



ANNUAL SUSTAINABILITY REPORT



SUSTAINABILITY MISSION STATEMENT

LBA Realty is committed to driving a business case approach to environmental responsibility in all that we do. We will effectively communicate our goals and implement energy efficiency and consumption reduction practices in our buildings, as well as promote awareness and engagement with our stakeholders. We will measure our success by benchmarking results year-over-year.

ANNUAL RESULTS (OFFICE)

- ENERGY STAR average portfolio rating: 89.3
- Energy consumption reduction of 6.36% or 4.3M kWh
- Energy cost savings of approximately \$520K
- Waste diversion rate increased by 4.5%
- Water consumption reduced by 1.5M gallons or 4.99%

*(Annual Results metrics represent 2017 results.
2018 data will be available in Spring 2019)*

RENEWABLE ENERGY & CLEAN TECH PROGRAM*

SOLAR ENERGY

- LBA, in partnership with our tenants, has seven solar projects generating a total of 6.03MW of renewable energy each year consisting of rooftop applications in Arizona, California and New Jersey.
- We are currently in the process of adding another site within California, which will generate an additional 2.02MW of solar energy per annum.

LED LIGHTING

- LBA has completed 64 lighting retrofits across the portfolio generating annual savings of 2.6M kWh or \$623K with an average payback period of 1.56 years, net of incentives.

ENERGY STORAGE

- LBA has installed 2.07MW of energy storage solutions at four office properties, with three sites in process. This will result in approximately 1MW of energy storage added to the portfolio.

- LBA operates a 1.3 MW intelligent energy storage system at Park Place in Irvine, CA, which was the largest indoor battery storage project in the United States at the time of installation.

EV CHARGING*

ELECTRIC VEHICLE CHARGING STATIONS

- LBA has a portfolio program for EV-charging stations through ChargePoint.
- Currently, LBA has 41 dual-charging stations across the portfolio and continues to evaluate new opportunities.

INTELLIGENT BUILDING PROGRAM*

- LBA has partnered with Yardi Systems to roll out Pulse software throughout our multi-tenant office portfolio representing 6.4M SF. The program will provide real-time building electrical meter monitoring and analytics as well as HVAC system fault detection and diagnostics.
- Park Place, our premier office property in Irvine, CA., has already achieved a reduction in kWh per occupied square foot ranging from 15-20% per annum on average as a result of Yardi Pulse and additional energy conservation measures.

HEALTH & WELLNESS*

LBA understands the importance of providing world class business experiences that align with better health & wellness, including improved indoor air quality, better amenities and more comfortable spaces. These include:

INDOOR AIR QUALITY (IAQ) PROGRAM

LBA has a proactive IAQ Program:

- To monitor indoor air quality to verify it is within health and safety standards.
- To ensure LBA buildings are healthy and productive workplaces.
- This program is currently active at eight properties.

FITWEL

Created by the U.S. Centers for Disease Control and the General Services Administration to:

- Optimize healthy buildings, decrease disease, improve mental health, encourage social interaction, and increase civic trust and overall well-being.
- LBA is in the process of certifying our first Fitwel building and will continue to roll this out to the rest of the portfolio.

SUSTAINABILITY CERTIFICATIONS*

LEADERSHIP IN ENERGY & ENVIRONMENTAL DESIGN (LEED)

– LBA is a member of USGBC, and utilizes LEED as a framework to insure we are operating our buildings with the highest standards of building efficiency and practices. Currently there are 11 certifications across the portfolio.

ENERGY STAR – LBA is an ENERGY STAR Partner and has also been recognized as a Premier Member of the ENERGY STAR Certification Nation. There are currently 21 certifications across the portfolio.

ENERGY STAR For Tenants – LBA partnered with our tenant, MG2, to participate in the pilot program which included a total of 39 companies across the United States. Through the program, we achieved the first ever ENERGY STAR Charter Tenant Space recognition.

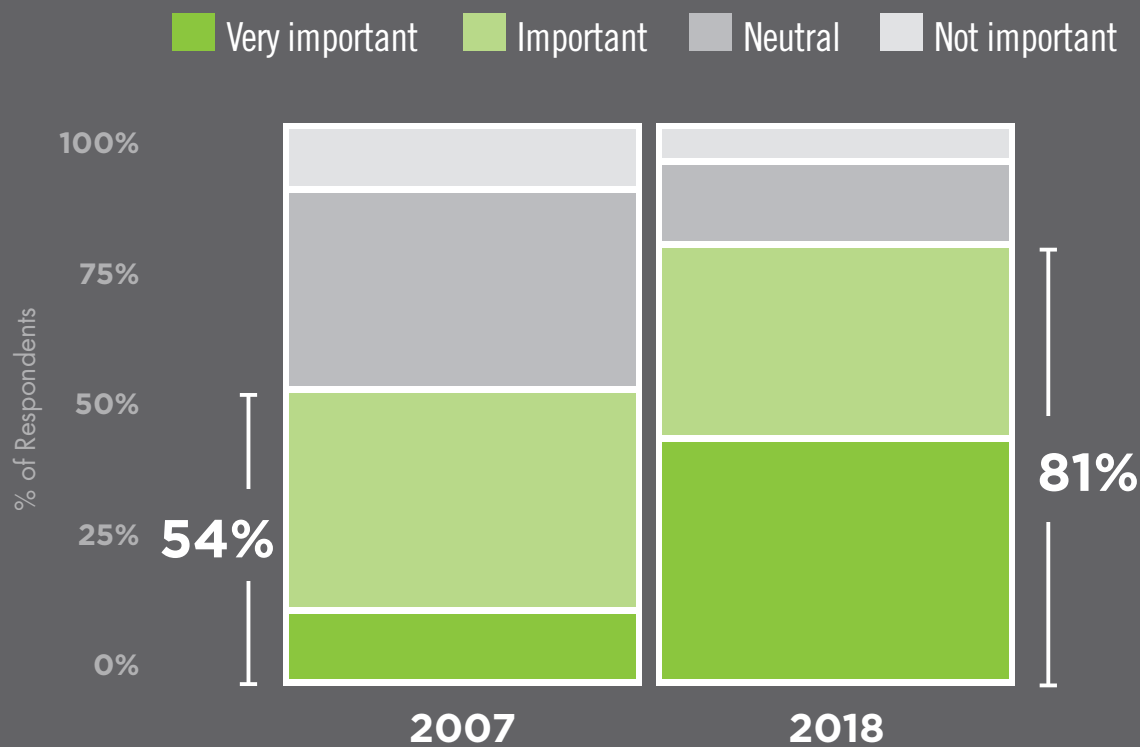
* Metrics represent data through March 2019



OFFERING SUSTAINABILITY AS A SERVICE TO OUR CUSTOMERS

As part of LBA's Sustainability Strategy, we identify ways to expand relationships with our tenants by engaging and providing sustainability resources that support their business objectives, drive meaningful value around lower operating costs, enhance comfort and ultimately increase overall satisfaction.

IMPORTANCE OF SUSTAINABLE OPERATIONS



Through our annual customer satisfaction service survey, we have seen a consistent increase over the last ten years in the value of sustainable operations to our tenants. The number of tenants who have indicated that sustainability is important or very important to them has increased from 54% in 2007 to 81% in 2018.



ENGAGING WITH OUR STAKEHOLDERS

Engagement is a key principle within our sustainability platform where we target five key stakeholders: our employees, clients, investors, service providers and community. Through this approach, we strive to educate our employees, strengthen tenant relationships, drive performance gains, deliver on LBA's sustainability commitment in support of the overall business strategy, attract and retain investor partners, protect our environment and support the communities where we live, work and invest.



EMPLOYEE ENGAGEMENT

We focus our sustainability efforts starting with our employees. Not only do we insure they understand the importance of our commitment, but we have built our sustainability strategy into all departments within our organization. Our efforts are led by our Sustainability Council who share green best practices, resources and important updates within the sustainability space through our internal sustainability blog. Through this platform we are able to educate our employees through articles, challenges, trivia games and other creative ideas that make sustainability enjoyable and exciting within our company.



COMMUNITY OUTREACH

Community outreach is truly woven into our culture through our LBA Foundation. We share the "need" to want to make a difference in our communities and support the organizations that require our help. Not only is it important that our employees support the children's charities important to LBA, but we also support charities that are important to our employees, as well as our tenant's where possible. Our employees want to have that human connection and stand united for a common cause.



DENVER PLACE
BIKE BARN

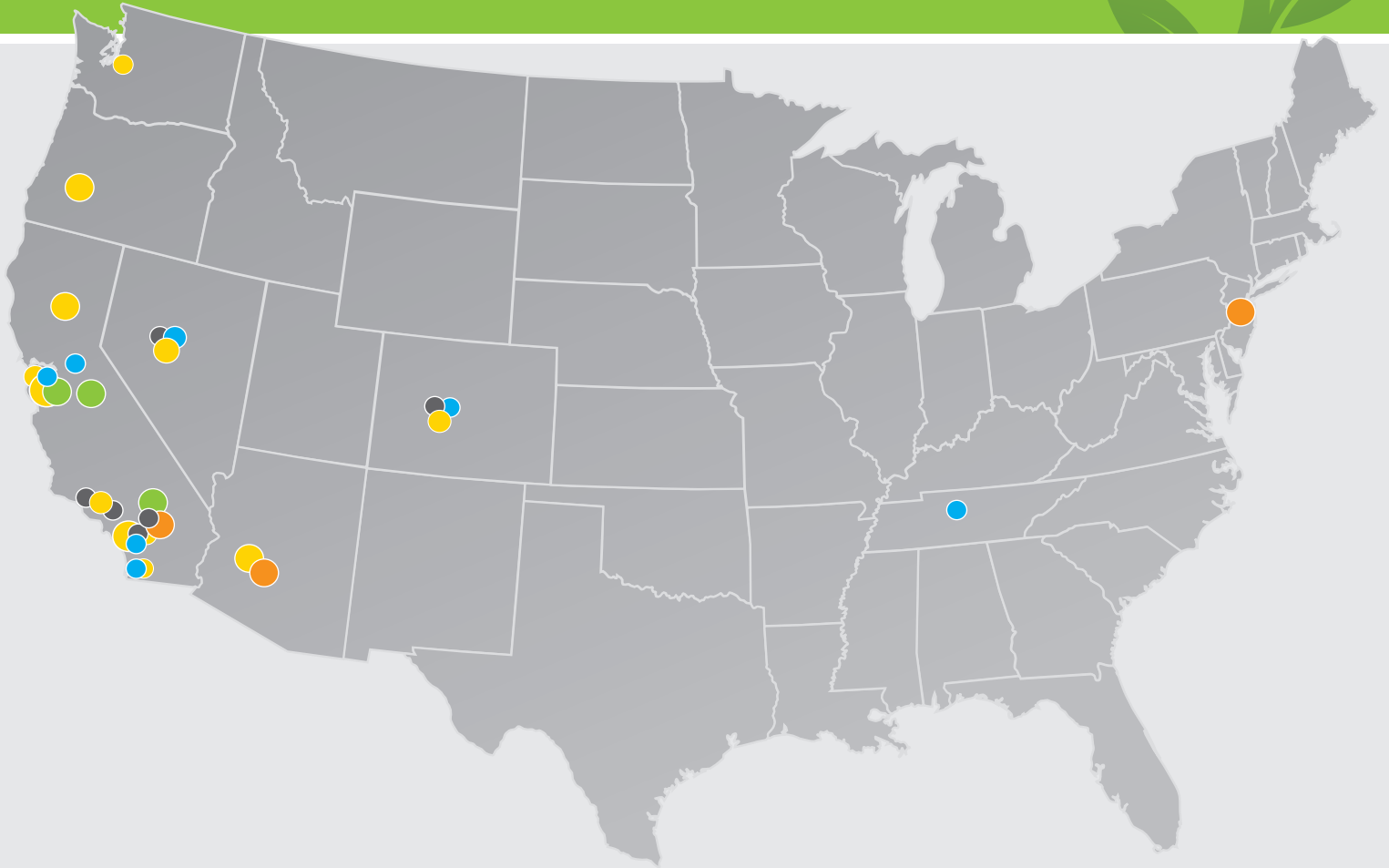


PARK PLACE
CENTRAL PLANT UPGRADES



SIERRA COMMERCE PARK
EXTERIOR LIGHTING RETROFIT

SUSTAINABILITY CERTIFICATIONS CLEAN TECH PORTFOLIO



● ENERGY STAR CERTIFICATIONS	21
● LEED CERTIFICATIONS	11
● LIGHTING RETROFITS.....	64
● BATTERY STORAGE	7
<i>7 Properties Total: 3 in Orange County, 4 in Los Angeles</i>	
● SOLAR	7
<i>7 Properties Total: 5 in Inland Empire, 1 in Arizona, 1 in New Jersey</i>	

ANNUAL KWH SAVINGS EQUIVALENCIES



7,999,838

Miles driven by an average passenger vehicle



1,137

Tons of waste recycled instead of landfilled



367,271

Gallons of gasoline consumed



7,557

Barrels of oil consumed



3,571,044

Pounds of coal burned



489

Homes' electricity use or one year



3,844

Acres of US forests in one year



109,235

Incandescent lamps switched to LEDs

**Metrics represent data through 2017
Source: EPA Greenhouse Gas Equivalencies Calculator*

