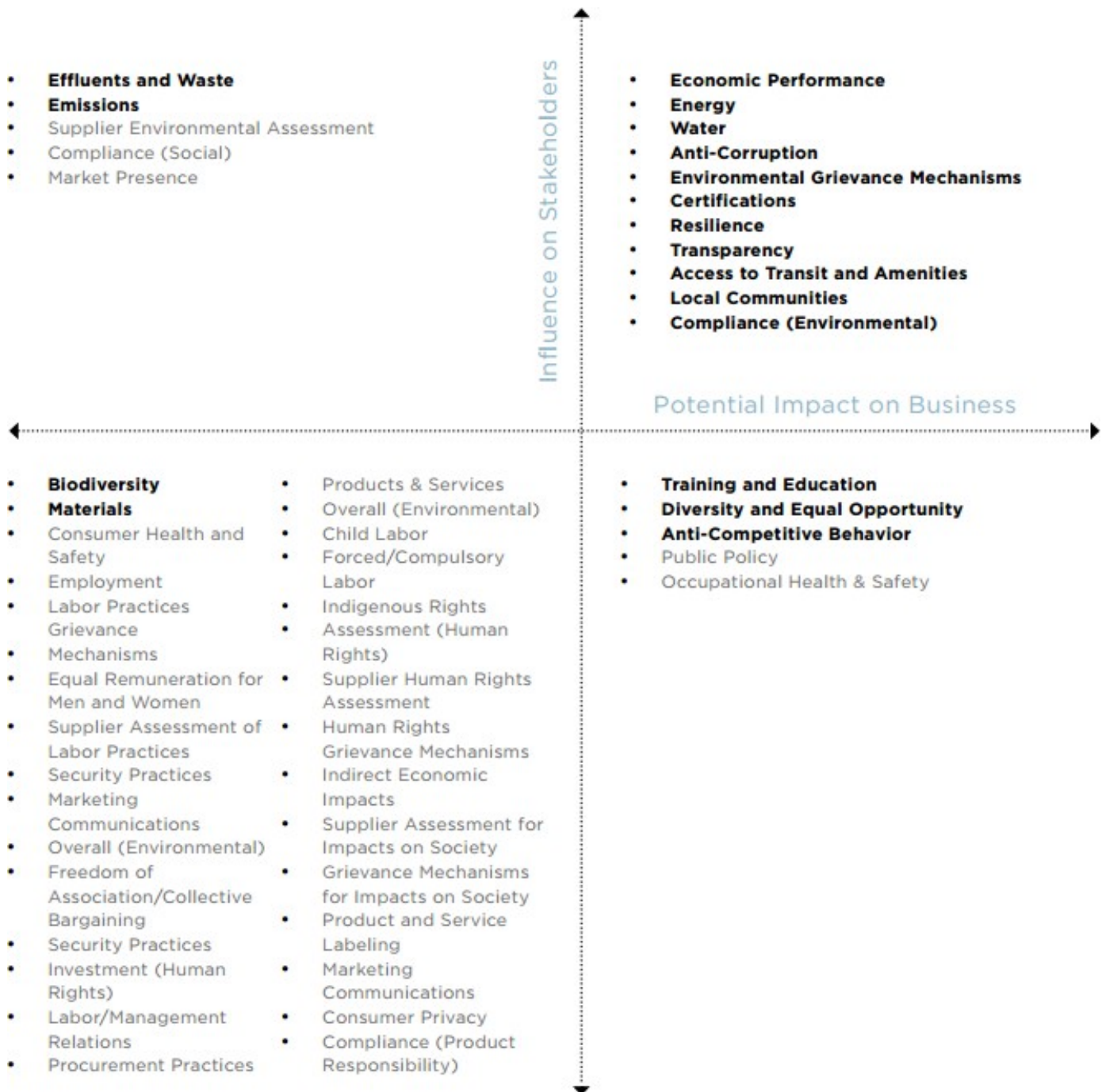
To identify the material aspects related to building operations, the Sustainability Team works to gather, analyze and report all information that the various stakeholder groups would find relevant regarding the sustainability programs. A materiality assessment is conducted every other year to identify those issues which are necessary to stakeholders to make judgements concerning Kilroy and its impacts. The assessment is conducted in conjunction with the Annual Sustainability Report which is aligned with the Global Reporting Initiative (GRI) G4 'Core' In Accordance option.

The GRI is a leading organization in the sustainability field. GRI promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development. A sustainability report conveys disclosures on an organization's most critical impacts - whether positive or negative - on the environment, society and the economy.

By using the GRI Guidelines, Kilroy is able to generate reliable, relevant and standardized information with which to assess opportunities and risks, and enable more informed decision-making - both within the business and among its stakeholders. By developing and communicating the understanding about connections between sustainability and business, Kilroy can enhance the value, measure and manage change and drive improvement and innovation.

The GRI is organized by defining potential subject areas, called aspects, for disclosure. Aspects are organized into three categories - Economic, Environmental and Social; the Social category is further divided into four sub-categories, Labor Practices and Decent Work, Human Rights, Society and Product Responsibility. Using the guidance in the GRI Implementation Manual, matrices are created to determine which aspects were significant to operations and influential to the stakeholders. Material aspects included are those both significant and influential, and those determined influential but not significant. To define the aspects, meetings with all groups within Kilroy that have an impact on any of the potential environmental aspects were conducted. These groups include Environmental Compliance, In-House Counsel, Land Use, Human Resources and Risk Management. The analysis was also informed by conversations with many external stakeholders, such as investors, tenants, local communities, NGO partners, vendors and industry peers.

To determine the information relevant to our stakeholders, in 2015, a representational cross section of both our own employees and external stakeholders were surveyed. The external stakeholders included a tenant, an industry association, a competitor, a vendor, a Non-Government Organization (NGO), a local government representative and an investor representative. Third party validation was provided by DNV GL -Business Assurance, USA & Canada, an outside vendor unaffiliated with Kilroy. Our disclosures were refined based on their feedback and inclusivity was verified in regards to the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability. Emergency situations are also assessed as they can result in adverse environmental impacts or other effects on the organization.



Stakeholder Matrix from the 2016 Annual Sustainability Report

The following Environmental aspects were identified as material and included in the EMS:

- Compliance
- Effluents and Waste
- Emissions (while not material for the 2015 Annual Sustainability Report, material for the EMS)
- Energy
- Environmental Grievance Mechanisms
- Materials
- Water
- Product and Service Labeling
- Resilience

EMS compliance obligations of the material aspects are defined as those mandated by Federal, State or Local government agency statutes, laws or regulations.

Aspect	Regulatory Implications
Environmental	
Compliance	– Clean Water Act
Effluents and Waste	<ul style="list-style-type: none"> – Seattle Municipal Code 21.36.089 - Construction and Demolition Waste Management Ordinance – San Francisco Ordinance 27-06 - Construction and Demolition Debris Recovery Ordinance – Pollution Prevention Act
Emissions	– Clean Air Act
Energy	<ul style="list-style-type: none"> – California AB802 - Building Energy Use Benchmarking and Public Disclosure Program – San Francisco Environment Code Chapter 20 - Existing Commercial Building Energy Performance Ordinance – City of Seattle Ordinance 123226 & 123993 - Energy Benchmarking & Reporting Program
Environmental Grievance Mechanisms	<ul style="list-style-type: none"> – Revised Code of Washington, Chapter 70.160 - Smoking in Public Places (formerly Washington Clean Indoor Air Act) – California AB13 - California Workplace Smoking Restrictions – Clean Air Act – Clean Water Act – Toxic Substances Control Act – Pollution Prevention Act
Materials	<ul style="list-style-type: none"> – Clean Air Act – Pollution Prevention Act – Toxic Substances Control Act
Water	– Clean Water Act
Product and Service Labeling	None
Resilience	None

3.2 Environmental Objectives and Planning to Achieve Them

Setting objectives and targets for the material environmental aspects is a key facet in the development and maintenance of the EMS. Through the achievement of these objectives and targets, Kilroy addresses the material aspects, including compliance, environmental risk and emergency situations.

EMS objectives describe Kilroy's goals for environmental performance. Objectives are measurable and quantifiable. EMS targets are specific and measurable immediate steps that can be achieved.

Compliance

The level of non-compliance within the organization indicates the ability of management to ensure that operations conform to certain performance parameters. From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation. In some circumstances, non-compliance can lead to clean-up obligations or other costly environmental liabilities. The strength of the organization's compliance record can also affect its ability to expand operations or gain permits.

Aspect	Objective	Target
--------	-----------	--------

Compliance

	– Compliance with all environmental regulations.	– No significant fines or non-monetary sanctions regarding environmental compliance.
--	--	--

Effluents and Waste

Progress towards waste reduction efforts are indicated by the tracking of waste generation over several years. It also indicates potential improvements in process efficiency and productivity. The reduction of waste also contributes a financial component in contributing directly to lower costs for materials, processing and disposal. Spills of chemicals, oils and fuels can have significant negative impacts on the surrounding environment, potentially affecting soil, water, air, biodiversity and human health. The systematic effort to avoid spills of hazardous materials is directly linked to the organization's compliance with regulation, its financial risk from the loss of raw materials, remediation costs, the risk of regulatory action, as well as damage to reputation.

Aspect	Objective	Target
--------	-----------	--------

Effluents and Waste

	– Increase waste diversion and pursue recycling revitalizations in tenant spaces.	– Achieve a recycling annual office waste diversion rate of at least 50% in the existing portfolio by 2020.
	– Track and document construction waste diversion from landfill of all construction projects.	– Achieve at least a 75% diversion of construction waste from landfill for all construction projects.
	– Gather and benchmark waste data on a monthly basis.	– Benchmark all waste data on at least a monthly basis, including tenant data.

Emissions

This aspect covers the disclosure of the direct (Scope 1) and indirect (Scope 2) GHG emissions. Direct (Scope 1) emissions are defined as emissions from operations that are owned and controlled by the organization. Indirect (Scope 2) emissions are emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the organization. Other indirect (Scope 3) emissions are a consequence of the activities of the organization, but occur from sources not owned or controlled by the organization. An example of Scope 3 activities is the transportation in vehicles not owned or controlled by the organization. GHG emissions are major contributors to climate change and some GHGs (including methane CH₄) are also air pollutants with significant adverse impacts on ecosystems, air quality, agriculture and human and animal health.

Aspect	Objective	Target
--------	-----------	--------

Emissions

	– Reduce emissions by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool).	– Achieve a portfolio-wide 2% reduction of emissions annually.
	– Address climate change concerns and protect the reliability of the electric grid.	– Enable all buildings in IOU territories to participate in Demand Response.

Energy

Energy consumption has a direct effect on operational costs and can increase exposure to fluctuations in energy supply and prices. The environmental footprint of an organization is shaped in part by its choice of energy sources. An organization's ability to use energy efficiently can be revealed by its reductions in energy consumption. The consumption of non-renewable fuels is usually the main contributor to direct greenhouse gas (GHG) emissions (Scope 1).

Aspect	Objective	Target
Energy		
	– Reduce energy use by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool).	– Achieve a portfolio-wide 2% reduction of energy use annually.
	– Maintain ENERGY STAR certifications and analyze data to apply for ENERGY STAR labels for non-certified buildings.	– Achieve ENERGY STAR certification for 75% of eligible existing buildings by 2016.
	– Conduct energy audits or retrocommissioning in conjunction with LEED EB certification & utility incentives.	– Complete energy audits or retrocommissioning at least once every 5 years on all existing buildings.
	– Gather and benchmark energy data on a monthly basis.	– Benchmark all energy data on at least a monthly basis, including tenant data.

Environmental Grievance Mechanisms

Effective grievance mechanisms play an important role in remediating environmental impacts as disputes may occur over the environmental impacts of an organization's activities and relationships with others. The availability and accessibility of grievance mechanisms and remediation processes for environmental impacts are significant.

Aspect	Objective	Target
Environmental Grievance Mechanisms		
	– Procedures in place for responding to environmental incidents.	– No significant environmental issues.

Materials

This Aspect addresses Kilroy's ability to use recycled-content materials. Using these materials helps to reduce the demand for virgin material and contribute to the conservation of the global resource base. Substituting recycled-content materials can contribute to lowering the overall costs of operation.

Aspect	Objective	Target
Materials		
	– Increase use of materials in development projects with recycled content.	– Achieve at least 20% recycled content of total materials used in development projects.
	– Increase use of materials in development projects with regionally-sourced content (within 500 miles of project site).	– Achieve at least 10% regionally-sourced content (within 500 miles) of total materials used in development projects.

Product and Service Labeling

Building and operating our buildings to LEED standards demonstrates to current and prospective tenants and investors that we have a high-performing team that builds and operates best-in-class buildings. Building certifications (LEED, ENERGY STAR and BOMA 360) are of central importance to prospective tenants, and Kilroy, because we provide environments that help our tenants attract and retain the most effective employees, and sustainability is highly important to today's modern workforce.

Aspect	Objective	Target
Product and Service Labeling		
	– Demonstrate our development projects are designed to address the entire lifecycle of a property.	– All ground-up construction will pursue LEED Gold or Platinum certification, and all major renovations will pursue LEED Silver certification or better.
	– Demonstrate that we understand how to run high-performing buildings and maintain excellence in building operations.	– Participate in and certify all eligible existing buildings under the LEED EB Volume Prototype.
	– Maintain ENERGY STAR certifications and analyze data to apply for ENERGY STAR labels for non-certified buildings.	– Achieve ENERGY STAR certification for 75% of eligible existing buildings by 2016.
	– Earn recognition for our energy reduction efforts through the ENERGY STAR program.	– Achieve the ENERGY STAR Partner of the Year, Sustained Excellence recognition.

Water

Tracking water consumption by source contributes to an understanding of the overall scale of potential impacts and risks associated with the organization's water use. The systematic effort to monitor and improve the efficient use of water in the organization is directly linked to water consumption costs. Total water use can also indicate the level of risk posed by disruptions to water supplies or increases in the cost of water.

Aspect	Objective	Target
Water		
	– Reduce water use by 10% from 2015 consumption levels by 2020.	– Achieve a portfolio-wide 2% reduction of water use annually.
	– Gather and benchmark water data on a monthly basis.	– Benchmark all water data on at least a monthly basis, including tenant data.

Resilience

Although this Aspect is not included in the GRI, Kilroy has opted to include it in the EMS. To be resilient, is to be aware, adaptive, diverse, integrated and self-regulating. Understanding resilience is important for assuring the sustainability of an organization's economic, social and environmental systems. Fundamental drivers such as climate change and globalization may lead to an increased likelihood that disruption events will occur. Resilience analysis is a means of assessing the organization's vulnerability to disruption, and can help assess the effectiveness of the policies meant to reduce risk.

Aspect	Objective	Target
Resilience		
	– Procedures in place for all buildings to be operational in event of natural disaster.	– In event of disaster, all buildings are fully operational as soon as safely possible.

SECTION IV: SUPPORT

4.1 Resources

The objective of the EMS is to implement sound stewardship practices that are protective of air, water, land and other natural and cultural resources affected by Kilroy's operations and by which Kilroy cost-effectively meets or exceeds compliance with applicable environmental, public health and resource protection laws, regulations and Kilroy requirements.

Environmental Management Program

An Environmental Management Program (EMP) is utilized to achieve objectives and targets set for material environmental aspects. The Kilroy EMP covers all EMS objectives and targets set for material environmental aspects and documents other EMS elements such as employee trainings and relevant legal requirements. Based on the material environmental aspects identified, the following policies have been implemented - Sustainability Sites, Solid Waste Management and Construction Waste, Emissions and Greenhouse Gas (GHG), Energy Reduction, Occupant Health and Safety, Materials, Water Reduction and Resilience. Appendix A - Sustainable Policies.

4.1.1 Sustainable Sites Policies

Kilroy has had a strong commitment to sustainability for almost seven decades. These standards are designed to ensure that the Kilroy development footprint minimizes its environmental impact while maximizing the attractiveness of our development locations for potential tenants.

These standards have the following intentions:

- To avoid the development of inappropriate sites and reduce the environmental impact from the location of a building on a site.
- To channel development to urban areas with existing infrastructure, protect greenfields and preserve habitat and natural resources.
- To rehabilitate damaged sites where development is complicated by environmental contamination to reduce pressure on undeveloped land.
- To reduce pollution and land development impacts from automobile use.

The requirements of the standards are based on the LEED for Building Design and Construction v2009 rating system.

Sustainable Sites Policies

Material Aspects

- Compliance
- Environmental Grievance Mechanisms

Policy

- Sustainable Sites Policy
- Biodiversity and Habitat Policy
- Deforestation Policy

Objectives

- Compliance with all environmental regulations.
- Procedures in place for responding to environmental incidents.

Target-s

- Responsible material sourcing
- No significant fines or non-monetary sanctions regarding environmental compliance.
- No significant environmental issues.

Legal and Other Requirements

- Clean Water Act

Training

- Standard Operating Procedures, On-the-job Training

Operational Control

- Administrative (overseeing Construction)

4.1.2 Solid Waste Management and Construction Waste Policies

These policies are designed to ensure that Kilroy reduces the amount of solid waste and construction waste that are disposed of in landfills or incineration facilities through recycling, reuse and composting practices.

The scope of these policies includes management of Kilroy's solid waste and construction waste. This includes, but is not limited to, recycling and waste control efforts for ongoing consumables, durable goods, construction and demolition activities, and mercury containing light bulbs. These policies specify the procedures and strategies that will be employed. Service providers are responsible for carrying out their services in accordance with these policies without exception.

Solid Waste Management and Construction Waste Policies

Material Aspects

- Effluents and Waste

Policy

- Solid Waste Management Policy
- Construction Waste Policy

Objectives

- Increase waste diversion and pursue recycling revitalizations in tenant spaces.
- Track and document construction waste diversion from landfill of all construction projects.
- Gather and benchmark waste data on a monthly basis.

Targets

- Achieve a recycling annual office waste diversion rate of at least 75% in the existing portfolio by 2020.
- Achieve at least 75% diversion of construction waste from landfill for all construction projects.
- Benchmark all waste data on at least a monthly basis, including tenant data.

Legal and Other Requirements

- Seattle Municipal Code 21.36.089 - Construction and Demolition Waste Management Ordinance
- San Francisco Ordinance 27-06 - Construction and Demolition Debris Recovery Ordinance
- Pollution Prevention Act

Training

- Standard Operating Procedures, On-the-job Training

Operational Control

- Administrative (and overseeing Construction)

4.1.3 Emissions and Greenhouse Gas (GHG) Policies

These policies are designed to ensure that Kilroy minimizes the release of refrigerants to the atmosphere and therefore reducing stratospheric ozone depletion.

All properties managed by Kilroy maintain and adhere to strict policies to safeguard the environment and the atmosphere by employing procedures and policies that strictly minimize any opportunity for refrigerants of any kind to be released. A rigorous program of refrigerant containment is in effect. All equipment is thoroughly inspected for leaks at every preventative maintenance inspection. Any service technician engaged in equipment maintenance is required to be certified by the U.S. EPA in the care and handling of the class of refrigerants with which he/she is working. Technicians are instructed to follow the recommendations of the respective equipment manufacturers in the type of maintenance to be performed and the recommended interval between scheduled services.

Emissions and Greenhouse Gas (GHG) Policies

Material Aspects

- Compliance
- Emissions
- Energy
- Resilience

Policy

- Refrigerant Management Policy
- Greenhouse Gas (GHG) Management Policy
- Climate Change Policy

Objectives

- Compliance with all environmental regulations.
- Reduce emissions by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool).
- Reduce energy use by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool).
- Procedures in place for all buildings to be operational in event of natural disaster.
- Address climate change concerns and protect the reliability of the electric grid.

Targets

- No significant fines or non-monetary sanctions regarding environmental compliance.
- Achieve a portfolio-wide 2% reduction of emissions annually.
- Achieve a portfolio-wide 2% reduction of energy use annually.
- In event of disaster, all buildings are fully operational as soon as safely possible.
- Enable all buildings in IOU territories to participate in Demand Response.

Legal and Other Requirements

- Clean Air Act

Training

- Standard Operating Procedures, On-the-job Training, Preventative Maintenance Procedures

Operational Control

- Administrative

4.1.4 Energy Reduction Policies

Kilroy has a longstanding commitment to building energy efficiency. These policies are designed to ensure that Kilroy reduces the amount of energy consumed throughout the portfolio.

Kilroy is committed to ongoing energy management and commissioning of its buildings, systematically optimizing the building and its ancillary systems. Our goal is an 11% reduction from 2014 consumption levels by 2020. The building's energy information is monitored continuously via ENERGY STAR Portfolio Manager, where the energy and water usage information are uploaded every month. Unexplained increases in energy uses are addressed promptly by the Property Management and Engineering teams. ENERGY STAR is also used to evaluate progress towards the portfolio's energy performance goals.

Energy Reduction Policies

Material Aspects

- Compliance
- Emissions
- Energy
- Resilience

Policy

- Energy Policy
- Energy Management Policy
- Renewable Energy Policy

Objectives

- Compliance with all environmental regulations.
- Reduce emissions by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool).
- Reduce energy use by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool).
- Maintain ENERGY STAR certifications and analyze data to apply for ENERGY STAR labels for non-certified buildings.
- Conduct energy audits or retrocommissioning in conjunction with LEED EB certification & utility incentives.
- Gather and benchmark energy data on a monthly basis.
- Procedures in place for all buildings to be operational in event of natural disaster.

Targets

- No significant fines or non-monetary sanctions regarding environmental compliance.
- Achieve a portfolio-wide 2% reduction of emissions annually.
- Achieve a portfolio-wide 2% reduction of energy use annually.
- Achieve ENERGY STAR certification for 75% of eligible existing buildings by 2016.
- Complete energy audits or retrocommissioning at least once every 5 years on all existing buildings.
- Benchmark all energy data on at least a monthly basis, including tenant data.
- In event of disaster, all buildings are fully operational as soon as safely possible.

Legal and Other Requirements

- California AB802 - Building Energy Use Benchmarking and Public Disclosure Program
- San Francisco Environment Code Ch. 20 - Existing Commercial Building Energy Performance Ordinance
- City of Seattle Ordinance 123226 & 123993 - Energy Benchmarking & Reporting Program

Training

- Standard Operating Procedures, On-the-job Training, Preventative Maintenance Procedures

Operational Control

- Administrative (and overseeing Engineering)

4.1.5 Occupant Health and Safety Policies

The health, comfort and learning environment of occupants and staff are an important aspect of Kilroy's mission. Indoor Environmental Quality (IEQ) is a critical component of providing a health and comfortable work environment. IEQ goals are as follows:

- Minimize indoor air pollutants, which will reduce the likelihood of health problems, including asthma, respiratory infections, allergic reactions, and other health problems.
- Control temperature, humidity and ventilation associated problems.
- Prevent indoor air quality problems, which will slow building deterioration, minimize liability risk and foster a positive relationship among occupants and management.

Occupant Health and Safety Policies

Material Aspects

- Environmental Grievance Mechanisms

Policy

- Indoor Air Quality (IAQ) Policy
- Tobacco Free Building Policy
- IAQ Management For Facility Alterations and Additions Policy
- Integrated Pest Management (IPM) Policy
- Building Exterior and Maintenance Policy
- Green Cleaning Policy
- Health and Safety Policy

Objectives

- Procedures in place for responding to environmental incidents.

Targets

- No significant environmental issues.

Legal and Other Requirements

- Revised Code of Washington, Chapter 70.160 - Smoking in Public Places (formerly Washington Clean Indoor Air Act)
- California AB13 - California Workplace Smoking Restrictions
- Clean Air Act
- Clean Water Act
- Toxic Substances Control Act
- Pollution Prevention Act

Training

- Standard Operating Procedures, On-the-job Training, Preventative Maintenance Procedures

Operational Control

- Administrative (and overseeing Construction)

4.1.6 Materials Selection Policies

These policies are designed to ensure that environmentally preferable products and services are used to the greatest extent possible in the operations & maintenance and design and construction of Kilroy's portfolio. Kilroy has had a strong commitment to sustainability over the past six decades. These policies are designed to maintain the level of quality and sustainability expected of our Class A properties, and to help our tenants achieve their own environmental goals.

The scope of these policies includes, but is not limited to, the purchase of ongoing consumables, durable goods, reduced mercury light bulbs and construction materials. These policies specify the procedures and strategies that will be employed.

Materials Selection Policies

Material Aspects

- Effluents and Waste
- Energy
- Environmental Grievance Mechanisms
- Materials

Policy

- Construction Materials Design Criteria and Building Standards Policy
- Sustainable Purchasing Policy
- Building Materials Policy

Objectives

- Increase waste diversion and pursue recycling revitalizations in tenant spaces.
- Reduce energy use by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool).
- Procedures in place for responding to environmental incidents.
- Increase use of materials in development projects with recycled content.
- Increase use of materials in development projects with regionally-sourced content (within 500 miles of project site).

Targets

- Achieve a recycling annual office waste diversion rate of at least 75% in the existing portfolio by 2020.
- Achieve a portfolio-wide 2% reduction of energy use annually.
- No significant environmental issues.
- Achieve at least 20% recycled content of total materials used in development projects.
- Achieve at least 10% regionally-sourced content (within 500 miles) of total materials used in development projects.

Legal and Other Requirements

- Clean Air Act
- Pollution Prevention Act
- Toxic Substances Control Act

Training

- Standard Operating Procedures, On-the-job Training, Preventative Maintenance Procedures

Operational Control

- Administrative (and overseeing Construction)

4.1.7 Water Reduction Policies

These policies are designed to ensure that Kilroy reduces the amount of water consumed throughout the portfolio.

California, in particular, is prone to experiencing intense drought, and Kilroy anticipates severe pricing signals around water use in the short term. Kilroy is aggressively pursuing water reduction projects to mitigate this risk. Furthermore, Kilroy anticipates additional water regulation impacting the California portfolio in the short term. Kilroy has taken significant measures to reduce water use, but may see the needs to make more drastic reductions in the future, which could impact building operations and tenant experience.

Water Reduction Policies

Material Aspects

- Compliance
- Water
- Resilience

Policy

- Water Management Policy
- Plumbing Fixture Replacement Policy
- California Drought Policy

Objectives

- Compliance with all environmental regulations.
- Reduce water use by 10% from 2015 consumption levels by 2020.
- Gather and benchmark water data on a monthly basis.
- Procedures in place for all buildings to be operational in event of natural disaster.

Targets

- No significant fines or non-monetary sanctions regarding environmental compliance.
- Achieve a portfolio-wide 2% reduction of water use annually.
- Benchmark all water data on at least a monthly basis, including tenant data.
- In event of disaster, all buildings are fully operational as soon as safely possible.

Legal and Other Requirements

- Clean Water Act

Training

- Standard Operating Procedures, On-the-job Training, Preventative Maintenance Procedures

Operational Control

- Administrative (and overseeing Engineering)

4.1.8 Health and Wellness Policies

These policies are designed to support and maximize the health and wellbeing of two key building stakeholders—tenants and employees. We recognize that our buildings have impacts on occupant health, performance and productivity. Kilroy strives to promote and support the overall wellbeing of our buildings' occupants by implementing informed building design and operations strategies.

Health and Wellness Policies

Material Aspects

- Health and Wellness

Policy

- Employee Health and Wellness Policy
- Employee Engagement Policy
- Tenant Health and Wellness Policy

Objectives

- Promote occupant health and wellness.
- Fitwel certify 40% of all existing assets by year end 2019.
- Enhance employee satisfaction.
- Enhance employee wellness.

Targets

- Benchmark all eligible buildings against the Fitwel Standard by year-end 2019.
- Achieve Fitwel certification for at least 10% of the portfolio square footage, annually.
- Conduct employee survey at least bi-annually.

Legal and Other Requirements

- None

Training

- Standard Operating Procedures, On-the-job Training, Preventative Maintenance Procedures

Operational Control

- Administrative (and overseeing Engineering)

4.1.9 Resilience Policies

These policies were designed to address the recent emphasis on resiliency. Kilroy anticipates an increased market focus on resilience as a result of climate change and other stressors both in the existing and development portfolios. Kilroy has completed some mitigation of this risk in the existing portfolio, by, for example, adding backup generators to many buildings. However, Kilroy plans to make both the existing and the new buildings as resilient as possible, and are actively investigating new technologies and approaches focused on resilience, such as battery storage. It is anticipated that there will be positive synergies between these technologies and the existing energy efficiency systems.

Resilience Policies

Material Aspects

- Resilience

Policy

- Resilience Policy
- Human Rights Policy
- Philanthropy Policy
- Preferred Vendor Conduct Policy
- Green Office Policy
- Sustainability Training Policy

Objectives

- Procedures in place for all buildings to be operational in event of natural or other disaster.
- Cultivate and maintain strong stakeholder relationships via robust corporate social responsibility programs.

Targets

- In event of disaster, all buildings are fully operational as soon as safely possible.

Legal and Other Requirements

None

Training

- Standard Operating Procedures, On-the-job Training, Preventative Maintenance Procedures

Operational Control

- Administrative

4.2 Competence

Training and competence are important elements of the successful implementation of the EMS at Kilroy. The Sustainability Team coordinates informal training on environmental requirements and the EMS with the various property management teams, senior-level management, contracting personnel, procurement personnel and vendors. Additional training for staff responsible for building operations is obtained through on-the-job training, standard operating procedures and preventative maintenance procedures. A formal training program does not currently exist, but may be developed in the future.

4.3 Awareness

All Kilroy employees have a role to play in the implementation of the EMS because all job functions at Kilroy are likely to have the opportunity to interact with the material aspects, identified within the EMS, at some point. EMS procedures should be implemented at all levels and functions, and integrated into existing facility operations and maintenance and future development. It is essential Kilroy employees be able to follow procedures easily that apply to their job functions.

Personnel (including, but not limited to, various property management teams, senior-level management, contracting personnel, procurement personnel and vendors) are made aware of:

- The EMS, environmental policies and material aspects;
- Impacts of their relevant activities;
- How they contribute to the environmental objectives;
- Environmental performance and compliance obligations;
- Implications of failures in compliance.

4.4 Communication

Internal - Asset Management and Engineering

Kilroy is a comparatively small company with less than 300 employees, and as such, internal communications are very personal and location-specific, which allows internal teams to know the roles they play in the EMS. The Sustainability Team conducts internal phone calls with each asset management team and its engineers at the beginning of each year to set environmental goals, identify strategic projects and process for

implementation and brainstorm projects to pilot for inclusion in next year's budget. Additional communication includes actively shaping the Sustainability section of the Electronic Tenant Handbook portal, company-wide internal memos for large sustainability disclosures and accomplishments and benchmarking training with the Goby SeaSuite platform. An annual "all hands" engineering meeting is held to gather all the chief engineers together to provide training on energy and water efficiency, share best practices and improve inter-team communication.

Internal - Construction

The Sustainability Team and construction department updated the building standards, which have included environmental language for a long time, to push for higher levels of energy and water efficiency, construction waste diversion and materials selection.

Internal - Legal, Human Resources, Risk Management and Executive Management

Aligning the Kilroy Annual Sustainability Report with the GRI Guidelines and having the report externally assured involved in-person interviews with the Sustainability Team and external auditors which helped these teams understand their relationship with EMS and strengthened their commitment to the program's success.

External - Tenants

Kilroy uses a wide range of tactics to communicate with tenants because each has a preferred mode of communication. The traditional tenant communication arsenal involves portfolio-wide quarterly tenant memos tailored to each building's sustainability programs and increased outreach around accomplishments, projects, competitions and Earth Day. Additional communication includes the Electronic Tenant Handbooks, which are the high-traffic websites that tenants use to interact with our building teams and highlights the various environmental initiatives (Recycling, Sustainable Purchasing, Green Cleaning, Energy Efficiency, Alternative Transportation, etc.).

External - Broader Community

Kilroy is very active in promoting our commitment to the material environmental aspects via social media; highlighting significant achievements, best practices or current trends. Kilroy's corporate website has a dedicated sustainability section containing Kilroy's Sustainability Objectives and Action Plan, Green Building Operations Programs, Energy Efficiency, LEED, Community Outreach, Annual Sustainability Report and Press Releases. Moreover, corporate philanthropic activities prioritize environmental sustainability and community engagement. Also, the Sustainability Team actively seeks out speaking events in the environmental community and beyond, and is proactive on engaging with students. Kilroy also participates in various Government initiatives, ranging from hearings with the California Energy Commission regarding California's mandatory disclosure laws to contributing in the stakeholder process for the Los Angeles Energy and Water Efficiency Ordinance.

4.5 Documentation

All documented information will be maintained pursuant to Kilroy's Document Retention Policy. All documents will include appropriate identification, description, format and media. Documents will be reviewed and approved by appropriate parties for suitability and adequacy.

SECTION V: OPERATION

5.1 Operational Planning and Control

Operational controls are an important element for managing EMS goals, objectives, and targets. Operational controls are applied to specific activities or processes managed by the EMS and fall under the authority of administrative controls.

Administrative controls include procedural approaches to activities, such as procedures for informing employees and tenants of the appropriate items for recycling and locations to bring recyclable materials. Administrators are also responsible for overseeing engineering and construction controls which constitute mechanical approaches to avoid potential environmental, safety, or health incidents. For example, during tenant improvement (TI) projects, procedures were set in place to minimize indoor air pollutants and prevent indoor air quality problems.

5.2 Emergency Preparedness and Response

Kilroy establishes, implements and maintains the processes needed to prepare for and respond to potential emergency situations as addressed in the Resilience Program and Policy (Section 4.1.8). Kilroy defines resilience as the management of recovery or continuity in the event of a disaster. The concept of “disaster” is a broad term that encompasses environmental events, cyberattacks, personnel issues and more. Our resilience programs prepare us to respond to actual emergency situations and the planning of actions to prevent or mitigate adverse environmental impacts resulting from emergency situations. Actions to prevent or mitigate the consequences of emergency situations are appropriate to the magnitude of the emergency and potential related environmental impact. The resilience program is tested, reviewed and revised periodically and as new resources become available. Information and training related to emergency preparedness and response are provided to relevant interested parties, including those providing roles necessary to the success of the program.

All buildings have a Facility Emergency Plan, as required by California and Washington State Codes. These plans outline procedures for building emergencies including, but not limited to: Fire, Earthquake, Medical Emergency, Bomb Threat, Toxic Hazard and Civil Disturbance. The plans are distributed to all tenants upon occupancy, and are available online as well.

To mitigate risk from everyday situations, the Occupational Health and Safety Policy is utilized. To accomplish this objective, Kilroy is assigning the responsibility and accountability for occupational safety and health to all Management and Supervisory personnel of Kilroy within their individual areas of operation. All employees are expected to obey safety rules, follow established safe work practices and exercise caution in all their work activities. All employees are expected to report without delay any unsafe conditions to their immediate supervisor and human resources. No job assignment shall be completed in a manner which permits unacceptable hazards to Kilroy’s personnel, property or visitors.

The Safety Committee is comprised of the Corporate Services department, and either the Property Coordinator or Assistant Property Manager at each office location. Some of the Safety Committee member responsibilities include:

- Schedule and participate in periodic inspections.
- Participate in investigating and analyzing accidents involving injuries and/or illnesses.
- Participate in investigating and analyzing any allegations of hazardous conditions brought to the committee member’s attention.

- Review the potential safety or health hazards of all new processes, methods or materials introduced into the workplace.
- Serve as a conduit for communication between employees and management regarding safety concerns or issues.

Occupational Safety and Health Rules ensures every employee shall use proper reasoning and care to prevent injury to him/herself and to others. Employees are expected to work in a safe manner and in accordance with the established safety guidelines for Kilroy. Although office work is generally considered one of the safest of all activities, slips and falls, collisions with desk and open drawers, strains from unauthorized moving of furniture and other similar accidents resulting in injury are common in offices. The following general safety rules shall therefor be observed at all Kilroy locations:

1. Report all unsafe conditions and equipment to your supervisor or safety coordinator.
2. Immediately report all accidents, injuries and/or illnesses to your supervisor and human resources.
3. The use of, or being under the influence of, intoxicating beverages or illegal drugs while on the job is prohibited.
4. Horseplay, scuffling and other acts which tend to have an adverse influence on the safety or well-being of the employees are prohibited.
5. Desks and work areas are to be clean and orderly. Pick up items such as pencils or paper clips, especially when they have fallen on the floor. Good housekeeping is the key to a safe office environment. Every employee is responsible for housekeeping in his/her work areas.
6. Put equipment away when finished with a project.
7. Clean spills immediately and/or report them to Property Management team for proper handling.
8. Keep aisles and exits clear of debris, electrical cords, boxes, etc.
9. Be extra cautious when you come to a door that can be opened in your direction. Be careful when pushing open such a door.
10. Slow down when coming to a "blind" corner.
11. Keep all file, desk and table drawers closed when not in use.
12. Do not stack 2-drawer or 3-drawer filing cabinets on top of one another or stack material in an unstable manner.
13. Overloading the top drawer of unsecured file cabinets has caused many injuries. If unfamiliar with file cabinets, or desk drawers, be careful not to pull them out to full extension. There may be no locking device on inexpensive or older models.
14. Put heavy materials in bottom file or desk drawers.
15. Do not move heavy office furniture and office equipment unless properly trained and authorized. Do not be afraid to ask for help when moving heavy objects.
16. Tilting chairs and chairs with casters (wheels) can be hazardous when improperly used. Make sure that they are in good working condition.
17. Never use chairs, desks or other office furniture as makeshift ladders. Always use a stepladder.
18. Never overreach while climbing on a stepladder because you may lose your balance and fall. Never use the top rung of a stepladder.
19. Message spindles can cause puncture wounds to the hands and arms. When message spindles are used, protect the point with a blunt cover and bend the point to a horizontal angle.
20. Return the blades of paper cutters to the closed and locked positions when not in use.
21. Scissors, paper cutters and similar office devices can cause minor but painful injuries. Always use such equipment carefully. Report such injuries at once, taking first aid measures to avoid infection and seek medical care if necessary.
22. Paper can cut. Use a sponge or other wetting devices for envelopes. Use rubber finger guards when working with stacks of paper.
23. Keep unused paper clips, thumb tacks and pins in a container where they cannot cause injury.

24. Do not use extension cords as permanent wiring. Be sure electrical cords and telephone cords are out of the normal traffic patterns where they could cause a trip hazard. If necessary, use a cord cover.

All Kilroy employees receive a "Safety Orientation" handbook, which is included with this Occupational Safety and Health Policy. Additional training handbooks covering Hazard Awareness and First Aid are also included. Each employee is required to sign off that they understand and comply with the Kilroy Safety Policy by signing an Acknowledgement Form. The employee's immediate supervisor will initiate any specialized training required.

Employees will also receive information on hazard awareness training. Chemicals are a part of every aspect of our lives. The chemicals used in the work place only present potential health and physical hazards when they are mishandled, improperly used, improperly stored or mislabeled, or when incompatible mixtures are combined. Hazard awareness is recognizing and understanding the potential injuries and illnesses or physical damage that the chemicals can cause. The communication of this information is essential for being aware of, understanding and respecting the potential hazards. This knowledge is important for the decisions made concerning how to use the chemicals and the safe work practices followed.

Additional information includes First Aid training. Most injuries and illnesses in the work place do not require emergency medical help. But when an emergency does occur, preparation is necessary. A quick and knowledgeable response can save lives and prevent further injuries. The first person to respond to the scene of an emergency, must quickly examine the situation, call for emergency help, if necessary, and provide whatever care possible until professional medical assistance arrives.

All accidents and injuries are to be fully investigated using the procedures outlined below:

1. Kilroy employees are to report all accidents, injuries and near misses, property damage incidents and visitor incidents to their immediate supervisor and the human resources department and/or onsite property manager, if applicable.
2. Upon report of an injury, administer First Aid and ensure that proper medical attention is obtained without delay.
3. The injured person must contact the human resources department within 24 hours to complete an "Incident Report" along with an "Employer's First Report of Injury" form. A copy of this form also will be submitted to the injured employee's immediate supervisor.
4. The immediate supervisor will review the Incident Report to evaluate the cause of injury along with any secondary causes, and will list recommendations for corrective action. The Safety Committee will review these recommendations.

It is the responsibility of every Kilroy employee to learn and adhere to the policies and procedures outlined in this Safety Policy. Any employee found in violation of a safety rule or guideline will be subject to disciplinary action up to and including termination of employment. The following disciplinary process will be followed for failure to comply with Kilroy's Injury Prevention Program:

1. Verbal Warning - a verbal warning will be given to the employee by the department supervisor.
2. If corrective action is not forthcoming within 24 hours of a verbal warning, a "First Written Warning" will be prepared by the department supervisor, using the Safety/Health Disciplinary form which will be completed and signed by the department head before it is given to the employee.
3. If corrective action is not forthcoming within 48 hours, a "Second Written Warning" will be prepared by the department supervisor, using the Safety/Health Disciplinary Form, which will be completed and signed by the Department Head before it is given to the employee.
4. If an employee continues to refuse to follow the safety rules of the company, termination will follow.

SECTION VI: PERFORMANCE EVALUATION

6.1 Monitoring, Measurement, Analysis and Evaluation

Performance indicators monitor and measure progress in meeting the targets set forth in the EMS. These indicators should be quantifiable and documented, but if this is not possible, progress toward meeting the targets should be documented. Monitoring and measurement will be conducted in alignment with the analysis and evaluations utilized in the Annual Sustainability Report (and GRESB) and the EPA ENERGY STAR Partner of the Year application. The results of the monitoring and measuring used in the Annual Sustainability Report (and GRESB) are verified as reliable, reproducible and traceable through an externally assured third party validation by DNV GL-Business Assurance, USA & Canada. The externally assured analysis and evaluation enable Kilroy to report trends and the results are publicly available and distributed to interested stakeholders.

Evaluation of compliance with all legal and other obligations are monitored on an ongoing basis, and address the importance of obligations, variations in operating conditions, changes in compliance obligations and Kilroy's past performance. Kilroy has procedures in place for responding to environmental incidents, of which in 2015, none were deemed significant. There were no significant spills in 2015, and we did not have any significant fines or non-monetary sanctions regarding environmental compliance. Should the compliance evaluation results indicate a failure to fulfill a legal requirement, Kilroy will determine and implement the actions necessary to achieve compliance.

6.2 Internal Audit

As the EMS is implemented, the Sustainability Team might find system deficiencies. As part of the check & act phases of the sustainability strategy, the Sustainability Team has developed an ongoing procedure to assess any deficiency and determine the appropriate corrective action. Appendix B - Internal Audit Plan

The audit procedures can be either informal or formal. A formal internal audit will be conducted by the Sustainability Team to evaluate the overall EMS. Conducting a formal internal audit is not a one-time activity. To ensure the audit occurs in an organized fashion with regularity, efficiency and effectiveness, an Internal Audit Program has been developed. The program consists of the activities associated with providing for, preparing for and carrying out the audit. It includes the establishment of audit procedures, protocols and criteria that verify the effectiveness of the individual elements of the EMS and the EMS in its entirety. The program includes provisions and arrangements for ongoing audits, as well as a systematic approach for preparing and planning each audit.

Elements of the Internal Audit Program include:

- Communicating the Internal Audit Program to relevant parties;
- Coordinating and scheduling audits and other Internal Audit Program activities;
- Establishing and maintaining a process for initial training and the ongoing evaluation of its training needs;
- Providing necessary resources;
- Ensuring the performance of audits in accordance with the Internal Audit Program;
- Ensuring control of records of audit activities;
- Ensuring review and approval of reports, and ensuring their distribution to relevant parties;
- Ensuring audit follow-up, when applicable.

The EMS audit is a review of system implementation and system strength. It should provide information about the EMS and enable personnel to identify priority areas for improvement. The Management Review should include information gained from the EMS audit.

6.3 Management Review

When applied to the Kilroy EMS, the term “Management Review” refers to the periodic evaluation of the EMS by Senior and Executive Management. The Kilroy EMS Program Team will provide consultative support during the Management Review. This review completes the EMS plan-do-check-act cycle. The Management Review is NOT the same as the assessment process; however, Management Review should consider the results of the assessment.

The primary goal of the Management Review is to ensure that the EMS continues to be suitable, adequate and effective for its intended purposes. Suitability refers to the nature of the EMS and whether it continues to be appropriate for Kilroy. Adequacy refers to the sufficiency (resources) of the arrangements for the EMS. Effectiveness refers to the system’s progress in accomplishing the objectives and targets set for the EMS, and status of actions from previous management reviews.

Other important purposes of the Management Review are to:

- Ensure that senior management stays involved in the EMS;
- Give the EMS visibility within Kilroy;
- Allow senior management to set the environmental policy for Kilroy and give guidance and direction for continual improvement of the system.

The Management Review of the Kilroy EMS will occur on an annual basis in conjunction with the annual sustainability report, unless a more frequent review is necessary. The review will examine all areas of the EMS including, but not limited to:

- Assessment results and corrective action plans;
- Progress toward achieving objectives and targets;
- Changes in internal and external material aspects that are relevant to the EMS;
- Changes in the needs and expectations of stakeholders and risk and opportunities;
- Regulatory compliance and status;
- Proposed modifications to the EMS to ensure continual improvement.

Sufficient information will be gathered for management to make an informed decision on whether the EMS continues to be suitable, adequate and effective for its intended purpose, and whether there needs to be decisions or actions to ensure its continual improvement.

The Management Review process will consist of briefings and meetings, as necessary, for management to make a determination on the effectiveness of the EMS implementation and the ability to accomplish the objectives and targets. The Sustainability Team will be responsible for documenting the action items and recommendations from the meetings and briefings for the Management Review.

Outputs from the management review will include any decisions and actions related to:

- Conclusions on the continuing suitability, adequacy and effectiveness of the EMS;
- Continual improvement opportunities and any need for changes to the EMS (including resources);
- Actions relating to environmental objectives not achieved;
- Opportunities to further integrate the EMS with other business process;
- Implications for the strategic direction of Kilroy.

After review, Senior and Executive Management will give direction on implementation of the recommendations to the Sustainability Team.

SECTION VII: IMPROVEMENT

7.1 General

Kilroy's position as a world leader in developing and operating one of the highest sustainable office portfolios is an achievement we are proud of and expect to uphold. We will continue to determine opportunities for improvement and implement necessary action to achieve our intended outcomes while aggressively pursuing sustainability initiatives that bring value to our stakeholders (employees, tenants, shareholders, etc.). Methods of improvement include corrective action, continual improvement, innovation and market analysis.

7.2 Nonconformity and Corrective Action

A key element of the Performance Evaluation program is identification of nonconformance and developing corrective action plans. When a nonconformance is identified, the Sustainability Team will ascertain its extent. The Sustainability Team will schedule a meeting with affected personnel and/or departments regarding actions to mitigate impacts caused by the nonconformance and analysis of root cause(s), and assist in developing a process for initiating and completing the corrective actions.

The Sustainability Team will track the status of the corrective actions and verify completion. The nonconformance and corrective actions should be documented and include the following elements:

- Documentation of the nonconformance with the EMS, including date of occurrence(s), date of corrective action and date of completion.
- Documentation identifying root cause(s) and corrective actions taken to mitigate the nonconformance.
- Documentation of the changes in operational processes and procedures for corrective actions.

7.3 Continual Improvement

Kilroy is committed to continually improving the suitability, adequacy and effectiveness of the EMS to enhance our environmental performance. A formal review of the complete EMS will be conducted once a year, in conjunction with the annual sustainability report and Global Real Estate Sustainability Benchmark survey. Informal reviews of the individual elements will be conducted throughout the year, and adjustments or enhancements will be made as needed to ensure the EMS is operating at intended.

APPENDIX A - Sustainability Policies

Sustainable Sites Policies

Policy

SUSTAINABLE SITES POLICY (Effective April 19, 2010)

Kilroy development projects should avoid developing buildings, hardscape, roads or parking areas on portions of sites that meet any of the following criteria:

- Prime farmland as defined by the U.S. Department of Agriculture in the United States Code of Federal Regulations, Title 7, Volume 6, Parts 400 to 699, Section 657.5 (citation 7CFR657.5).
- Previously undeveloped land whose elevation is lower than 5 feet above the elevation of the 100-year flood as defined by the Federal Emergency Management Agency (FEMA).
- Land specifically identified as habitat for any species on federal or state threatened or endangered lists.
- Land within 100 feet of any wetlands as defined by the U.S. Code of Federal Regulations 40 CFR, Parts 230-233 and Part 22, and isolated wetlands or areas of special concern identified by state or local rule, OR within setback distances from wetlands prescribed in state or local regulations, as defined by local or state rule or law, whichever is more stringent.
- Previously undeveloped land that is within 50 feet of a water body, defined as seas, lakes, rivers, streams and tributaries that support or could support fish, recreation or industrial use, consistent with the terminology of the Clean Water Act.
- Land that prior to acquisition for the project was public parkland, unless land of equal or greater value as parkland is accepted in trade by the public landowner.

COMMUNITY CONNECTIVITY

Kilroy development should favor locations within existing developed areas. An indication that a project is in such an area is that it meets the following criteria:

- Is located on a previously developed site.
- Is within ½ mile of a residential area or neighborhood with an average density of 10 units per acre net.
- Is within ½ mile of at least 10 basic services. No more than 2 of the 10 services required may be anticipated (i.e. at least 8 must be existing and operational). In addition, the anticipated services should demonstrate that they will be operational in the locations indicated within 1 year of occupation of the applicant project.
- Has pedestrian access between the building and the services.

BROWNFIELD DEVELOPMENT

Kilroy recognizes that brownfields are typically in dense, connected urban areas that provide significant value to tenants. Therefore, Kilroy development projects should not avoid brownfields, and are encouraged to develop on these sites. Brownfields are:

- Documented as contaminated (by means of an ASTM E1903-97 Phase II Environmental Site Assessment or a local voluntary cleanup program).
- Lands defined as a brownfield by a local, state or federal government agency.

ACCESS TO PUBLIC TRANSIT

Access to public transit is very attractive to potential tenants, so Kilroy development projects should be located in areas that are connected to multi-modal transit networks. These locations should meet either, but ideally both, of the following criteria:

- Rail Station Proximity: Locate the project within ½-mile walking distance (measured from a main building entrance of an existing or planned and funded commuter rail, light rail or subway station).
- Bus Stop Proximity: Locate the project within ¼-mile walking distance (measured from a main entrance) of 1 or more stops for 2 or more public, campus or private bus lines usable by building occupants.

BIODIVERSITY AND HABITAT POLICY (Effective May 5, 2016)

We recognize that our buildings can impact wildlife, endangered species, ecosystem services and habitat. To mitigate these impacts, our biodiversity and habitat policy is threefold:

Policy

BIODIVERSITY AND HABITAT POLICY Cont.

1. Conduct Environmental Impact Review (EIR) assessments in all new developments and major renovations where appropriate to ensure that we are not threatening biodiversity via our construction practices.
2. In addition, include climate-appropriate pollinator plants in all new landscape installations both in the new and existing portfolios. This is because, worldwide, roughly 1,000 plants grown for food, beverage, fibers, spices and medicines need to be pollinated by animals in order to produce the goods on which our society depends. Unfortunately, there is disturbing evidence that pollinating animals have suffered from loss of habitat, chemical misuse, introduced an invasive plant and animal species, and diseases and parasites. We combat this issue this via reviewing the planting guides at the Pollinator Partnership (<http://pollinator.org/>) and incorporating their recommendations into our landscape designs.
3. We do not exterminate beehives that grow in inappropriate locations. Rather, we work with local nonprofits to relocate them. In addition, we install beehives on roofs in the existing portfolio. The U.S. has lost over 50% of its managed honeybee colonies over the past 10 years, and by providing dedicated beehives, we hope to support our local bee populations.

DEFORESTATION POLICY

1. As more companies are committing to stopping deforestation-implicated products from entering into their supply chain, zero-deforestation commitments have become a key component in the global fight to conserve the world's most biodiverse regions.

Kilroy is committed to reducing its impact on deforestation by sourcing 50% of our wood from FSC sources and seeking to reduce the use of virgin wood in our development and operations.

Policy

COMMUNITY DEVELOPMENT

At Kilroy, we recognize that our buildings have the potential to either benefit or detract from their local communities. To navigate these concerns, we created an in-house land use team in 2011. We strive to create buildings that complement and benefit their neighborhoods. The goal of these projects is to ensure that our development projects meet the needs of the local community. Our development projects provide the most opportunities to positively impact a community and open it up for more engagement of its residents.

Our local communities policy includes the following community engagement measures:

- Create an Environmental Impact Report (EIR) where needed and disclose the EIR publicly as part of the entitlement process.
- Proactively engage local communities as part of our development process using a variety of forums.
- During construction, provide a system for community members that have noise, traffic or pollution concerns to bring those concerns to the relevant asset management or construction teams.
- For large development projects, prominently display a community hotline on signs on active corners of the project site to provide community members information and an avenue to address concerns. Concerns brought to us via the hotline are to be addressed within 48 hours by the general contractor.

COMMUNITY HEALTH AND SAFETY

As a developer, Kilroy recognizes that community health and safety needs to be maintained even during construction and development activities. Some project activities, equipment, and infrastructure can increase community exposure to risks and impacts thus Kilroy implements best practices to avoid or minimize the risks and impacts to community health and safety that may arise. Below are our best practices:

Our community Health & Safety policy includes the following, for every project:

- Identify and evaluate health risks that may arise due to development activities
 - Implement programs and appropriate protective measures to control such risks.
 - Comply with all applicable laws and regulations and apply responsible standards
-

Policy

SOLID WASTE MANAGEMENT POLICY (Effective July 7, 2013)

PROPERTY FACILITATION OF RECYCLING AND WASTE DISPOSAL

A recycling and waste disposal plan describing recycling and waste measures instituted throughout the building will be developed. This plan will include the following information:

- Intermediate recycling and waste stations - provide descriptions, locations and number of waste and recycling stations provided on each floor and in each area of the building. If the building is mixed-use and has separate waste services, all services shall be included.
- Central recycling and waste areas for the property - provide centralized waste and recycling areas that are a minimum of 500 sf for recycling, 100 sf for organic separation and 300 sf for non-recyclable solid waste.
- Exterior dumpsters - provide descriptions, locations and number of dumpsters.
- Recycling signage and container designations - provide information on how recycling locations and containers are identified and how building occupants are made aware of them.
- Schedule - provide information on the schedule for recycling and waste pick-ups and cleanings.
- Vendor - provide information on the companies providing services for recycling and waste removal, including primary contact and contract dates.

ENCOURAGING OCCUPANTS TO REDUCE SOLID WASTES

Encouraging occupants to consume less, whether recyclable or not, is the first step towards reducing the amount of solid waste produced. The following measures shall be employed to promote employee and tenant participation in material reduction:

- Education, training and participation - all employees and tenants shall be informed about the facility's solid waste management policy and given access to a shared printed or digital copy of the policy. Employees and tenants shall receive an update, either annually or when significant changes occur, regarding the latest company goals and protocols concerning solid waste disposal, recycling and composting.
- Reuse of previously or gently used furniture and equipment - Property Management teams will provide lists of local companies which accept used furniture, equipment, electronics and semi-durable office supplies to all employees and tenants in the building.
- Monitoring participation and measuring results - Property Management teams will monitor quantities of Kilroy purchased paper products, seeking ways to reduce purchases and use paper products more efficiently; Kilroy purchased ongoing consumables, comparing weight of similar products and packaging material; quantities of durable goods sent for refurbishment versus disposed as waste; tonnages of total recycled solid waste, composted waste and non-recyclable solid waste; and tenant participation in recycling and composting efforts.
- Monitoring participation and measuring results - tenants are encouraged to monitor quantities of purchased paper products, seeking ways to reduce purchases and use paper products more efficiently; purchases of ongoing consumables, comparing weight of similar products and packing materials and quantities of durable goods sent for refurbishment versus disposed of as waste.

RECYCLING PROGRAM

The following outlines what items shall be targeted for recycling and how best to meet the goals set forth. These measures shall be followed when possible and within reason:

- Recycling ongoing consumables:
 - All non-organic, non-hazardous materials which are considered ongoing consumables are to be collected in a single-stream, co-mingled compactor or location to be recycled or reused by a designated solid waste processing facility.
 - At a minimum, 50% of all ongoing consumables solid waste produced by the facility must be diverted from landfill.
 - The following materials must be collected for recycling: paper products, office supplies (including toner cartridges), corrugated cardboard, plastics, metals, glass and batteries.

Policy

SOLID WASTE MANAGEMENT POLICY Cont.

- Products or materials that are composed of mixed materials are acceptable for recycling and must be recycled, provided they are not hazardous, organic wet waste or durable goods.
- Tenants may choose to have additional materials hauled under their own contract to either be recycled or entered into the waste stream. In this event, tenants are not required to provide the volume and recycling rate, however, tenants are encouraged to share this information.
- Hazardous lamps and battery collection:
 - Lamps which contain mercury are considered hazardous material and will not be combined with other waste streams, including the single-stream recycling collection.
 - Many types of batteries are also considered hazardous waste and therefore, no batteries will be combined with other waste streams, including the single-stream recycling collection.
 - Property Management teams will collect all batteries (including portable dry-cells, single-use batteries and rechargeable) and hazardous lamps to be recycled.
 - At a minimum, 80% of batteries discarded throughout the facility on an annual basis will be diverted from landfills.
 - All lamps containing mercury will be collected for proper disposal.
- Recycling durable goods:
 - All durable goods which have ceased to be of use will be recycled, reused or sent to be refurbished in order to divert the materials from landfills.
 - Durable goods include, but are not limited to: office equipment, computers, monitors, copiers, printers, scanners, fax machines and maintenance equipment.
 - Tenants who arrange for the disposal of their own durable goods will be provided with a list of local companies which accept used furniture, equipment, electronics and semi-durable office equipment to be recycled, reused or refurbished.
 - At a minimum, 75% of all durable goods being disposed of must be diverted from landfills.
- Facility alterations and additions:
 - Construction and demolition waste from all facility alterations and additions will be diverted from landfills or incineration to the greatest extent possible.
 - At a minimum, 70% of the total waste generated, by volume, must be processed for recycling or reuse.
 - Materials to be recycled or reused include, but are not limited to: studs, insulation, hardware, drywall, trim, millwork, casework, countertops, doors, windows, ceiling systems, carpets, flooring, adhesives, sealants, paints, coatings, cardboard, plastic, wood and glass.
 - Furniture, fixtures and equipment (FF&E), along with MEP systems and specialty items, do not count toward the 70% minimum. All materials will be considered of value for another use, and a responsible destination must be considered for these items.
 - Acceptable rate of recycling is the annual rate achieved by the processing plant where the construction and demolition waste is hauled. Volume of each material type will be multiplied by the processing plant's annual recycling rate for that particular material.
 - Incineration is not considered an acceptable end use for diverted construction waste, even if used for energy generation.

NON-RECYCLABLE SOLID WASTE

Materials that cannot be either recycled or composted will be removed from the site by a licensed waste hauler and disposed of either in landfill or a combustion facility. All hazardous materials will be disposed of according to applicable laws and regulations.

Policy

SOLID WASTE MANAGEMENT POLICY Cont.

PERFORMANCE METRIC

The successful implementation of this policy will be measured by the ongoing recycling rate achieved. The recycling rate is derived by comparing the amount of consumables diverted from the landfill to those consumables sent to the landfill over a given time period. The policy's initial performance metric will be to achieve the reuse, recycling and/or composting of:

- At least 50% of the ongoing consumable waste stream (by weight or volume).
- At least 80% of discarded batteries.
- 100% of all mercury-containing lamps within the building and site management's control.
- At least 75% of the durable goods waste stream (by weight, volume, or replacement value).
- At least 70% of waste (by volume) generated by facility alterations and additions.

PERFORMANCE EVALUATION

The party(s) responsible under "Responsible Party" shall periodically evaluate the success of this policy's implementation. This may include providing a report on an annual basis to senior management. Whenever possible, the annual reports should include an evaluation of the performance, safety, cost and environmental/public health benefits achieved through source reduction, reuse, and recycling. Reports should also relate the progress in meeting our stated objectives as set forth under "Performance Metric". Monthly reports, including waste recycling and/or disposal receipts, must be provided by the waste haulers/vendors to allow for ongoing documentation, monitoring and assessment of the program results.

RESPONSIBLE PARTY

The Property Management Team shall implement this policy in coordination with other appropriate organization personnel, including but not limited to, Facility Managers, janitorial staff and any contracted waste haulers. The Property Management Team shall coordinate training, education and outreach programs throughout the organization, with the aim of promoting and maintaining the goals of this policy.

PROCEDURES AND STRATEGIES

The following table lists recyclable wastes at the building site, their disposal method and handling procedures.

Source/Consumables	Disposal Method	Handling Procedures
Glass, Plastic, Metals, Paper/Newspapers, Cardboard (commingled)	Building occupants dispose of these recyclables in commingled recycling containers in each room or on each floor.	Amount of total commingled recycling is tracked and taken away by hauler on a regular basis (same schedule as current waste pickup) for recycling.
Mercury-containing Lamps	Custodial staff collects fluorescent lamps and stores the unbroken lamps for disposal.	Taken away by an authorized hauler for safe disposal, in accordance with local regulations on disposal of products containing mercury.
Batteries	Building occupants deliver batteries to a specially-designated collection point for disposal.	The designated of contact takes the batteries to the hazardous waste collection site when the container of batteries is full.
Durable Goods (Electronic Waste and Furniture)	Building management sets up a drop off area periodically and provides a secure collection area to store durable goods that have reached the end of their life within the building but still have value and may be donated/re-used.	Amounts are tracked and taken away by an authorized hauler or re-use center on a regular basis for recycling.
Building Materials	Building management coordinates with contractors to collect construction waste for re-use/recycling.	Amounts are tracked and taken away by an authorized hauler at the end of the demolition/construction period for recycling.

Policy

CONSTRUCTION WASTE POLICY (Effective August 2, 2010)
FROM KILROY’S STANDARD “*AGREEMENT BETWEEN OWNER AND CONTRACTOR*” CONTRACT
Contract shall be responsible for and required to divert at least 75% of waste (by volume) generated by the Project from disposal to landfills and incineration facilities. Contractor is responsible for generating and implementing a project-specific construction waste management plan that will meet this target and educating all employees and subcontractors on its correct implementation. This applies at a minimum to base building elements permanently or semi-permanently attached to the building itself that enter the waste stream during the Project. Base building elements include at a minimum, building components and structures (wall studs, insulation, doors and windows), panels, attached finishes (drywall, trim, ceiling panels), carpet and other flooring material, adhesives, sealants, paints and coatings. Contractor is responsible for generating and implementing a project-specific construction waste management plan that will meet this target, and educating all employees and subcontractors on its correct implementation. Any incentive or rebate generated by the diversion of waste shall belong to the Contractor.

Policy

REFRIGERANT MANAGEMENT POLICY (Effective July 7, 2013)

BASE BUILDING SYSTEMS THAT CONTAIN CFCs

The annual refrigerant leakage rate of CFC-base refrigerants will be reduced to 5% or less, and the total leakage over the remaining life of the unit will be reduced to less than 30% of its refrigerant charge, using the EPA Clean Air Act, Title VI, Rule 608 procedures governing refrigerant management and reporting.

Leakage rate will be calculated following the EPA Clean Air Act, Title VI, Rule 608 procedures and be based upon the most recent amount of refrigerant added. The time elapsed will be the number of days in between the two most recent refrigerant charges, regardless of whether the refrigerant is checked on a regular basis (monthly).

CFCs will be maintained in the base building systems only if a third party audit documents that system replacement or conversion to a non-CFC refrigerant is not economically feasible. The economic analysis must document that:

- The replacement of the CFC-containing chiller would have a simple payback of greater than 10 years (divide cost of implementing the replacement by the sum of any annual cost savings resulting from energy use reduction and any reduction in maintenance cost).

If a third party audit shows that there is a simple payback of less than 10 years for system replacement or conversion, a five-year phase-out plan will be created for conversion to a non-CFC refrigerant.

PROCEDURES TO MINIMIZE REFRIGERANT LEAKAGE

- Engineering has inventories all equipment and/or storage containers containing more than 0.5 lbs of refrigerant. This inventory is reviewed and updated annually or when equipment changes are made.
- Engineering has developed maps, which identify the location of refrigerant equipment and/or storage containers containing more than 0.5 lbs of refrigerant. These maps are reviewed and updated annually or when equipment changes are made.
- Leak detection of all equipment or storage containers containing more than 0.5 lbs of refrigerant is conducted at least monthly. This procedure of leak detection is accomplished through inventory and comparison of monthly records to determine losses. The Chief Engineer or his designee shall review and sign these records on a quarterly basis.
- In the event that a leak is identified and is in excess of 5% of the total charge per year, the leak must be repaired immediately, but under no circumstance shall the repair take more than 30 days. In the event that a leak is identified and is in excess of 5% of the total charge per year and it is not practical to repair the system, a retirement or retrofit program must be implemented within 30 days and completed within one year.
- In the event a leak is identified and remediation is required, Kilroy shall be notified by the Chief Engineer.
- Detailed records will be maintained of all work performed by contractors on the equipment within the refrigerant inventory. These records must track and detail any refrigerant added or removed while servicing the equipment. These records will be kept in the refrigerant management binder.

TRAINING

All individuals engaged in service of equipment containing any refrigerant will maintain current US EPA certification and have proof of certification available at point of service upon request. Training for service technicians will be conducted on a regular basis to ensure that all procedures are followed and standards are met. It is the responsibility of management to inform service technicians of any changes in procedures or regulations that impact their work. It is likewise the responsibility of management to ensure that all service technicians are trained in the proper maintenance methods for each type of machine, and to provide the proper tools for the prosecution of all maintenance. No waivers or exceptions to this policy will be granted.

Policy

REFRIGERANT MANAGEMENT POLICY Cont.

Union technicians shall all be EPA-certified for proper safe handling of refrigerant per the requirements as outlined in the EPA Clean Air Act, Title VI, Rule 608. Each technician has been trained in Type II & III (high-pressure and low-pressure) refrigerant handling.

GREENHOUSE GAS (GHG) MANAGEMENT POLICY (Effective April 17, 2013)

Kilroy's energy, water and waste reduction policies are in place to reduce the Greenhouse Gas Emissions of our buildings, and our goal is to reduce direct GHG emissions by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool). However, in recognition of the fact that the majority of our buildings' emissions are generated by the automobile trips of our tenants, each building in the KRC portfolio should endeavor to do the following:

- Install electric vehicle charging stations at tenant request.
 - Stripe 5% of parking for carpool/vanpools and 3% of parking for low-emitting and fuel efficient vehicles.
 - Launch a carpool matching program, such as one managed by www.carpoolworld.com, to help tenants arrange carpools.
 - Encourage the use of alternative transportation through programs such as the Business Transit Access - Employer Annual Pass program (BTAP).
-

CLIMATE CHANGE POLICY (Effective August 2, 2010)

Global climate change is one of the most critical issues facing the world today. In recognition of this fact, Kilroy Realty is committed to reducing its contribution to climate change. In addition to reducing the environmental impact of our new developments and the operations of our existing buildings, we disclose our carbon emissions information, which we obtain through ENERGY STAR's Portfolio Manager, to our stakeholders through the Global Real Estate Sustainability Benchmark. Our goal is an 11% reduction from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool), and we will accomplish this goal through our efficiency programs.

Policy

ENERGY POLICY (Effective April 17, 2013)

At Kilroy, we believe that investing in high performance green buildings demonstrates both responsible corporate citizenship and good business sense. Kilroy is committed to aggressively pursuing high-performance environmental building initiatives that create economic value for our tenants, shareholders and employees.

Towards this end, Kilroy shall:

- Reduce energy use by 11% from 2014 consumption levels by 2020 (Science Based Targets SDA Draft Tool) in the existing portfolio.
- Develop buildings that target an ENERGY STAR score of at least 85.
- Pursue both proven and innovative initiatives to achieve these goals while providing a productive and comfortable work environment for our employees and tenants.

ENERGY MANAGEMENT POLICY (Effective April 17, 2013)

In addition to continuous monitoring of energy usage information in ENERGY STAR, every 5 years each building will engage in retrocommissioning or an energy audit. These commissioning and audit projects consist of these elements: planning, system testing, performance verification, corrective action response, ongoing measurement and documentation. The Commissioning Authority (CxA) or Energy Auditor shall coordinate with the Property Management and Engineering teams on scheduling, and integrate commissioning or audit activities into the overall project schedule, per the LEED-EBOM Reference Guide.

SYSTEMS TO BE COMMISSIONED OR AUDITED

The following systems, including all components and controls, are to be commissioned or audited on an ongoing basis:

- Heating system and distribution
- Cooling system equipment and distribution
- Air-handling and fan-coil units and air distribution system
- Ventilation and exhaust system
- HVAC controls
- Lighting controls
- Electrical submetering systems
- Domestic hot water system

ONGOING COMMISSIONING SERVICES

The following services define the scope of work for ongoing commissioning projects:

Fully develop a detailed, ongoing commissioning program detailing the plan for system testing, performance verification, corrective action, and ongoing measurement. Include periodic, manual functional testing as part of the plan, in addition to a review of BAS trending .

- Provide a plan for sensors and test equipment calibration.
- List all building equipment relevant to the commissioning process, by system or component type.
- Formulate an ongoing commissioning cycle based on this building equipment list.
- Specify the frequency of performance testing for each item.
- Provide roles and responsibilities, activities, and the schedule required to complete the ongoing commissioning of the facility.
- Include a detailed schedule for completing the overall commissioning cycle, not to exceed 24 months in duration.
- Identify procedures for responding to deviations from expected or preferred performance parameters.
- Estimate a budget for each phase or task outlined in the commissioning cycle.
- Revise, as needed, the building operating plan based on any changes in occupancy schedules, equipment run-time schedules, design set points, lighting levels, or building automation system programming.
- Update, as necessary, the equipment specifications, operating manuals, and as-built control drawings after significant modifications or additions.

Policy

ENERGY MANAGEMENT POLICY Cont.

While performing these duties, consider the following for smooth, ongoing-commissioning operations:

- The CxA shall conduct a review of documentation related to commissioned systems.
- The CxA shall conduct a scoping meeting with the team members.
- Additional and ongoing meetings will be required to plan, scope, coordinate, and resolve problems.

EVALUATION OF PROGRESS

Progress is evaluated via constant monitoring of changes in usage via ENERGY STAR. Yearly, the building will undergo ENERGY STAR certification, and the PE hired for this work will make clear the progress the building has made over the previous year in terms of energy efficiency performance.

REVIEW/REASSESSMENT PROCESS

Team shall review results from the PE for the ENERGY STAR certification, and, as applicable, the results from the ongoing commissioning or energy audit report, to review building needs and revise goals. Projects identified in the retrocommissioning or auditing process that will pay themselves back in three years or less will be given priority in the next budget cycle. Progress is reviewed continuously, and there is a formal evaluation annually of performance and needed upgrades.

RENEWABLE ENERGY POLICY

Our goal is to achieve a 10% onsite renewable energy by year end 2025. The use of renewable energy will improve our energy efficiency, increase our capital availability , reduce operating expenses, reduce environmental impacts, reduce greenhouse gas emissions and conserve natural resources.

Our renewable Energy Policy requires us to do the following:

- Evaluate opportunities for onsite renewables on all development projects and in the existing portfolio on an annual basis, and we will pursue offsite renewables to align with our science based targets
- Continue to take advantage of all onsite solar and battery installation opportunities
- Make the remainder of our portfolio’s landlord-controlled energy consumption 100% renewably powered, making our Scope 2 market based emissions zero tonnes of GHG, by adding capacity to the grid through an offsite energy power purchase agreement, executed in 2018, and will consider additional offsite opportunities to reduce additional emissions.
- Continue to assess, measure, track and report on the increased usage of renewable energy.
- The Sustainability Team will be responsible for implementing the Renewable Energy Policy in coordination with other appropriate organization personnel, and companies contracted to provide operational services.

The Sustainability Team will be responsible for implementing the Renewable Energy Policy in coordination with other appropriate organization personnel, and companies contracted to provide operational services.

Policy

INDOOR AIR QUALITY (IAQ) POLICY (Effective July 7, 2013)

WALKTHROUGH INSPECTIONS

An IAQ walkthrough inspection is conducted annually of all functional spaces. The purpose of the walkthrough inspection is to identify new problems, further evaluate previously identified problems and confirm correction actions and other changes. The inspection is a quick overview of the building, and a more detailed evaluation is conducted through the IAQ Building Education and Assessment Model (IBEAM). The walkthrough inspections provide some insight regarding the type, location and magnitude of apparent IAQ-related issues and problems.

The walkthrough inspections assess IAQ through the use of general human sense. The inspections check the occupied spaces and other “functional” areas (exterior, roof, mechanical rooms, bathrooms and storage rooms). The walkthrough identifies problems related to: cleaning, fresh air ventilation, pests, nearby pollutants, pesticides, moisture, temperature, odors, mold, occupant concerns, dry drain traps and exhaust ventilation. During the walkthrough inspections and building systems evaluations, the IAQ Manager identifies IAQ problems and issues. The issues are prioritized from most important to least important and tracked to resolution.

INTEGRATED PEST MANAGEMENT

Pest control is an important strategy for maintaining IAQ because both pests (for example, mice) and pesticides can cause health problems. The building strives to minimize pesticide use and utilize non-chemical options where feasible. A properly licensed third party subcontractor is used for pest control.

DURING TENANT IMPROVEMENT CONSTRUCTION

- Provide HVAC protection that covers equipment and stockpiled components with plastic during construction; closed hatches and doors when equipment was not to be worked upon; sealing supply and return duct openings during all phases of installation; prohibiting the mechanical rooms from being used to store construction waste materials. All HVAC for the affected area is turned off during construction.
- Utilize only Volatile Organic Compound (VOC) materials on the job site.
- Utilize a plan that prohibits equipment re-fueling or fuel storage inside the building; employs shields and curtains to contain metal cuttings and dust; collects and dispose of sawdust; cover or seal all indoor sources of dust; protect all equipment and furnishings from dust; and protect porous materials from moisture.
- Erect dust curtains to minimize dust and odor migration; use portable filtration fans to exhaust pollutants and maintain a negatively pressured space; close doors exposed to pollutant threats; conduct pollutant-causing work in low IAQ impact areas (low draft, small, contained areas).
- Following a housekeeping plan that frequently cleans dust; use HEPA filtration with vacuum equipment; use sweeping compounds or wetted agents; clean spills promptly; remove accumulated water; cover, seal and protect on-site materials from moisture, dust and dirt; prohibit materials from being placed directly on the ground.
- Follow an IAQ scheduling plan that minimizes cross contamination and re-contamination by completing paint and sealant coatings before installing ceiling tiles and carpets; completing all work and final cleaning prior to permitting building occupancy.

LOADING DOCK VEHICLE IDLING

To reduce exposure to combustion by-products from delivery vehicles, management has adopted a policy to limit idling when unloading. Signs are posted to instruct drivers to stop engines while unloading. In addition, the building security office is located near the loading dock and will monitor the deliveries and vehicle idling.

Policy

TOBACCO FREE BUILDING POLICY (Effective July 1, 2019)

Kilroy prohibits tobacco-smoke and the use of all tobacco-products on building sites, including parking areas. Smoking is not allowed inside Kilroy buildings nor on the project grounds within 25 feet from doors and air intake vents outside the building. No smoking signs referencing state laws are posted at all entrances and air intake vents.

IAQ MANAGEMENT FOR FACILITY ALTERATIONS AND ADDITIONS POLICY (Effective July 7, 2013)
DURING CONSTRUCTION

Provide photos to highlight the implemented construction IAQ practices. Identify the SMACNA approach features by each photograph in order to show consistent adherence to the credit requirements. Provide cut sheets of filtration media used during construction with MERV values highlighted. If MERV rating is not available from the common cut sheets, the subcontractor must provide manufacturer documentation of the efficiency rating and equivalent MERV value for the filter.

- During construction, meet or exceed the Control Measures of the Sheet Metal and Air Conditioning National Contractors Association (SMACNA) IAQ Guidelines for Occupied Buildings Under Construction, 2nd Edition, 2007, ANSI/SMACNA 008-2008 (Chapter 3).
- Protect stored onsite or installed absorptive materials from moisture damage.
- If permanently installed air handlers must be used during construction, filtration media with a Minimum Efficiency Reporting Value (MERV) of 8 must be used at each return air grill, as determined by ASHRAE 52.2-1999, Replace all filtration media immediately prior to occupancy.

HVAC PROTECTION

To document the HVAC protection guidelines are followed during the construction phase of the project, pictures will be taken and recorded.

- The most significant potential IAQ sources from construction are dust, moisture and VOCs. The approach for preventing dust-related problems is to identify all sources of dust and protect the HVAC systems. During construction the return air system openings should have temporary filters that receive frequent periodic maintenance if the HVAC system is being utilized. When activities that produce high dust, such as drywall sanding, concrete cutting, masonry work, wood sawing and insulating or pollution levels occur, the return air system openings should be sealed off completely for the duration of the task.
- If the HVAC system is not used during construction, the supply and return air system openings should be sealed off to prevent the accumulation of dust and debris in the duct system. The diffusers should also be sealed in plastic.
- The mechanical rooms should not be used to store construction or waste materials. Rooms should be kept clean and neat at all times.
- Filtration is critical during construction and during startup of the HVAC system. Filter media needs to meet the ASHRAE requirement for MERV 8. Where possible, utilize 80% dust spot efficiency filtration.
- Upon periodic inspections during construction, if the ducts become contaminated due to inadequate protection, the ducts will be cleaned professionally.

SOURCE CONTROL

- Use of low VOC products as indicated by the specification should be utilized to reduce potential problems. Reference LEED EB: O&M Materials & Resources credit 3: Sustainable Purchasing - Facility Alterations and Additions. Use of materials that fail to meet low VOC levels is prohibited in the interior of the building.
- Restrict traffic volume or prohibit idling of motor vehicles where emissions could be drawn into the building.
- Use electric or natural gas alternatives for gasoline and diesel equipment where possible and practical.
- Cycle equipment off when not being used or needed.
- Pollution sources may be exhausted to the outside with portable fan systems. Care should be taken to ensure exhaust does not re-circulate back into the building.
- Containers of wet products should be kept closed as much as possible. Waste materials, which can release odor or dust, should be covered or sealed.

Policy

IAQ MANAGEMENT FOR FACILITY ALTERATIONS AND ADDITIONS POLICY Cont.

PATHWAY INTERRUPTION

- Utilize dust curtains or temporary enclosures to prevent dust from migrating to other areas when applicable.
- Relocate pollutant sources (paints, sealers, adhesives, caulking, cleaners, etc.) as far away as possible from supply ducts, areas occupied by workers and absorbing materials when feasible. Absorbing materials include drywall, insulation, carpet, ceiling tile, etc. Supply and exhaust systems may have to be shut down or isolated during such activity.
- During construction, isolate areas of work to prevent contamination of clean or occupied areas. Pressure differentials can be utilized to prevent contaminated air from entering clean areas.
- Depending on climate, ventilate using 100% outside air to exhaust contaminated air directly to the outside during installation of VOC emitting materials.

HOUSEKEEPING

Provide photographs during construction of the above activities to document compliance.

- Institute cleaning activities concentrating on HVAC equipment and building spaces to remove contaminants from the building before occupancy.
- All coils, air filters, fans and ductwork should remain cleaned during installation and should be cleaned before performing the testing, adjusting and balancing of systems.
- Suppress dust with wetting agents or sweeping compounds. Use an efficient and effective dust collection method such as a damp cloth, wet mop, vacuum with particulate filters or wet scrubber.
- Remove accumulations of water inside the building. Protect porous materials such as insulation and ceiling tile from exposure to moisture.

SCHEDULING

- Make sure occupancy and construction do not coincide. Wait until the building flush-out is completed before occupying the building.
- Conduct a building flush-out as described below with new filter media after construction ends and before occupancy.
- **NO CONSTRUCTION ACTIVITIES, INCLUDING PUNCH LIST ITEMS, ARE PERMITTED DURING FLUSH-OUT PERIOD.**

BUILDING FLUSH-OUT

Provide a description of the project's pre-occupancy flush-out process. Include data regarding temperature, air flow and duration of flush-out.

- After construction ends, prior to occupancy and with all interior finishes installed, perform a flush-out of the affected building spaces by supplying a total outdoor air volume of 14,000 cubic feet of outdoor air per square foot of floor area while maintaining an internal temperature of at least 60°F and relative humidity no higher than 60% where cooling mechanisms are operated. The affected space may be occupied only after the delivery of at least 3,500 cubic feet of outdoor air per square foot of floor area and the space has been ventilated at a minimum rate of 0.30 cfm per square foot of outdoor air or the design minimum outside air rate (whichever is greater) for at least 3 hours prior to occupancy until the total of 14,000 cubic feet per square foot of outdoor air has been delivered to the space. The flush-out may continue during occupancy.

POST FLUSH-OUT

- Upon completion of construction, return HVAC and lighting systems to the designed or modified sequence of operations.

Policy

INTEGRATED PEST MANAGEMENT (IPM) POLICY (Effective July 7, 2013)

OUTDOOR INTEGRATED PEST MANAGEMENT

To minimize the impact of site management practices on the local ecosystems, and to reduce exposure of occupants, staff and maintenance personnel to potentially hazardous chemical, biological and particle contaminants. Conventional pest control techniques have relied extensively on the use of spray-applied chemical that contribute to ground and surface water contamination and create the potential for exposure to building occupants and visitors. Integrated pest management programs seek to minimize the spray application of pesticides by focusing on long-term, mechanical and administrative measures to control pests, thereby reducing the use of pesticides and toxicity. This IPM policy uses information on the life cycle of pests and their interaction with the environment to eliminate them through the least toxic means possible.

In lieu of using poisons, toxins and other harmful chemicals, the property will employ natural pesticides, herbicides, fungicides and trapping strategies. These natural strategies will be applied based on monthly vegetation inspections. Such inspections entail identifying and generating an approximate count of pests, both animal and vegetative. The team will establish a threshold for pest control - a point beyond which pest control action will be taken - and if the inspection determines that the quantity of pests exceed tolerable numbers, natural pesticides, herbicides, fungicides or trapping strategies will be utilized.

INDOOR INTEGRATED PEST MANAGEMENT

IPM is focused on preventing pest problems from occurring. This involved minimizing pest access to the building and the food and shelter available to it. Consequently, IPM relies heavily on the cooperation and participation of the building employees and occupants, not just the pest control personnel.

IPM will include the inspection of the architectural barriers around all wall and ceiling penetrations. One of the simplest ways to combat pests is to make every effort to bar them from entering the building in the first place. Any penetrations of cracks found will be sealed immediately. Additionally, improved sanitation in areas where food is prepared and/or served will deny pests access to food and water. IPM personnel will focus more attention on areas where these types of services are located.

One of the keys to successful indoor IPM is that pest problems are reported quickly and accurately, the Property Management Team will educate employees and building occupants about this plan and about IPM protocols. Building employees and occupants will be provided with information on who to contact regarding any pest problems.

IPM STRATEGIES AND PRACTICES

- Integrated Methods - Integrated methods that make use of monitoring and non-toxic preventative measures (i.e. site inspection and maintenance, cultural controls, pest inspection and population monitoring) will be used to proactively manage and minimize pest issues. In the event that monitoring activities reveal a need for the use of pest controls, appropriate control options will be evaluated, and the least-toxic option will be employed.
- Least-Toxic Pesticides - Least-toxic pesticides are defined by the City of San Francisco's Hazard Tier III criteria (least hazardous). Least-toxic pesticide status also applies to any pesticide products, other than rodent bait, which is applied in a self-contained, enclosed bait station placed in an inaccessible location, or applied in a gel that is neither visible nor accessible.
http://www.sfenvironment.org/sites/default/files/fliers/files/sfe_th_pesticides_reviewed_091313.pdf
- Emergency Condition - in the event of an emergency, pesticide may be applied on the grounds without complying with the earlier stipulations for use of integrated and least-toxic methods. Emergencies are defined as pest control situations that pose immediate risk to building operations, tenant business operations, property or human health.

Policy

INTEGRATED PEST MANAGEMENT (IPM) POLICY Cont.

- Universal Notification - The property has adopted a universal notification system if a pesticide, other than a least-toxic pesticide as defined above, must be applied on site. This strategy requires the property and its vendors to notify building occupants at least 72 hours in advance of a pesticide application under normal circumstances and no more than 24 hours after an emergency application through email notification, posted signs or other means of reaching 100% of occupants. This notification system enables occupants and staff to modify their plans based on pesticide use at the building. Notification must include: pesticide product name, active ingredient, product label signal word (i.e. "caution", "danger"), time and location of application and contact information for persons seeking more information.
- Recordkeeping - Recordkeeping is required to demonstrate ongoing compliance with the IPM policy. All applications of pesticides (including least-toxic options) shall be logged. The pesticide application log shall include the following information: universal notification to occupants (date, time, method), pesticide application date and time, application manager, location, target pest, pesticide trade name, pesticide active ingredient, EPA registration number and least-toxic status (Y/N).
- Cleaning Practices - In the event that cleaning products are used as a component of IPM, they shall meet e LEED EB: O&M criteria for sustainable cleaning products.
- Animal & Vegetation Pest Control IPM Best Practices - Environmental best practices described below are incorporated into vendor contracts/Standard Operating Procedures language as appropriate.

BUILDING EXTERIOR AND MAINTENANCE POLICY (Effective July 7, 2013)

EXTERIOR MAINTENANCE EQUIPMENT

Generally, manual methods of ground management, electric equipment or equipment with noise and emission controls shall be used in lieu of fossil fuel powered machinery, wherever possible. This practice will reduce soil contamination, and noise and air pollution produced by gas-powered equipment.

Practices to Optimize Site Maintenance Equipment

- Manual equipment will be used whenever practical. Mechanical equipment (particularly those with fossil fuels) are to be reduced to minimum levels. Low-impact/manual equipment shall be used where possible, when possible, to minimum levels to maintain safety and surfaces. When power equipment must be used, electric powered or propane powered equipment, instead of conventional gas-powered equipment, shall be used. This measure will reduce the fossil fuel use and greenhouse gas emissions compared to conventional equipment.
- When new equipment is needed, replace conventional equipment with lower-impact alternatives (i.e. electric-powered or low-decibel blowers), or use alternative approaches, such as hand raking of leaves, where feasible, to abate the impact. Choose equipment designed to minimize or recycle waste, such as mulching mowers.
- Powered equipment will operate at a sound level of 70 dBA or less.
- Mulching mowers will be used on turf areas and return clippings back into the lawn to recycle nutrients.
- Pressure washing equipment and systems used to clean parking lots, sidewalks and other hardscape areas will reclaim water for reuse and recycling. This will prevent contaminated water from entering local waterways.
- Low-smoke oil shall be used in all maintenance equipment.
- For equipment with two-cycle engines, models with advanced design features - such as direct fuel-injection engines and exhaust power valves - shall be used to reduce emissions, improve fuel efficiency, and decrease oil consumption compared to conventional two-cycle engines.
- During the annual site cleanup, maintenance personnel shall manually prune winter-killed plants; sweep parking lot curbs, turf areas and corners by hand; and rake turf areas to remove debris as necessary. Manual landscape maintenance reduces the need for powered machinery and the demand for fossil fuels.
- Weekly, the shrub and tree beds shall be hand-weeded.

Policy

BUILDING EXTERIOR AND MAINTENANCE POLICY Cont.

- Shrubs and ornamental trees shall be manually pruned.
- All mowers shall receive new blades annually, and belts, bearings and bushings shall be inspected on a yearly basis and changed as needed. Regular maintenance enhances the efficiency of equipment, thereby conserving energy and fuel and minimizing entire equipment replacements.
- Weekly, the contractor shall change the oil and filters on all equipment. All used oil shall be recycled.

SNOW AND ICE REMOVAL

Some chemicals used for snow and ice removal, such as calcium chloride and sodium chloride, are toxic to vegetation and local aquatic ecosystems. The property shall implement snow and ice removal practices that minimize the amount of chemicals used and therefore prevent ecological damage.

Practices to Optimize Snow Removal

- Deicing chemicals shall be used on parking lots and roadways only as necessary. To protect vegetation and receiving waterways, the minimum amount of deicer that is effective shall be used. Application rates shall be tailored to match actual conditions based on pavement temperature, precipitation and beginning concentrations of the deicers.
- Environmentally preferred deicing products shall be used for routine applications. Pre-approved products include those primarily comprised of: potassium acetate, potassium chloride or magnesium chloride.
- Deicing agents other than those listed above shall be submitted for review and approval by the Property Management team prior to use.
- Sodium chloride and calcium chloride deicing products shall not be used unless the Chief Engineer grants written permission prior to application.
- Sidewalks and parking lots shall always be plowed prior to application of deicing agents - to limit the amount of chemicals needed and reduce the potential for harmful runoff.
- When possible, anti-icing measures (preemptively applying deicer before a storm) shall be performed, thereby significantly reducing the overall need for deicing chemicals.
- Maintenance staff will assess all walkways, sidewalks and entryways in order to identify critical, high-traffic routes. Whenever possible, maintenance personnel will not remove snow from non-essential and seldom-used walkways and entryways. Such a policy is intended to reduce the amount of maintenance required for the upkeep of these non-critical areas. For heavily travelled areas or for those areas which are required to be maintained during winter months by state or town/city statutes and ordinances, maintenance staff will use manual labor to remove snow. When snow falls during regular operating hours, snow removal will take place frequently in order to lessen the possibility of snow compacting caused by pedestrians, cars and other traffic. Compacted snow will make removal more difficult and will increase the chance that ice will form.
- To the greatest extent possible, maintenance staff will tailor their de-icing practices according to the type of precipitation. If a dry, powdery snow that can be completely removed is predicted, staff will not apply a de-icing agent. However, if a wet and heavy snow or a slushy mix is forecast, staff will apply a de-icing agent to all paths and around all entryways before precipitation begins in order to maximize its effectiveness. By applying the de-icing agent before a heavy, wet snowfall, maintenance personnel can ensure that snow and ice can be more easily removed.
- For larger areas in need of snow removal and de-icing such as paved courtyards, the maintenance staff will follow the procedure described above. De-icing agents can introduce harmful chemical pollutants into the environment. Maintenance staff will use magnesium and potassium chloride ice-melting products instead of the more commonly utilized sodium and calcium chloride products. Magnesium and potassium chloride de-icing agents are not only less harmful to vegetation, but are also less damaging to exterior walkways and interior flooring. Maintenance staff will use a spreader to uniformly disperse the chemical de-icing compounds and to ensure that the correct amount of agent is used. Liquid de-icing agents will only be used in areas that are especially important to prevent ice from forming or where the use of an ice-melting chemical is not possible.

Policy

BUILDING EXTERIOR AND MAINTENANCE POLICY Cont.

CLEANING OF BUILDING EXTERIOR

Exterior building cleaning and maintenance activities shall be performed to minimize the environmental impact of chemical pollutants. Toxic exterior maintenance products shall be eliminated and replaced with eco-friendly cleaners.

Practices to Optimize Building Exterior Cleaning

- Manual cleaning will be standard for exterior building and hardscape cleaning and maintenance. Pressure washing will be used only after manual methods have failed to deliver positive results. Wherever possible, cleaning agents as well as any solvents utilized for the maintenance of the exterior hardscape, will be Green Seal certified and/or approved by EPA's Environmentally Preferred Purchasing (EPP) program.
- Suppliers shall provide Material Safety Data Sheets (MSDS) and Technical Bulletins for all exterior maintenance products. In case of emergency, each MSDS shall be easily accessible for reference.
- Window descaling (lime and calcium deposit removal) will be handled in the same fashion as window cleaning; low-VOC and low-toxicity agents will be used and sparingly so. If pressure washing is utilized to remove scale from the exterior of the building, whether from windows or from the façade, maintenance staff will make every effort to reduce water consumption by employing low-flow nozzle heads. Best management practices call for the use of chemicals, equipment and procedures which minimize the use of harmful chemicals, energy waste, water waste, air pollution, solid waste and/or chemical runoff.
- Prior to use onsite, all products shall be submitted to the Property Management Team for approval.
- Window washing shall be performed with a Green Seal-certified glass and window cleaning product or an Environmental Choice Ecologo-certified dishwashing liquid soap. Other cleaning products used onsite shall qualify as "low environmental impact" products and shall comply with applicable Green Seal or Environmental Choice standards.
- Product types not covered by Green Seal or Environmental Choice shall comply with the California Code of Regulations maximum allowable VOC levels for the appropriate cleaning product category. This requirement will limit the opportunities for environmental exposure to harmful chemicals.
- Cleaning and maintenance personnel shall be properly trained in the use, maintenance and disposal of exterior cleaning chemicals and equipment.
- Graffiti removal shall be performed with a Green Seal-certified product or product compliant with the California Code of Regulations maximum allowable VOC levels for graffiti removers.

More specifically, cleaning products shall meet one of the following requirements:

Cleaning products shall meet one or more of the following standards for the appropriate category:

1. Green Seal GS-37, for general-purpose, bathroom, glass and carpet cleaners used for industrial and institutional purposes.
2. Environmental Choice CCD-110, for cleaning and degreasing compounds.
3. Environmental Choice CCD-146, for hard surface cleaners.
4. Environmental Choice CCD-148, for carpet and upholstery care.

Disinfectants, metal polish, floor finishes, strippers or other products not addressed by the above standards meet one or more of the following standards for the appropriate category:

1. Green Seal GS-40, for industrial and institutional floor care products.
2. Environmental Choice CCD-112, for digestion additives for cleaning and odor control.
3. Environmental Choice CCD-113, for drain or grease traps additives.
4. Environmental Choice CCD-115, for odor control additives.
5. Environmental Choice CCD-147, for hard floor care.
6. California Code of Regulations maximum allowable VOC levels for specific product category.

Policy

BUILDING EXTERIOR AND MAINTENANCE POLICY Cont.

Disposable janitorial paper products and trash bags meet the minimum requirements of one or more of the following programs for the applicable product category:

1. US EPA Comprehensive Procurement Guidelines for Janitorial Paper and Plastic Trash Can Liners.
2. Plastic Trash Can Liners no thicker than 0.70 mils (17.78 microns).
3. Green Seal GS-09, for paper towels and napkins.
4. Green Seal GS-01, for tissue paper.
5. Environmental Choice CCD-o82, for toilet tissue.
6. Environmental Choice CCD-o86, for hand towels.
7. Janitorial paper products derived from rapidly renewable resources or made from tree-free fibers.

PAINTS AND SEALANTS USED ON BUILDING EXTERIOR

All exterior paints and sealants shall be low-VOC, environmentally friendly products.

Practices to Optimize the Use of Environmentally Preferred Paints and Sealants

- Maintenance personnel will also reduce the use of toxic and high-VOC exterior sealants, paints and stains to the greatest extent possible. Paints and sealants must comply with the VOC content limits of South Coast Air Quality Management District (SCAQMD) Rule #1168, listed in the table below and that do not exceed the limit of Green Seal's Standard GS-11 requirements.
- If leaking occurs in exterior sections of the building and/or hardscape, contracted maintenance personnel will select waterproofing methodologies and products that reduce the occurrence of harmful chemical emissions. Waterborne, low-toxicity, low-VOC, liquid rubber and asphalt emulsion waterproofing applications will be employed when possible.
- Exterior painters will be trained in procedures that reduce chemical emissions and water consumptions (needed for post painting clean-up).
- Sealants and fillers used shall meet or exceed the requirements of the Bay Area Air Quality Management District Regulation 8, Rule 51. Any time sealants, paints or stains are required for the exterior of the building, products which meet these criteria will be specified whenever possible. Not only will this reduce harmful chemical emissions into the environment, but it will also help to protect the health of the maintenance personnel.
- The property shall incorporate VOC limits for paints and sealants in contractor bid documents to ensure that external entities working onsite follow the requirements.

CLEANING OF SIDEWALKS, PAVEMENT AND OTHER HARDSCAPES

Hardscape maintenance shall be performed in a manner that minimizes the environmental impact of power equipment and cleaning chemicals.

Practices to Optimize Hardscape Maintenance

- Hardscape cleaning is primarily performed with electric power sweepers and manual tools to maintain the walkways, pavement and other hardscapes. The limited use of gas-powered equipment conserves fossil fuels and minimizes greenhouse gas emissions.
- Chemical use for hardscape maintenance shall be minimal and, when necessary, should be based on products or practices that conserve water and utilize biodegradable, low-impact cleaning products. Environmentally safe cleaners prevent harmful chemical runoff and water pollution.
- When applicable, the minimum amount of cleaning product that is effective shall be used on the hardscape and shall meet the requirements of LEED EB: O&M Indoor Environmental Quality credit 3.3: Green Cleaning - Sustainable Cleaning Products and Materials.

Policy

BUILDING EXTERIOR AND MAINTENANCE POLICY Cont.

- Manual cleaning will be the standard for hardscape maintenance. Pressure washing will be used only after manual methods have failed to deliver positive results. Pressure washing will only be conducted once manual measures (i.e. sweeping existing debris or ensuring no trash enters the storm drainage systems) have been conducted. Measures will also be taken when using pressure washers to spray in the direction of vegetation such that excess water is used for irrigation.
- Wherever possible, cleaning agents, as well as any solvents utilized for the maintenance of the exterior hardscape, will be Green Seal certified and/or approved by EPA's Environmentally Preferred Purchasing (EPP) program.
- Should stone or brick repair and maintenance be required on or around the building exterior, the party responsible for such service will strive to use reclaimed stone or brick wherever possible. Moreover, the environmental impact of the mortar and joint compounds used to repoint exteriors will be considered when undertaking repairs.

GREEN CLEANING POLICY (Effective January 12, 2011)

SOURCE CONTROL OF POLLUTANTS

Pollutant source control must address both contaminants that are tracked in on clothing and shoes, and those that are emitted within the building by equipment and housekeeping products. Controlling the source pollutants (which includes debris, dust, dirt or any other unwanted particles or gases) helps minimize the distribution of these contaminants throughout the building. This also allows for a lighter cleaning routine, ultimately using fewer cleaning products while reducing wear and tear on cleaning tools, cleaning equipment and interior finishes. The following are areas of focus for pollution and debris source control along with their associated cleaning methods.

1. Contaminant and Ventilation

- Isolate areas of the building where hazardous chemicals are in use or hazardous particulates are generated. These relatively - dirty zones, which include but are not limited to copy/printing rooms, laundry rooms, hazardous chemical storage, garage or combustion motorized equipment storage areas, will be contained as much as possible.
- Recommend occupants focus pollutant-generating tasks in contained rooms where walls are continuous from floor slab to floor slab.
- Other methods of containment, such as dust curtains, exhaust hoods or monitoring of doorways, will also be encouraged.
- When possible, exhaust rooms or areas where hazardous gases or particulates are being generated so that the air is 100% exhausted and not re-circulated into the ventilation system.
- Cleaning in these areas will take into consideration the nature of the hazardous gases or particulates being generated in the space, and use the appropriate cleaning method and agents necessary to control the migration of pollutants .

2. Storage and Disposal of Hazardous Chemicals

The storage and disposal of hazardous chemicals/wastes shall adhere to the following requirements:

- Cleaning products containing hazardous chemicals will be stored in a lockable and ventilated space, preferably a ventilated cabinet, marked as hazardous to caution building occupants.
- Liquids labeled as hazardous waste shall not be poured into janitorial sink drains, lavatories, toilets or shower drains. These liquids shall be placed in appropriate containers and disposed of properly.
- Solids or mixed materials labeled as hazardous waste shall also be collected and disposed of properly.
- Hazardous wastes can either be brought to a municipal hazardous waste facility or be collected by a licensed waste management contractor who upholds sustainable disposal practices.
- Refer to Solid Waste Management Policy for further waste disposal and recycling protocol .

Policy

GREEN CLEANING POLICY Cont.

3. Building Entryways

All entryways and entrances into the building shall employ the following measures:

- Permanent entryway systems such as grilles, grates or walk-off mats with a monthly cleaning contract will be installed and maintained at all primary entrances. These systems will be a minimum of 10 feet long in the direction of travel.
- If grates or grilles are employed, these will be vacuumed and the surface cleaned daily. Grille/grate wells will also be cleaned during this process and mopped weekly.
- If walk-off mats are employed at primary entrances, they will be professionally cleaned on a monthly basis and thoroughly vacuumed onsite on a daily basis.
- Secondary entrances will also have walk off mats of 10 feet in length to capture initial loose particles from entering the building. These mats must be vacuumed daily.

4. Equipment

- HEPA filters shall be used on all vacuums used throughout the building in order to contain the spread of unwanted particles.

BUILDING-SPECIFIC CLEANING METHODS

All cleaning services provided shall meet the environmental standards as outlined in the GS-42, Green Seal Environmental Standard for Cleaning Services. Contracts shall include the following measures as applicable to the property:

- Standard operating procedures
- Building-specific green cleaning plan
- Powered equipment use/maintenance plan
- Reducing chemical waste/efficient use of chemicals
- Reducing solid waste
- Vacuum use/maintenance
- Entryways
- Floor care
- Disinfection
- Restroom care
- Dining areas and break rooms
- Trash collection and recycling
- Indoor plants
- Vulnerable populations
- Communication protocols between Property Management and service providers
- Training, including hand washing protocols

SUSTAINABLE CLEANING PRODUCTS AND MATERIALS

All cleaning products provided shall meet the environmental standards as outlined below when applicable. The scope shall include products provided by outsourced service providers as well as those purchased by the building staff.

1. Cleaning products, Tier I. Products shall meet one or more of the following standards.

- Green Seal GS-37, for general-purpose, bathroom, glass and carpet cleaners used for industrial and institutional purposes.
- Environmental Choice CCD-110, for cleaning and degreasing compounds.
- Environmental Choice CCD-146, for hard surface cleaners.
- Environmental Choice CCD-148, for carpet and upholstery care.

Policy

GREEN CLEANING POLICY Cont.

2. Cleaning products, Tier II. If cleaning products meeting the standards outlined in Tier I above are not applicable, products shall meet one or more of the following standards.
 - Green Seal GS-37, for general-purpose, bathroom, glass and carpet cleaners used for industrial and institutional purposes.
 - Environmental Choice CCD-112, for digestion additives for cleaning and odor control.
 - Environmental Choice CCD-113, for drain or grease traps additives.
 - Environmental Choice CCD-115, for odor control additives.
 - Environmental Choice CCD-147, for hard floor care.
 - California Code of Regulations maximum allowable VOC levels for specific product category.
3. Paper products and janitorial products. Paper products and janitorial products shall meet one or more of the following standards.
 - US EPA Comprehensive Procurement Guidelines for Janitorial Paper and Plastic Trash Can Liners.
 - Plastic Trash Can Liners no thicker than 0.70 mils (17.78 microns).
 - Green Seal GS-09, for paper towels and napkins.
 - Green Seal GS-01, for tissue paper.
 - Environmental Choice CCD-082, for toilet tissue.
 - Environmental Choice CCD-086, for hand towels.
 - Janitorial paper products derived from rapidly renewable resources or made from tree-free fibers.
4. Hand soaps. Products shall meet one or more of the following standards.
 - Shall not contain antimicrobial agents (other than as a preservative system), except where required by health codes and other regulations (such as food service and health care requirements).
 - Green Seal GS-41 for Industrial and Institutional Hand Cleaners.
 - Environmental Choice CCD-104 for Hand Cleaners/Hand Soaps.

SUSTAINABLE CLEANING EQUIPMENT

Equipment used for cleaning the property shall meet the environmental requirements as outlined below when applicable. The scope shall include products provided by outsourced service providers as well as those purchased by building staff. The requirements per the LEED EB: O&M v2009 rating system as:

- Vacuum cleaners are certified by the Carpet & Rug Institute - Green Label III Testing Program - Vacuum Cleaner Criteria and operate with a sound level less than 70 dBA.
- Carpet extraction equipment used for restorative deep cleaning is certified by the Carpet & Rug Institute's - Seal of Approval III Testing Program for Certified Deep Cleaning Extractors.
- Powered floor maintenance equipment including electric and battery powered floor buffers and burnishers are equipped with vacuum, guards and/or other devices for capturing fine particulates, and shall operate with a sound level less than 70 dBA.
- Propane-powered floor equipment has high-efficiency, low-emissions engines with catalytic converter/muffler which meet the California Air Resources Board (CARB)/Environmental Protection Agency (EPA) standards for the specific engine size and operate with a sound level less than 90 dBA.
- Automated scrubbing machines are equipped with variable-speed feed pumps and on-board chemical metering to optimize the use of cleaning fluids.
- Battery-powered equipment is equipped with environmentally preferable gel batteries.
- Powered equipment is ergonomically designed to minimize vibration, noise and use fatigue.
- Equipment is designed to reduce potential damage to building surfaces by using safeguards, such as rollers or rubber bumpers.
- A log will be kept for all powered cleaning equipment to document the date of equipment purchase and all repair and maintenance activities and include vendor specification sheets for each type of equipment in use in the logbook.

Policy

GREEN CLEANING POLICY Cont.

TRAINING

Upon hire, cleaning personnel, both in-house staff and employees of service providers, will undergo an initial training on the proper use of cleaning products, equipment and practices; facility-specific cleaning methods and the order in which they occur; environmental standards; safety measures regarding exposure to hazardous chemicals and proper hand washing hygiene. Cleaning personnel will receive ongoing training on an annual basis to maintain knowledge and stay up-to-date regarding any new practices, procedures and/or environmental standards. Where applicable, personnel will also be instructed on how best to clean tenant areas and other areas where privacy and expediency are high priorities.

OCCUPANT FEEDBACK

Obtaining feedback from tenants is important to continually improve our services. Occupant input for building cleanliness will be solicited on an ongoing basis via complaint system.

VULNERABLE BUILDING OCCUPANTS

The Property Management Team and the janitorial vendor will be responsible for careful and considerate management of its cleaning and janitorial maintenance services. They will identify likely occupants who are disproportionately affected by cleaning practices and propose methods to minimize impacts on those groups. These methods may include adjustments to cleaning procedures, frequencies, timing, product choices or similar adaptations.

HEALTH AND SAFETY POLICY (Effective July 7, 2013)

WORKPLACE WELLNESS

Waterless hand sanitizers promote and improve hand hygiene, and hand sanitizing stations will be maintained throughout all Kilroy buildings.

OSHA BLOOD-BORNE PATHOGEN STANDARD

OSHA required procedures and training on the Blood-Borne Pathogen Standard is not changed in a Healthy High Performance Cleaning program as the requirements are mandated by federal law. The Blood-Borne Pathogen Standard requires, among other things, the use of an EPA registered tuberculocidal product, or an EPA registered product with claims against both HBV and HIV.

TRAINING

All employees will be trained on contamination, natural hazard response and safety concerns related to our suppliers, as appropriate.

Policy

POLLUTION PREVENTION

At Kilroy we take our impact on the environment seriously, and we understand that it is our responsibility to prevent our projects from creating pollution. Our Pollution Prevention Policy includes the following:

- Following LEED-approved Construction Activity Pollution Prevention plans to prevent pollution from erosion or runoff.
- Installing only low-emitting materials.
- Minimizing packaging of products coming to our sites, for example through grouping shipments.
- Prioritizing products that can biodegrade or be recycled.
- Ensuring that our waste service providers are responsibly handling waste.
- Prioritizing sites close to transit hubs to minimize pollution from automobile use.
- Focusing on energy efficiency to avoid pollution from utility generation of electricity and gas.

Policy

CONSTRUCTION MATERIALS DESIGN CRITERIA AND BUILDING STANDARDS POLICY (Effective August 2, 2010)

MATERIALS REUSE/EASILY RECYCLED MATERIALS

Projects are encouraged to use salvaged, refurbished or reused materials in its improvement. The sum of these materials is suggested to constitute at least 5%, based on cost, of building (construction) materials, excluding furniture and furnishings. Projects are also encouraged to use materials that are easy to recycle for future use.

RECYCLED CONTENT

Projects are required to use materials, including furniture and furnishings, with recycled content such that the suggested sum of postconsumer recycled content plus ½ of the preconsumer content constitutes at least 10% (based on cost) of the total value of the materials in the project. Specific materials that are required to contain recycled content are detailed in the Standards section.

REGIONAL CONTENT

Projects are encouraged to use 20% of the combined value of construction and Division 12 (Furniture) materials and products that are manufactured regionally within a radius of 500 miles and/or use 10% of the combined value of construction and Division 12 (Furniture) materials and products extracted, harvested or recovered, as well as manufactured within 500 miles of the project.

RAPIDLY RENEWABLE CONTENT

Projects are encouraged to use rapidly renewable construction and Division 12 (Furniture and Furnishings) materials and products for 5% of the total value of all materials and products used in the project, based on cost. Rapidly renewable building materials and products are made from plants that are typically harvested within a 10-year or shorter cycle.

LOW EMITTING MATERIALS

All adhesives and sealants used on the interior of the building (i.e. inside the weatherproofing system and applied on-site) must comply with the following requirements as applicable to the project scope.

- Adhesives, Sealants and Sealant Primers must comply with South Coast Air Quality Management District (SCAQMD) Rule #1168. Volatile organic compound (VOC) limits correspond to an effective date of July 1, 2005 and rule amendment date of January 7, 2005.
- Aerosol Adhesives must comply with Green Seal Standard for Commercial Adhesives GS-36 requirements in effect on October 19, 2000.
- Paints and coatings used on the interior of the building (i.e., inside of the weatherproofing system and applied onsite) must comply with the following criteria as applicable to the project scope:
 - Architectural paints and coatings applied to interior walls and ceilings must not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, Paints, 1st Edition, May 20, 1993.
 - Anti-corrosive and anti-rust paints applied to interior ferrous metal substrates must not exceed the VOC content limit of 250 g/L established in Green Seal Standard GC-03, Anti-Corrosive Paints, 2nd Edition, January 7, 1997.
 - Clear wood finishes, floor coatings, stains, primers, sealers, and shellacs applied to interior elements must not exceed the VOC content limits established for those coating types in South Coast Air Quality Management District (SCAQMD) Rule 1113, Architectural Coatings, rules in effect on January 1, 2004.
- All flooring must comply with the following as applicable to the project scope:
 - All carpet installed in the building interior must meet the testing and product requirements of the Carpet and Rug Institute's Green Label Plus¹ program.
 - All carpet cushion installed in the building interior must meet the requirements of the Carpet and Rug Institute Green Label program.

Policy

CONSTRUCTION MATERIALS DESIGN CRITERIA AND BUILDING STANDARDS POLICY Cont.

- All carpet adhesive must meet the requirements of LEED Design & Construction Indoor Environmental Quality credit 4.1: Adhesives and Sealants, which includes a volatile organic chemical (VOC) limit of 50 g/L.
- All hard surface flooring must meet the requirements of the FloorScore2 standard (current as of the date of this rating system, or more stringent version) as shown with testing by an independent third-party.
- Mineral based finish flooring products such as tile, masonry, terrazzo, and cut stone without integral organic-based coatings and sealants and unfinished/untreated solid wood flooring qualify for credit without any IAQ testing requirements. However, associated site-applied adhesives, grouts, finishes and sealers must be compliant for a mineral-based or unfinished/untreated solid wood flooring system to qualify.
- Concrete, wood, bamboo, and cork floor finishes such as sealer, stain and finish must meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule 1113, Architectural Coatings, rules in effect on January 1, 2004.
- Tile setting adhesives and grout must meet South Coast Air Quality Management District (SCAQMD) Rule 1168. VOC limits correspond to an effective date of July 1, 2005 and rule amendment date of January 7, 2005.

OR

- All flooring elements installed in the building interior must meet the testing and product requirements of the California Department of Health Services Standard Practice for the Testing of Volatile Organic Emissions from Various Sources Using Small-Scale Environmental Chambers, including 2004 Addenda. Mineral-based finish flooring products such as tile, masonry, terrazzo, and cut stone without integral organic-based coatings and sealants and unfinished/untreated solid wood flooring qualify for credit without any IAQ testing requirements. However, associated site-applied adhesives, grouts, finishes and sealers must be compliant for a mineral-based or unfinished/untreated solid wood flooring system to qualify.
- Composite wood and agrifiber products used on the interior of the building (i.e. inside the weatherproofing system) must contain no added urea-formaldehyde resins. Laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies must not contain added urea-formaldehyde resins. Composite wood and agrifiber products are defined as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores.

CERTIFIED WOOD

Project is encouraged to use a minimum of 50% (based on cost) of wood-based materials and products that are certified in accordance with the Forest Stewardship Council's principles and criteria, for wood building components. These components include at a minimum, structural framing and general dimensional framing, flooring, sub-flooring, wood doors and finishes. Include only materials permanently installed in the project. Wood products purchased for temporary use on the project (e.g., formwork, bracing, scaffolding, sidewalk protection, and guard rails) may be included in the calculation at the project team's discretion. If any such materials are included, all such materials must be included in the calculation.

ENVIRONMENTAL/HEALTH PRODUCT DECLARATIONS

Projects are encouraged to use products that have Environmental Product Declarations/Health Product Declarations. Projects should favor products with the following:

- A publicly available, critically reviewed life-cycle assessment conforming to ISO 14044 that have at least a cradle to grave scope valued as one quarter (1/4) of a product for the purposes of credit achievement calculation.
- Third-party certification (Type III), including external verification, in which the manufacturer is explicitly recognized as a participant by the program operator.

Policy

CONSTRUCTION MATERIALS DESIGN CRITERIA AND BUILDING STANDARDS POLICY Cont.

- Product-specific Type III EPD - Products with third-party certification (Type III), including external verification in which the manufacturer is explicitly recognized as the participant by the program operator. The manufacturer has published complete content inventory for the product following these guidelines:
 - A publicly available inventory of all ingredients identified by name and Chemical Abstract Service Registration Number (CASRN).
 - Materials defined as trade secret or intellectual property may withhold the name and/or CASRN but must disclose role, amount and GreenScreen benchmark, as defined in GreenScreen v1.2.
- *Health Product Declaration* - The end use product has a published complete Health Product Declaration with full disclosure of known hazards in compliance with the Health Product Declaration open Standard.
- *Cradle to Cradle* - The end use product has been certified at the Cradle to Cradle v2 Basic level or Cradle to Cradle v3 Bronze level.

RED LIST AVOIDANCE

Projects are encouraged to avoid products that contain any of the following chemicals, which have been identified as the 'red list' by the International Living Future Institute:

- Alkylphenols
- Asbestos
- Bisphenol A
- Cadmium
- Chlorinated polyethylene and chlorosulfonated polyethylene (CSPE); HDPE and LDPE are excluded from the Red List.
- Chlorofluorocarbons (CFCs)
- Chlorobenzenes
- Chloroprene (neoprene)
- Chromium VI
- Chlorinated polyvinyl chloride
- Formaldehyde (added)
- Halogenated flame retardants (HFRs)
- Hydrochlorofluorocarbons (HCFCs)
- Lead (added)
- Mercury
- Polychlorinated biphenyls
- Perfluorinated compound
- Phthalates
- Polyvinyl chloride
- Polyvinylidene chloride
- Short Chain Chlorinated paraffin
- Wood treatments containing creosote, arsenic or pentachlorophenol
- Volatile organic compounds (VOCs) in wet applied products

SUSTAINABLE PURCHASING POLICY (Effective July 7, 2013)

GENERAL CRITERIA FOR PRODUCTS AND SERVICES

The following criteria will be considered along with economic considerations when deciding to purchase particular products or contract services, or when choosing between brands, manufacturers and companies:

- The long-term environmental impact and social cost of a product or service.
- The overall quality of goods and services beyond their sole purpose. Key product and service characteristics to consider are durability and long-term use, efficiency, recycled content, disposal impact, third-party certification and location.

Policy

SUSTAINABLE PURCHASING POLICY Cont.

- The sustainable practices of a specific manufacturer or service provider's business. Check to see if the parent company provides a sustainability report of their business practices or a summary of sustainable product/service characteristics.
- The sustainability of the service provider's operations and their attitude toward sustainability issues.
- Select a service provider who uses either renewable energy or biofuels, purchases renewable energy credits, offsets their carbon footprint or at a minimum attempts to limit their power consumption.
- Select a service provider who limits potable water usage in their operations.
- Select a service provider who will generate the least amount of material waste throughout the life of their contract.
- Select a service provider who provides a clean, healthy and socially responsible work environment for their employees.
- Must comply with one of the following guidelines:
 - ISO 20400:2017 Sustainable Procurement-Guidance
 - Certified by Global Ecolabelling Network
 - EPA's Comprehensive Procurement Guideline (CPG) Program, with a listing under the CPG Product Supplier Directory
 - EPA's Safer Choice Label
 - Ecologo Certified

PERFORMANCE METRICS

ONGOING CONSUMABLES FOR OFFICE MANAGEMENT

The Property Management Team will strive to achieve sustainable purchases of at least 60% for all ongoing consumables where applicable. When purchasing ongoing consumables for office management, one or more of these prescriptive criteria will be followed:

- Contains at least 40% post-consumer or 80% post-industrial material for paper products.
- Contains at least 10% post-consumer or 20% post-industrial material for other products.
- Contains at least 50% rapidly-renewable materials.
- Contains at least 50% materials harvested, extracted or recovered and manufactured within 500 miles of the property.
- Contains at least 50% Forest Stewardship Council (FSC)-certified paper products.
- Is powered by rechargeable batteries.
- When no environmentally preferred product is available:
 - Order in large shipments and packages to avoid additional transportation costs and impacts.
 - Purchase products that are minimally packaged or packaged in a paper product.
 - Choose a product that serves its purpose with the least amount of material.

ONGOING CONSUMABLES FOR FACILITY MANAGEMENT

The Property Management Team will strive to achieve sustainable purchase of at least 60% of ongoing consumables for facility management where applicable. When purchasing ongoing consumables for facilities management, one or more of these prescriptive criteria will be followed:

- Criteria for ongoing consumables of paper, toner cartridges, binders, batteries, and desk accessories for office management.
- Criteria for ongoing consumables of the top five most purchased product categories by total annual purchases.
- Lamps for lighting fixtures must be energy efficient and have the lowest mercury content possible for the necessary lamp type. When LED lamps or lamps containing zero mercury are not available, 90 picograms per lumen-hour is the maximum allowable mercury content, but 70 picograms or less per lumen-hour is preferable. These criteria apply to both interior and exterior lamps.

Policy

SUSTAINABLE PURCHASING POLICY Cont.

DURABLE GOODS

The Property Management Team will strive to achieve sustainable purchase of at least 40% of durable goods where applicable. When purchasing durable goods, the following prescriptive criteria will be followed:

- Electric-powered equipment will be ENERGY STAR-certified or certified by an equivalent energy-efficiency third-party rating system. Office electronics will preferably have standby or sleep mode.
- Gas-powered equipment shall be updated with electric-powered equivalent upon replacement.
- Investigate purchasing a lightly used or retooled item when purchasing electronics and other office equipment. The economic cost and environmental impacts will be weighed in order to determine if reusing a piece of existing, possibly inefficient equipment is preferable to purchasing a new energy-efficient product.
- Reuse equipment, especially when a newer piece of equipment would not be considered an environmentally preferred product.
- Furniture and furnishings will:
 - Contain at least 10% postconsumer or 20% post-industrial material.
 - Contain at least 70% salvaged material from off-site or outside the organization.
 - Contain at least 70% material salvaged from on-site, through an internal organization materials and equipment reuse program.
 - Contain at least 50% rapidly renewable material.
 - Contain at least 50% Forest Stewardship Council (FSC)-certified wood or wood-certified by another equivalent certification system.
 - Contain at least 50% material harvested and processed or extracted and processed within a 500 mile (800 kilometer) radius of the project.

SUSTAINABLE PURCHASING: FACILITY ALTERATIONS AND ADDITIONS

This policy covers materials that are permanently or semi-permanently attached to the building itself in the course of facility renovations, demolitions, refits and new construction additions. These products may include, but are not limited to: building components and structures (wall studs, insulation, doors, windows), panels, attached finishes (drywall, trim, ceiling panels), carpet and other flooring materials, adhesives, paints and coatings. Our goal is that at least 50% of the cost of goods purchased will comply with one or more of the following criteria:

- Contains at least 10% post-consumer and/or 20% post-industrial material.
- Contains at least 70% salvaged material from off-site or outside the organization.
- Contains at least 70% salvaged material from on-site through an internal materials and equipment reuse program.
- Contains at least 50% rapidly renewable material (bamboo, cotton, cork, wool).
- Contains at least 50% materials harvested/extracted and processed within 500 miles of the facility/site.
- Consists of at least 50% Forest Stewardship Council (FSC) certified wood.
- Adhesives and sealants comply with SCAQMD rules governing allowable VOC content.
- Paints and coatings comply with Green Seal's GS-11 requirements governing VOC emission levels.
- Finished flooring is FloorScore-certified and constitutes a minimum of 25% of the finished floor area.
- Carpet and carpet cushion meets the requirements of the Carpet and Rug Institute (CRI) Green Label Plus carpet testing program.
- Composite panels and agrifiber products contain no added urea-formaldehyde resins.

Policy

SUSTAINABLE PURCHASING POLICY Cont.

PERFORMANCE EVALUATION

Purchases will be tracked on a monthly basis. Personnel and/or vendors responsible for purchasing will report our purchases to the appropriate representative. Vendors are required to track and report purchases monthly. . Vendors will use a Kilroy approved reporting method, noting each product purchase meets the required purchasing criteria. Whenever possible, personnel should include an evaluation of the environmental and public health benefits achieved through sustainable purchasing of the goods described under "Performance Metrics".

RESPONSIBLE PARTY

The Property Management Team shall implement this policy in coordination with other appropriate organization personnel.

PROCEDURES AND STRATEGIES

This policy covers purchases that are within the building and site management's control. Personnel may use any qualifying vendor to procure the products described in "Performance Metrics", and are encouraged to also consider the following areas of interest:

- Packaging: We desire to reduce waste generated through daily operations and recognizes that such reduction begins with the material that enters each facility/site. We will request that all items purchased be packaged and delivered with minimal packaging material. We reserve the right to request that vendors alter the packaging of goods delivered, when appropriate and/or possible.
- Recycled Content: We request that all vendors provide recycled content options for goods when available. If a product is available with recycled content, vendor will disclose that option to the appropriate representative. If a product is available with recycled content, but we do not specifically request as such, the vendor will default to order the product with recycled content, unless it exceeds the cost of the conventional product by 10% or greater. Recycled content targets may be overridden at the discretion of our representatives if certain products with recycled content present themselves as cost-prohibitive.

BUILDING MATERIALS POLICY (Effective March 20, 2012)

The following policies define the environmental attributes of the materials we use for our ground up development projects and major renovations:

- Total materials used in development projects will achieve at least 20% recycled content.
- Total materials used in development projects will achieve at least 10% regionally-sourced content (within 500 miles of the project site)
- At least 50% of all new wood purchased will be FSC certified
- All paints, coatings, adhesives and sealants will meet VOC limit guidelines as defined in the LEED for Building Design and Construction rating system.
- All hard flooring products will be FloorScore certified.
- All carpet materials will meet either GreenLabel or GreenLabel Plus certification.
- All new furniture will meet either Greenguard certification or the California VOC limit.
- Materials with Health and Environmental Product Declarations are encouraged.

Policy

NET ZERO/CARBON NEUTRAL DESIGN POLICY:

Our ultimate goal at Kilroy is that our portfolio be net zero carbon. Our policy related to carbon neutral design involves the following:

- Use the EC₃ tool to understand and minimize the embodied carbon of our construction materials
- Offset the remainder of the carbon that cannot be mitigated through onsite design through offsite renewables
- Follow the WRI/WBSCD GHG Protocol to develop our Scope 1 and 2 emissions inventory.
- Track and report on both location-based and market-based scope 2 emissions.
- Independently assure our emissions with DNV GL.

We anticipate that approximately 25% of our total carbon reductions will be created through the use of onsite renewables as stated in our Renewable Energy Policy. The remainder of this goal will be reached through other carbon reduction activities that are already underway, including our push for net zero buildings.

Policy

WATER MANAGEMENT POLICY (Effective July 2, 2014)

Water consumption is to be benchmarked monthly in ENERGY STAR Portfolio Manager.

EXTERIOR USE

In order to achieve landscaping water reductions greater than 50%, the following strategies are best practices for our portfolio:

- **Plantings:** Plants selected for non-turf areas should be mostly drought-tolerant native species and range from low to medium water consumption. Turf grass should be avoided. A good example of an acceptable alternative is a bluegrass hybrid species that minimizes the overall ET rate and limits water consumption while retaining resilience during dry periods. Landscape beds should be densely planted with a mixed variety of native and ornamental plants to satisfy the project's aesthetic needs. Areas other than landscaping beds and turf areas should be planted with low-maintenance native species that will require minimal or no water upon establishment.
- **Irrigation Technology and Design:** The landscaped areas should use a high-efficiency irrigation system that is zoned for watering needs. Irrigation zones are based on plant types, microclimate, water use, and sun exposure. Properties should consider installing an ET controller that optimizes watering levels. Areas of turfgrass should use high-efficiency rotor-type sprinklers and the landscape beds should use drip irrigation. For the natural areas, temporary surface drip irrigation lines should be installed and removed within one year or upon establishment, whichever occurs first. In order to minimize moisture loss from the soil, all shrub areas should be mulched.

INTERIOR USE

All buildings should install wherever possible:

- 0.5 gpm faucet aerators. Buildings that have had 0.5 gpm faucet aerators are encouraged to retrofit to 0.35 gpm faucet aerators
- Waterless urinals in locations where Kilroy is maintaining the janitorial services, and pint flush urinals where tenants are maintaining the janitorial services.
- Either 1.28 gpf toilets or dual-flush toilets

PLUMBING FIXTURE REPLACEMENT POLICY (Effective July 2, 2014)

This policy is intended to continually improve the water efficiency of the plumbing fixtures. When work is done on Kilroy-owned bathrooms, Property Management shall assess the option of upgrading plumbing fixtures to more water-efficient options based on the following criteria:

- Replacement fixtures shall be reviewed to have acceptable: mechanical fit with existing connections; performance; maintenance requirements and aesthetics.
- Decision on whether to use replacement fixtures shall include: availability of rebates from the water utility; if labor can be done with in-house staff, or if it's an additional cost; payback period (cost of purchasing and installing the unit divided by the expected annual water cost savings through reduced consumption) of less than two years, or other reasonable period as determined by Kilroy.

CALIFORNIA DROUGHT POLICY (Effective January 21, 2014)

In 2014, it was declared that California was in a drought emergency. This declaration came during one of the driest winters on record in California, following two dry years that already have left many reservoirs depleted. The Governor stated that the state is facing "perhaps the worst drought that California has ever seen" since records began. The state is calling for a collaborating effort to restrain water use, and Kilroy will be participating. As such, two measures will be implemented, effective immediately:

Policy

CALIFORNIA DROUGHT POLICY Cont.

- Where KRC managed domestic waste use, all faucets will be required to install aerators restricting flow to maximum 0.5 gallons per minute (gpm). This will be required whether or not faucets are on timers. Buildings with faucets that already meet this requirement are encouraged, but not required, to further retrofit to 0.35 gpm. Exceptions will be made for fixtures that cannot accept aerators. KRC will reach out to NNN tenants and encourage them to comply as well.
- Work with landscape vendors to retrofit existing irrigation nozzles to low-flow nozzles in all areas that have not already done so. Properties using reclaimed water for irrigation are exempt. KRC will reach out to NNN tenants and encourage them to comply.

These retrofits will pay themselves back in 6 months or less. The Engineering department is developing a list of additional measures to be implemented this year. Buildings in Washington State are encouraged but not required to comply.

INDOOR ENVIRONMENTAL QUALITY

The health, comfort and learning environment of occupants and staff are important aspects of Kilroy 's mission. Our goal is to reduce indoor air quality problems in order to minimize liability risk and foster a positive relationship among occupants and management. Indoor Environmental Quality (IEQ) is a critical component of providing a healthy and comfortable work environment for our tenants.

Kilroy's IEQ policy includes the following:

- Minimize indoor air pollutants, which will reduce the likelihood of health problems, including asthma, respiratory infections, allergic reactions, and other health problems.
- Control temperature, humidity and ventilation to prevent disease transmission and optimize thermal comfort.
- Provide access to daylight and views, pleasant acoustic conditions and occupant control over lighting

LIFE-CYCLE ASSESSMENTS/EMBODIED CARBON

A top priority for Kilroy is to track and manage all emissions. Because Scope 3 emissions are is our largest emission source, and our construction materials are our biggest source of Scope 3 emissions, our goal to provide our development teams options for more sustainable building materials to aid in proactively reducing the embodied carbon of construction materials on all future projects. We will do this through using the EC3 tool, and commit to using it on all development projects.

We will also reduce Scope 3 emissions through these best practices:

- Expanding our electric vehicle charging station infrastructure and working with our government officials and utilities to make the grid greener.
- Issuing a Supply Chain Excellence and Resilience survey to help our suppliers reduce their carbon emissions.
- Expanding our newer programs to include the AEC community.

Policy

EMPLOYEE HEALTH AND WELLNESS POLICY (Effective December 15, 2018)

The health and wellness of our employees is of central importance to our culture. As such, we employ the following programs and initiatives to support and maximize employee wellness.

- Conduct Wellness survey to help us better tailor our employee health programs
- Discounted employee gym passes
- Work-Life Balance Employee Assistance Program, services including:
 - Childcare and/or eldercare referrals
 - Personal relationship information (marriage/family issues)
 - Health information
 - Legal consultations and licensed attorneys
 - Financial planning assistance
 - Stress management
 - Mental illness
 - Career development
 - Alcohol/drug dependency
 - Wellness and self-help
- Commuter benefit with WageWorks encourages public and alternative transportation
- Mandatory CPR/First-Aid training for key teams / positions every other year
- Easily accessible Automatic External Defibrillators
- Healthy snacks - All vending machine and pantry snacks that are accessible to regular occupants within the building site should meet the food and beverage standards as outlined by the Fitwel Nutrition Standard.
- Standing desks and other medically necessary ergonomic desk requirements
- Value Added Programs provided by our medical benefits provider, Nippon Life Benefits
 - "Decision Power" - brings together under one roof information, resources and personal support from staying fit and dealing with back pain to facing a serious diagnosis.
 - Talk to a Health Coach
 - Health Improvement Plans
 - Healthy Baby – series of 5 prenatal education videos, with topics on exercise, nutrition, safety and breastfeeding
 - Healthy Discount Programs – Chiropractic and Acupuncture (POS Plan), Weight Management/ Jenny Craig and Weight Watchers, Hearing Aids and Screenings
 - Mail order pharmacy and chiropractic care
- Life Planning Provided by UNUM
- Nippon Prenatal Program
- Parental Leave Coaching
- Adhere to policies and directives of the KRC Human Rights Policy (available here)

EMPLOYEE ENGAGEMENT POLICY (Effective December 27, 2019)

Our goal is to create a culture where employees are promoted based on merit with a clear understanding of advancement requirements. This requires regular training on team communication and oral presentation skills with a focus on supervisor training regarding cultivating talent. All employees must receive training on development and internal mobility on at least a biennial basis.

FOCUS: Training, Development, and Internal Mobility

ANNUAL REVIEWS: All employees shall receive an annual performance review from their supervisor to track progress and create plans to address challenges.

Policy

EMPLOYEE ENGAGEMENT POLICY Cont.

Measurement: To ensure employee engagement across all aspects of the company, we will conduct an annual employee satisfaction survey, and track results by gender and cultural background.

TENANT HEALTH AND WELLNESS POLICY (Effective December 15, 2018)

We recognize that our buildings have impacts on tenant health and strive to promote occupant health and wellbeing through informed building design and operations. As a result, we have established a tenant health and wellness approach that is aligned with The Center for Active Design's Fitwel Standard. Fitwel addresses health as an interconnected system, with no single dominant category or area of focus, and provides over 55 evidence-based design and operational strategies that enhance buildings by addressing a broad range of health behaviors and risks. This approach allows us to select strategies that improve occupant wellbeing across a range of impact area from improved indoor air quality to helping building occupants stay physically active.

The design and operational strategies employed at our portfolio properties include, but are not limited to the following:

- Implement active design strategies in stairwell design
- Provide natural daylight in a majority of the workplace
- Provide a direct, accessible pedestrian route between the building entrance and public transit
- Conduct an annual occupant commuter survey
- Provide access to free water
- Provide secure and covered bicycle parking
- Provide an outdoor space amenity
- Establish and adopt an Integrated Pest Management (IPM) plan
- Create and maintain a database of building emergency equipment and supplies
- Adopt and implement a tobacco-free building policy
- Provide an emergency address notification system in building
- Provide access to sufficient active workstations
- Provide a sufficient number of dedicated lactation rooms or stations accessible to all regular occupants

More information on the Fitwel Standard is available at <https://fitwel.org/standard>.

CUSTOMER SATISFACTION

Our customers are our tenants and as such tenant satisfaction is extremely important at Kilroy. Our customer satisfaction policy requires us to hire a third-party consultant to survey all our tenants biennially. Once the survey closes, the consultant must analyze the data and provide results to Kilroy within a month. Asset management teams are responsible for implementing action plans to improve tenant satisfaction where necessary after the results are reviewed and discussed and tenants have the option to follow up in person. Not all complaints can be resolved but we have put steps in place to ensure customer satisfaction.

Where tenant concerns can be addressed:

- Asset managers work with the engineering team, asset management team or an outside vendor.

Where tenant concerns can not be addressed:

- The asset management team has further tenant meetings within that quarter to explain why these issues will not be rectified.

Policy

SOCIAL ENTERPRISE PARTNERING

Kilroy understand the value of partnering with social enterprises that also focus on reducing the environmental footprints and social impact of the environment. Our policy is to actively engage with our partners by attending conferences, collaborating on research and projects and supporting their missions through volunteering time or donations. While partnering, we will taking the time to evaluate the relationship and ensure that their social objectives still align with the primary purpose of the organization and with our values as well. Examples of our social enterprising partners include but are not limited to:

- 1. ENERGY STAR Partner
- 2. BOMA Energy and Environment Committee
- 3. USGBC Los Angeles Partner
- 4. NAREIT Real Estate Sustainability Council member
- 5. GRESB member
- 6. Center for Active Design Leadership Advisory Board member
- 7. Urban Land Institute (ULI) Greenprint member
- 8. NAACP Centering Equity in the Sustainable Building Sector Working Group

Policy

RESILIENCE POLICY (Effective December 2, 2013)

Real estate companies own fixed, long-term assets that sit in a volatile, changing world. Creating more adaptability and resiliency in the buildings will give a competitive advantage in the marketplace. As such, Kilroy's goal is to have a portfolio that is as resilient as possible to any potential disruptions to business, such as earthquakes, heat-waves, storms, sea-level rise and other natural disasters.

Kilroy's policy is that every building should have the ability to be operational as soon as is safely possible following a disaster. Suggested methods of achieving this goal include:

- Structural design/retrofits for seismic events
- Backup/Onsite power generation
- Robust emergency communication system
- High walkability to surrounding neighborhoods
- Electric vehicle charging
- Internet delivered through mesh network
- Flood protection
- Strong relationships with the surrounding community

Ensuring that the buildings are resilient will enable Kilroy to keep insurance premiums low and safeguard Kilroy's reputation to tenants, investors, employees and other stakeholders.

HUMAN RIGHTS POLICY (Effective December 15, 2016)

Kilroy Realty Corporation (KRC) is committed to respecting human rights. We believe all persons are entitled to be treated with dignity and respect, and have adopted the following Human Rights Policy, which is aligned with the United Nations' Universal Declaration of Human Rights.

KRC human rights policies and directives are integrated within the company's wider standards literature, such as the employee codes of conduct and environmental management system (EMS). The collective of these policies are designed to ensure the following:

- A respect for the rights of all persons impacted, both directly and indirectly, by our business.
- Compliance with national laws and regulations regarding the protection of human rights.
- A commitment to respect all international human rights standards, including the Universal Declaration of Human Rights.
- Avoid causing or contributing to adverse human rights impacts through our own activities, and address such impacts when they occur.
- Prevent or mitigate adverse human rights impacts that are linked to the operations, products or services provided by our vendors, even if we have not contributed to those impacts.
- Promote and prioritize diversity and inclusivity.
- Provide safe and healthy workplaces, compliant with all applicable health and safety laws, regulation and internal directives.
- Sustain and safeguard spaces free of violence, harassment, intimidation and other unsafe or disruptive conditions.

For more policies and directives that inform and support this commitment to human rights please visit the 'Commitment' section of the [KRC website](#).

Policy

PHILANTHROPY POLICY (Effective December 15, 2016)

Kilroy Realty Corporation (KRC) is committed to being a real estate leader in innovation and sustainability. Part of that commitment is investing in our communities and future leaders. KRC seeks to address issues and needs aligned with our goals and objectives through financial support of education and community enrichment programs. KRC provides financial assistance to accredited schools and 501(c)(3) nonprofit organizations that work to produce programs and projects centered around the following:

- Education (Objective: Increase access to high quality education in our communities)
- Environmental Conservation (Protect the natural environment in our communities through habitat preservation and conservation of natural resources)
- Social Sustainability (Ensure that our communities have the social infrastructure needed, such as housing, parks and means of travel, to thrive)
- Health and Wellness (Increase health outcomes for all members of our communities)
- Community Art (Support local artists)
- Resiliency (Help our communities respond effectively to short-term shocks and long-term stressors)
- Biodiversity (Maintain a biodiverse urban plant palette to foster the health of local species and migrating pollinators)

We do not provide funding to individuals or religious organizations. We prioritize support for organizations and projects that expand the adoption of sustainability concepts and practices in real estate development and management.

TARGETS:

Engage in philanthropic activities in all of our markets every year for the next 5 years focused on at least 2 of the above objectives, with the goal of engaging with at least two organizations with different foci annually. By 2021, develop a methodology for reporting on the Social Return on Investment (SROI) of our philanthropic activities.

GOVERNANCE STRUCTURE:

Every year, the Corporate Social Responsibility Team (includes Administration, Government Affairs, Marketing, Legal, Sustainability and Human Resources) creates the annual philanthropy strategy. After that, all philanthropic donations above \$2,000 are approved by a member of the C-suite and reported on by the Sustainability team. Amounts smaller than \$2,000 are approved by a senior member of the Corporate Social Responsibility Team.

COMMUNICATION:

Our philanthropy policy is communicated to our stakeholders via our Annual Sustainability Report, our Environmental Management System, and our website. We engage with our philanthropic partners to gather data on the use of funds at the end of each year and communicate our analysis of this data back to our partners.

PREFERRED VENDOR CONDUCT POLICY (Effective December 15, 2017)

Kilroy Realty Corporation (KRC) is committed to developing and managing innovative spaces that promote and encourage public health and sustainability. Respecting the environment, human rights and workplace dignity is all part of our mission.

Operating a successful real estate development and management company intrinsically relies on outsourcing services or business processes to optimize innovation and value. Our business partners help to enhance the product we offer, and we must call upon you to enhance our corporate responsibility programs. We encourage our vendors, suppliers and their affiliates to comply with the following Code of Conduct.

Policy

PREFERRED VENDOR CONDUCT POLICY Cont.

OPERATIONS

- Demonstrate a commitment to quality and sustainability in business practices.
- Comply with all applicable anti-corruption, antitrust and fair competition laws.
- Maintain professional standards in all business dealings.
- Uphold the integrity and confidentiality of data, recordkeeping and intellectual property.
- Maintain a safe information technology (IT) environment and adhere to directives and requirements regarding data security.
- Consult with your legal counsel in regards to any issues of actual or potential noncompliance with prevailing laws and regulations, and coordinate as needed with KRC legal counsel to ensure compliance.

WORKFORCE

- Conduct employment practices in compliance with all applicable laws and regulations.
- Prohibit the use of involuntary and/or child labor.
- Comply with all local labor laws and standards regarding freedom of association, working hours, minimum wage, overtime, public holidays and payday requirements.
- Treat all employees with dignity and respect.
- Provide a work environment free of discrimination, harassment based on gender, race, color, national origin, age, religion, marital status, disability, sexual orientation or veteran status, or any other protected characteristic or identity under local, state or federal law.
- Promote a safe and healthy work environment in accordance with all applicable regulations.
- Prohibit inhumane treatment action.
- Forbid retaliation against whistleblowers in accordance with state and local laws as applicable.
- Adhere to policies and directives of the KRC Human Rights Policy (available above).

ENVIRONMENTAL

- Comply with the requirements of all applicable federal, state and local environmental laws and regulations.
- Resolve to reduce waste of all types, including energy and water, by implementing appropriate conservation measures, as applicable. Vendors should strive to provide products and services which meet the following criteria:
 - Develop best practices that reduce negative environmental and social impacts associated with core service offering.
 - Develop strategies to benchmark and reduce water and energy consumption, as compared to typical usage for the sector, service, or product.
 - Deploy waste reduction and diversion strategies throughout the lifecycle of the service or product.
 - Deploy procedures to minimize the packaging-to-product ratio in order to reduce waste. All packaging should be easily reusable, returnable or recyclable.
- **DIRECT IMPACT** - As applicable, all chemicals and other hazardous materials intended for use on KRC property that has been identified as harmful to human health or the environment by the EPA under Section 5(b)(4) of the Toxic Substances Control Act (Concern List) must be stored in a secure, well ventilated area and managed appropriately to ensure safe handling, use, reclamation and/or disposal.
- **INDIRECT IMPACT** - As applicable, vendors will work to minimize or eliminate the use of products containing hazardous chemicals and materials, which have been identified as harmful to human health or the environment by the EPA under Section 5(b)(4) of the Toxic Substances Control Act (Concern List) to mitigate harm within the supply chain.
- As applicable, all emission omitting materials, such as adhesives, sealants, paints, coatings, flooring systems, composite wood and agrifiber products, must be monitored, controlled and/or treated prior to disposal.

Policy

PREFERRED VENDOR CONDUCT POLICY Cont.

- Have in place environmental management systems or protocols for potential environmental liabilities. This may include a review of the internal environmental goals, evaluation of environmental impacts and development of an action plan for improvement.
- Provide applicable performance metrics, such as GHG emissions or waste diversion, upon request.

GREEN OFFICE POLICY (Effective September 23, 2019)

Kilroy is committed to sustainable business operations and has developed a Green Office Policy to ensure that our sustainable practices include our own operations. This policy promotes environmental action among our team members to reduce waste, increase energy and water efficiency, optimize employee health, and source environmentally friendly office supplies.

RECYCLING

- Ensure recycling bins are placed at each workstation.
- Provide composting services, if available (varies by region).
- Position recycling and composting bins with signage in centralized locations such as break rooms and conference rooms to promote proper disposal of materials.

SINGLE-USE ITEMS

- Replace single-use dishware such as cutlery, bowls, plates and cups with reusable options.
- If a reusable option is not practical, replace non-compostable dishware with compostable alternatives.
- Reserve water bottles for meetings only. Employees are encouraged to offer reusable drinking glasses to guests in lieu of water bottles.

HEALTH AND WELLNESS

- Provide a selection of nutritious snacks such as fruits and vegetables and healthier alternatives of dry snacks such as chips, cookies, etc.
- Onsite meetings and events catering should meet the [Food and Beverage Standards](#) outlined by Fitwel.
- Provide ergonomic (sit-stand) desks at all occupied workstations

WATER

- Install aerators on all faucets to reduce flow rate.
- Install water detection devices near water fixtures, such as under sinks, behind refrigerators and other areas that utilize a plumbing line.

ENERGY

- Turn off computer monitors at the end of each workday or during extended time away from the computer. Computers should remain on at the end of each day.
- Install occupancy sensors throughout the office and conference rooms.
- Replace incandescent and compact florescent bulbs with LEDs throughout the office whenever possible.

SUSTAINABLE PURCHASING

- Purchase office products that are made with recycled or environmentally friendly materials.
- Ensure that all newly purchased appliances are ENERGY STAR rated.

SUSTAINABILITY TRAINING POLICY (Effective December 27, 2019)

Maintaining excellence in sustainability and corporate responsibility requires regular training to stay up to date on new developments and creating a strong foundation in the fundamentals. All employees will, as relevant to their job duties, therefore receive regular training on:

Policy

SUSTAINABILITY TRAINING POLICY Cont.

ENVIRONMENTAL

- Methods to track and reduce energy, water and waste consumption
- Software tools that support environmental programs
- Contamination
- Resilience, including emergency preparedness and disaster response related to natural hazards
- Supply chain environmental and safety practices

SOCIAL

- Unconscious bias
- Supervisors: Diversity, Equity and Inclusion training to focus on enhancing diversity at senior levels
- Supply chain social practices, including human rights

GOVERNANCE

- Best financial reporting practices related to ESG disclosures

REMUNERATION POLICY

Kilroy considers remuneration basic salary plus additional amounts such as those based on years of service, cash bonuses, equity awards (including long-term incentive awards that are subject to time- and/or performance-based vesting requirements over a multi-year performance period), benefit payments, overtime, time owed and some additional allowances. It is our policy to remunerate our employees based on prevailing market salaries with consideration given for performance and years of service. We do not discriminate regarding remuneration on the basis of race, color, religion, sex (including pregnancy, childbirth or related medical conditions), sexual orientation, national origin, ancestry, age, physical or mental disability, medical condition, family care leave status, veteran status or marital status. We aim to have remuneration incentivize employees to focus on increasing total shareholder returns by improving each employee's performance throughout their entire tenure at Kilroy.

Policy

INTERGRATED DESIGN PROCESS (Effective 8/2/2010)

Project must implement an integrated design process beginning in the conceptual design phase that includes the following subjects: site selection, water efficiency and supply, energy efficiency and supply, materials, and health & indoor environmental quality. During conceptual design, project shall conduct at least one charrette with at minimum representatives from KRC, architecture, mechanical engineering, electrical engineering, plumbing engineering, civil engineering and landscape design to ensure that the project to align sustainability objectives, formulate the project's collaborative strategy for achieving those objective and develop the LEED scorecard.

ENERGY EFFICIENCY (Effective 8/2/2010)

All heating, ventilating, air conditioning and refrigeration (HVAC & R) systems and associated controls, lighting controls, and domestic hot water systems are subject to a commissioning process.

All systems throughout, as per LEED for Core & Shell v3 EA Prerequisite 1: Minimum Energy Performance and as per engineering drawings to:

- a. Comply with the mandatory provisions (Sections 5.4, 6.4, 7.4, 8.4, 9.4, and 10.4) of ASHRAE 90.1 2007 (with errata but without addenda)
- b. Achieve the performance requirements as compared with a baseline building that complies with Appendix G of Standard 90.1-2001 (with errata but without addenda) and exceeds relevant energy codes by at least 2%.

All EnergyStar ® Eligible appliances and equipment purchased as part of the scope or work for the project must meet the EnergyStar criteria current at the time of purchase.

No chlorofluorocarbon (CFC)-based refrigerants are to be used in any capacity in heating, ventilating, air conditioning and refrigeration (HVAC & R) systems used within the project scope of work. Project must select HVAC&R equipment that minimize or eliminate the emission of compounds that contribute to ozone depletion and climate change. See LEED reference guide for refrigerant calculation instructions.

Project will be designed to measure its energy usage and verify that the energy model accurately reflects actual consumption and energy intensity, with the minimum energy intensity performance requirement of an ENERGY STAR score of 75 or better. Project will develop and implement a measurement and verification (M&V) plan consistent with Option D: Calibrated Simulation (Savings Estimation Method 2) as specified by the International Performance Measurement & Verification Protocol (IPMVP), Volume III: Concepts and Options for Determining Energy Savings in New Construction, April 2003. The documentation will include the following 1) A description of the infrastructure design, 2) Existing meter locations, 3) Existing meter specifications, 1) 1-line electrical schematics identifying end-use circuits, 3) Guidelines for carrying out tenant sub-metering.

Project will Include a centrally monitored electronic metering network in the base building design that is capable of being expanded to accommodate the future tenant submetering as required by LEED 2009 for Commercial Interiors Rating System EA Credit 3: Measurement and Verification.

Policy

WATER EFFICIENCY (Effective 8/2/2010)

All water closets, urinals, and lavatory faucets specified within scope of project are intended to employ strategies that in aggregate use at least 40% less water than the 'water use baseline' as determined by EPA 1992 specifications. Owner requires cutsheets of any purchase of water closets, urinals, kitchen sinks and lavatory faucets. Domestic hot water systems are subject to a commissioning process.

All irrigation systems specified within scope of project may be intended to employ strategies that in aggregate use 50% less water than the 'irrigation usage baseline' as defined in the LEED Building Design & Construction Reference Guide. Owner requires drawings and calculations to document water reduction claims.

WATER SUPPLY POLICY (Effective 7/5/2015)

Project must investigate the availability of municipally-supplied reclaimed water, also known as purple pipe water, during the kickoff of the integrative design process. Should municipally-supplied reclaimed water be available, project is encouraged to connect its landscape and/or domestic water system to the municipally-supplied reclaimed water system to reduce potable water consumption.

Further, during conceptual design projects must investigate the feasibility of capturing stormwater or rainwater onsite, storing and reusing this water onsite to reduce potable water consumption through, for example, the use of a rainwater cistern. Projects are encouraged to install such systems where feasible.

In addition, during conceptual design projects must investigate the implementation of onsite water recycling via a greywater or blackwater system. Projects are encouraged to install such systems where feasible.

APPENDIX B - INTERNAL AUDIT PLAN

INTERNAL AUDIT PLAN PROCEDURES

Pre-Audit Activities

The Sustainability Team will meet at least 30 days prior to the initiation of the annual audit to determine its scope and coordinate with scheduled operational assessments. The Sustainability Team will draft an Audit Plan addressing the following:

- Audit scope and objective
- Audit criteria to be applied
- Contacts
- Audit dates, times and other logistics
- Review and collection of previous audits, documents and records
- Protocol for conducting the audit
- Responsibility for writing the audit report and corrective action report

Scoping Meeting

At the scoping meeting, the Sustainability Team will analyze the assessment plan, coordinate logistics, review previous audits and documents, and set up a schedule of meetings during the audit.

Audit Activities

At initiation of audit activities, the Sustainability Team will review audit criteria and assign tasks. The audit will be conducted through interviews with personnel, observation of operational conditions in relation to environmental impacts and document review. The Sustainability Team will document findings and corrective actions and have a close-out meeting.

Report

When the assessment activities are complete, the Sustainability Team will prepare their inputs for the final report. The Sustainability Team will compile the information for the final report to be submitted to management. As part of the final report, a corrective action report will be presented to the appropriate personnel to address the audit findings and a plan to complete corrective actions will be created.

Audit Closeout

The Sustainability Team will provide the findings of the audit report to Senior and Executive Management and brief them on the corrective actions during the Management Review. Actions taken as part of the corrective action plan are part of the Management Review.