



LBAProperties 

LBALogistics 



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To Our Stakeholders:

OUR COMMITMENT TO BE RESPONSIBLE

Welcome to the LBA 2024 Annual ESG Report.

LBA's 2024 Annual ESG Report highlights our commitment to responsible corporate practices. We prioritize transparency and accountability, ensuring our Environmental, Social, and Governance (ESG) efforts reflect our core values and contribute to value creation for our stakeholders.

Our dedication to sustainability and ethical corporate conduct aligns with our approach to strong business outcomes. LBA invests in sustainable building innovations that deliver advantages to our customers and increase asset value, including solar power, energy storage and electric vehicle charging solutions. These initiatives are in line with our ambition for annual reductions in energy and carbon emissions.

Established with more than 30 years of experience, our governance principles promote a culture of integrity, accountability, and inclusivity, which are crucial for attracting and retaining top talent to accomplish our business goals. We are dedicated to implementing informed, target-driven strategies to improve customer experiences and the utilization of our properties.

The intersection of our business with ESG objectives is clear:

- We ensure that our buildings and portfolios adhere to evolving efficiency and emissions standards by tracking and reporting relevant data. Our dedication to transparency aligns with the expectations of our customers, lenders, and investors, while we operate as a private company.
- Our approach to investment and management goes beyond simple cost savings, embracing an integrated view of energy management, decarbonization and sustainability throughout an asset's life cycle. We serve as a proactive partner, assisting our customers in achieving their sustainability goals.
- In response to the ongoing energy transition, LBA is making contributions by increasing grid capacity with renewable energy and by enhancing our operational efficiency and resilience amidst energy and climate shifts.

This report details our performance across various metrics, highlighting our approach and achievements, including but not limited to:

- We utilize our Sensible Sustainability Strategy by taking a pragmatic approach that emphasizes cost-benefit analysis, ensuring all projects are supported by a strong business case. Guided by these principles, our project selections create value through increased revenue, reduced operating costs, and enhanced tenant retention.

- LBA has been inducted into the BOMA 360 Hall of Fame, an honor awarded by the Building Owners and Managers Association International. We have received more building certifications than any other real estate company globally, a testament to LBA's commitment to holistic building performance across our portfolio.
- Our industrial property rooftop solar program has grown, adding renewable energy to the local communities where we invest and operate.
- We have partnered and supported many of our customers across our portfolio, expanding their corporate ESG efforts.

This report also highlights our commitment to charitable contributions and Diversity, Equity, and Inclusion (DEI), including volunteering time and giving back to the community, all of which are integral parts of our company culture. We thank you for your continued support as we advance these initiatives for the benefit of our stakeholders and the broader community in which we operate.



PHIL BELLING
Managing Principal
Phil Belling



PERRY SCHONFELD
Principal & Chief Operating Officer
Perry Schonfeld

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PORTFOLIO



★ LBA Corporate Headquarters

● Office Portfolio Markets ● Industrial Portfolio Markets ● LBA Regional Offices

LBA's current portfolio totals over 107 million square feet.

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Jessie Rees Foundation



Kings Road Commerce Center Nampa, ID



3349 Michelson Irvine, CA

Be Responsible ESG MISSION STATEMENT

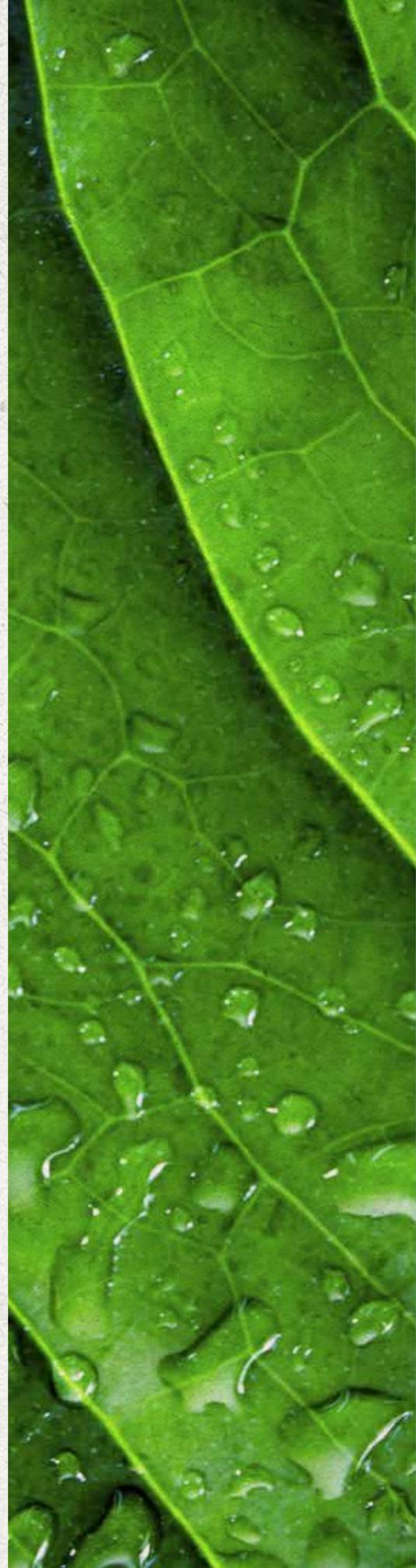
At LBA, our ESG strategy is driven by a sensible sustainability approach that mitigates risk, balances cost with return on investment and enhances value across our portfolio. We are committed to supporting initiatives that contribute to the common good while delivering measurable results across our properties. Our efforts aim to reduce our environmental footprint and improve the economic and social conditions for our stakeholders, including our team members, investors, customers, service provider partners, and the communities in which we invest, live and work.

Diversity, equity and inclusion are key to our approach as we engage our stakeholders, diversify our relationships and create opportunities for people to advance and share in the benefits generated by the organization. Similarly, we strive to maximize the social impact of our charitable efforts.

Sustainability, DEI and the performance of our assets, funds and portfolio strategies are fundamentally aligned. As a responsible corporate citizen and results-focused organization, we pursue an outcome-driven approach that seeks to maximize positive impacts for people and the planet.

Adopting industry best practices and benchmarking our performance through third-party validation allows us to measure our results over time and demonstrate our commitment.





Environmental

BE SENSIBLE



Left to right:
Perry Schonfeld, Principal & Chief Operating Officer
Chelsea Hewett, Operations & ESG Assistant
Michelle German, Vice President, ESG
Allison Pumphrey, Operations & Sustainability Manager
Ernestine Hong, Operations & ESG Associate
Melanie Colbert, Principal, Operations

ESG Team Overview

Our ESG team, which is led by the Vice President of ESG with oversight from LBA's Principal and Chief Operating Officer and the Principal of Operations, is supported by the Corporate Operations Team. Our primary focus is to establish best practices and strategies for energy efficiency reduction, decarbonization, resilience, and to lead the implementation of these initiatives. This includes a strong emphasis on utility benchmarking and data management, renewable energy, smart building automation, LED lighting, water efficiency, waste reduction, climate risk and resiliency, and health and wellness.

Integrated Across Our Operations

ESG principles and practices are integrated throughout our organization, and the success of our program depends on collaborating with all stakeholders. Beyond sustainability, team members make a positive social impact through charitable contributions and volunteer work, and by advancing diversity and inclusion throughout the workplace.

2023 Highlights

Reflecting on the year 2023, we are pleased to share some of our highlights. Throughout the report, you will find additional achievements and case studies, with more detailed examples.

- LBA achieved a **56%** reduction in greenhouse gas use intensity in spaces under our operational control compared to our 2019 baseline.
- Our solar energy projects currently generate **19 megawatts (MW)** capacity, which is a **200%** increase from the previous year's **6.4 MW**. Additionally, solar projects that are under construction or have signed leases in place are expected to contribute an additional **28.8 MW** to the solar energy capacity.
- Use of smart building monitoring software and energy efficiency projects across our office portfolio have resulted in cumulative energy savings of **19 million kilowatt hours (kWh)**. Approximately five million square feet of our portfolio is managed using this technology.
- We maintained the UL Verified Healthy Building Mark for Indoor Environment across our office portfolio for another year, which demonstrates our commitment to maintaining healthy workplaces.
- Our community engagement and philanthropic activities included **1,200** volunteer hours across approximately **30** events in 2023.
- We strengthened our commitment to DEI through numerous initiatives that are discussed later in this report.

INDUSTRIAL

Industrial Portfolio Highlights

19 MW

Active

Solar

28.8 MW

Under Construction /
Lease Signed

Solar

16

ENERGY STAR
Certifications

220

BOMA 360
Certifications

13

LEED Certifications

11M kWh

Reduction from
LED Lighting Upgrades

**11.3 kg
CO₂e**

EV Charging
GHG Avoidance

1

Fitwel
Certification

Total Industrial Portfolio: Over 100 million square feet





INDUSTRIAL INITIATIVES AND APPROACH

Customer Partnerships - Sustainability as a Service

As part of LBA's sustainability strategy, our goal is to enhance customer relationships by providing sustainability resources tailored to their organizational needs and interests. These resources are designed to deliver benefits such as reduced operating costs, improved building performance and increased customer satisfaction.

Utility Data & Benchmarking

LBA uses ENERGY STAR Portfolio Manager to benchmark all available utility data, track progress, monitor performance and ensure compliance with regulatory standards. This process helps identify opportunities for cost savings and environmental impact reductions within operations. Benchmarking energy, greenhouse gas, water, and waste data offers insights into our current performance and establishes a pathway for continuous improvement.

Energy, Water & Waste Audits

LBA collaborates with certified professional engineers to conduct comprehensive reviews of energy, carbon, water and waste performance. Our goal is to identify projects that enhance efficiency, decrease consumption and costs, and promote decarbonization efforts.

Energy Efficiency

Energy efficiency is a cornerstone of our ESG program. We prioritize building operational enhancements by optimizing programming and controls, leading to improved overall building performance. Key initiatives include:

- LED Lighting: Transitioning to LED lighting can reduce energy consumption by more than 75% compared to conventional bulbs and last 25 to 50 times longer, saving money and improving lighting quality.
- HVAC: We prioritize energy-efficient HVAC systems with higher Seasonal Energy Efficiency Ratio (SEER) ratings to enhance energy savings and operational efficiency.
- Roofing: We use cool roofs designed to reflect more sunlight and absorb less heat, lowering energy expenses, enhancing indoor comfort and extending roof lifespan.
- Window Tinting: Window tinting enhances a property's aesthetic appeal and provides environmental benefits by minimizing heat and UV radiation within buildings.
- Smart Building Technology: LBA deploys automated energy management software for real-time monitoring and analytics of building electrical meters, fault detection, diagnostics for HVAC systems and active optimization software to improve comfort and energy efficiency.

Carbon Reduction Focus

LBA partners with customers to invest in energy efficiency, assess electrification through renewable energy installations and identify opportunities for building system upgrades to eliminate natural gas usage. We share technologies and best practices to increase operational efficiencies and advance carbon emission reductions.

Renewable Energy & Clean Tech

- Solar Energy: We continuously assess our portfolio for viable candidates for solar installations, providing sustainable energy solutions at or below current market pricing.
- Energy Storage: Energy storage technology stores power and releases electricity during peak consumption periods, contributing to grid reliability and reducing utility demand charges.
- Electric Vehicle (EV) Charging Stations: LBA helps customers evaluate the feasibility of EV charging infrastructure, including assessing costs and available incentive programs for both passenger vehicles and truck fleets.

Innovation & Technology

LBA leverages advanced technology and software to enhance efficiency and productivity within our buildings. Solutions include robotics, sensors, automated guided vehicles and the Internet of Things (IoT).

Health & Wellness

We focus on supporting healthy indoor environments and the well-being of team members and customers. Our approach includes evaluating air and water quality and promoting wellness through various amenities.

Water

LBA benchmarks water usage and identifies solutions to enhance water efficiency. Strategies include drought-resistant and native plant landscaping, drip irrigation, smart metering, rain sensors and leak detection.

Waste

We support waste diversion benchmarking and propose improvement solutions such as recycling, e-cycling and composting efforts.

Sustainable Construction & Development

LBA develops and implements sustainable building standards to reduce energy consumption, carbon emissions, and waste during construction. We also pursue LEED BD+C certification for LBA-managed ground-up developments where practical.

Green Certifications

LBA pursues green certifications to demonstrate our commitment to sustainable practices through third-party validations. We collaborate with customers to obtain various certifications, including ENERGY STAR, BOMA 360, BREEAM and Fitwel.



INDUSTRIAL CASE STUDY



7001 Quad Ave, Rosedale, MD

A Milestone Day for Community Solar in Maryland

In Rosedale, Maryland, we celebrated a milestone for LBA with our first-ever ribbon-cutting ceremony for our Maryland community solar projects. This event marked a pivotal moment in our journey towards sustainable energy, made even more special by the presence of key stakeholders, including LBA executives, team members, our renewable energy consultant, the solar developer, general contractors, and esteemed government officials like the Baltimore State Senator and the Baltimore County Executive.

Bringing solar to these rooftops required vision, commitment, and the dedication of individuals determined to see the projects through to completion. These four projects will generate 17.5 MW, or 25 million kWh of electricity annually, enough to power over 2,000 homes. They now provide low-cost, renewable energy to local residents and businesses in Maryland and will contribute to the state's goal of achieving net zero emissions by 2045. Additionally, these projects will generate revenue and increase the value of our assets and funds.

On the day of the ribbon-cutting, we hosted a tenant engagement event where we invited the employees of our tenants to enroll in the community solar program, offering up to 10% savings on their residential utility bills. This reinforces our Sustainability as a Service program where we aim to be a valued partner for our customers. Future families and businesses across the state can subscribe to the community solar projects.

In summary, these projects exemplify our Sensible Sustainability Strategy, leveraging ESG principles to improve business outcomes and create value while positively impacting the environment and the communities we serve. We look forward to sharing more positive updates in this area next year.

Results

Over the past year, LBA has made significant progress in solar energy development. Our active solar projects are now generating 19 MW, marking a 200% increase from the previous year's 6.4 MW. Additionally, solar projects currently under construction or with signed leases are expected to add another 28.8 MW. If all approved projects are completed, we have the potential to reach 47.8 MW. This progress drives us towards our goal of achieving 100 MW by 2030.

Anticipated Cumulative Solar Growth Over Time:

- 2024: 28.7 MW (12 properties)
- 2025: 32.1 MW (14 properties)
- 2026: 47.8 MW (23 properties)

Footnotes:

1. The years noted above are when we expect the solar systems to go live.
2. The activities above include solar projects where leases have been fully executed. However, not all solar projects are guaranteed capacity through the utility company. Therefore, there is a potential that not all 2025 and 2026 projects will be built and energized.



LBA Customers Reduce Energy Consumption and Costs

LED lights can reduce electricity consumption by over 75% compared to conventional light bulbs and can last up to 25-50 times longer — saving money, providing better lighting quality and supporting sustainability goals.

As part of LBA's Sustainability as a Service offering, we help customers assess the potential for LED lighting installations and retrofits of their spaces, resulting in cost and energy savings.

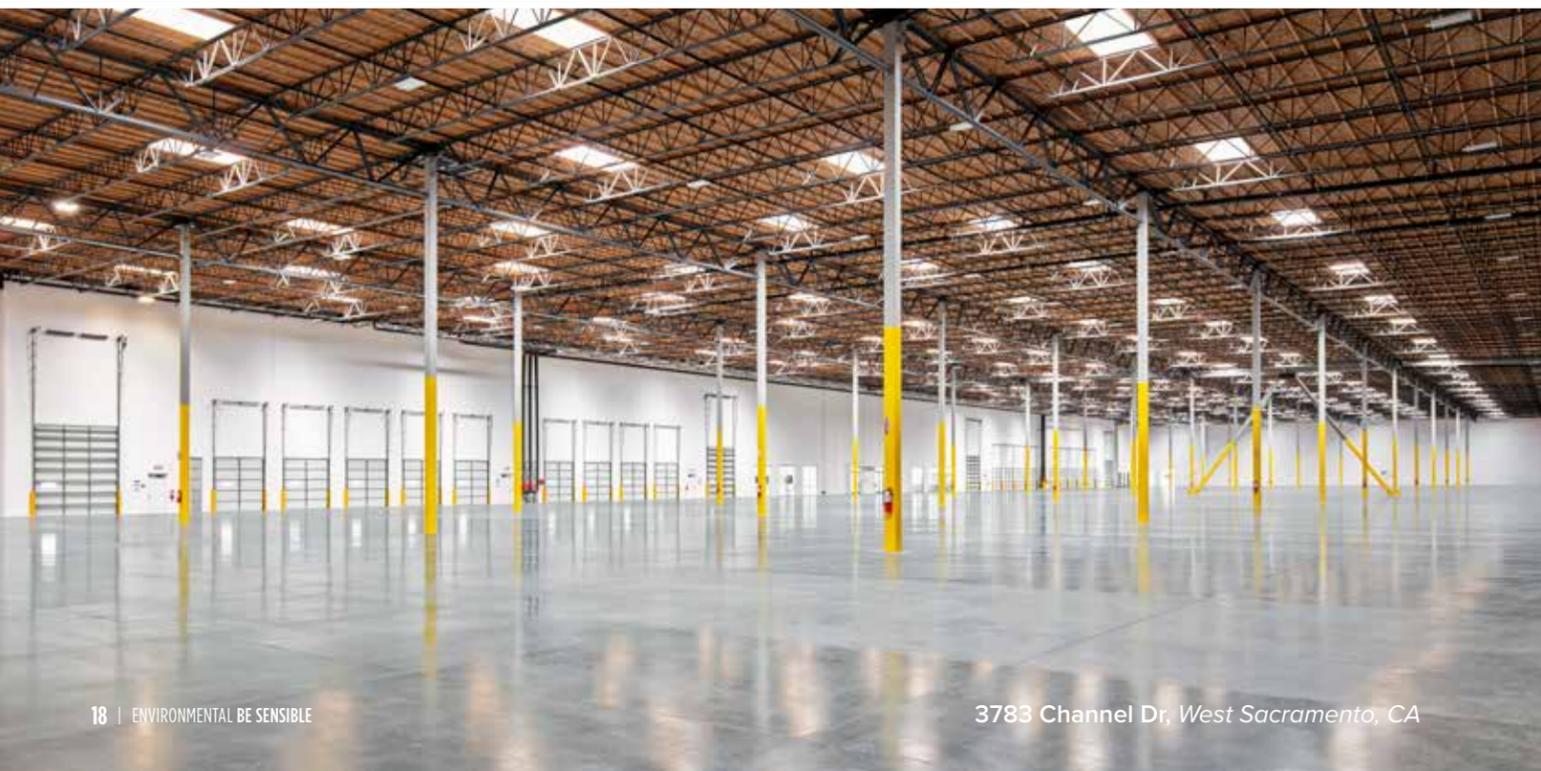
We evaluate opportunities for tenants, both during lease renewals and when space becomes vacant, to identify potential improvements. We connect tenants with service providers and suppliers who can perform this work.

Particularly notable among the industrial retrofits in 2023 was 201 Northpoint Drive in the Dallas area. Northpoint Drive is a single-tenant building with nearly 380,000 square feet of space. We partnered with Staples, the tenant, who performed a full interior and exterior lighting retrofit. Consistent with the size of the building, the energy and cost reductions are substantial: annual energy consumption savings of nearly 1.8M kWh.

Also notable in 2023 were two tenant-led retrofits completed at Calaveras Center in Milpitas, California. Calaveras Center is a multi-tenant building of approximately 403,000 square feet. Daisy Collection and Lennox completed full interior lighting retrofits that resulted in aggregate annual energy consumption savings of 25,000 kWh.

Results

In 2023, 33 LED retrofits were completed across our industrial portfolio, resulting in annual consumption savings of 2.6M kWh and operating expense savings.



3783 Channel Dr, West Sacramento, CA



9740 Irvine Boulevard, Irvine, CA

INDUSTRIAL CASE STUDY



20 West Logistics Center, Douglasville, GA

Green from the Ground Up: LBA's New Properties in California and Georgia Meet High Standards for Sustainability

LBA industrial development projects recently completed in Southern California and suburban Atlanta were constructed utilizing a comprehensive approach to ensure sustainability outcomes.

Specifically, the buildings were designed in accordance with and achieved certification from the U.S. Green Building Council's LEED for Building Design and Construction (BD+C) parameters for holistic green buildings. Where LBA is in control of design and construction of buildings' core and shell, our standard is to build to the LEED BD+C framework, which guides environmentally responsible and resource-efficient buildings.

The Irvine, California facility spans 99,638 square feet and is leased to a single occupant. The Douglasville, Georgia facility measures 252,595 square feet and is designed to accommodate one or multiple tenants. Both buildings are located within or near transportation networks of major interstates and airports.

Key sustainability features of these projects include:

- Reflective roofing to reduce the heat loads and heat-island impacts
- Solar-ready roofing to support future panel installation
- Low-flow plumbing fixtures for water conservation
- Energy-efficient LED lighting with occupancy sensors (both buildings) and daylight sensors (Irvine)
- Electric vehicle charging stations (Irvine) and conduits for charging stations (Douglasville)
- Smart irrigation controller systems (both properties) and drought tolerant landscaping (Irvine)
- Extensive storm water filtration and storage systems, either below or above ground
- Extensive recycling of demolition materials from the prior buildings (Irvine)

Results

Both buildings achieved LEED BD+C certification upon completion. These projects were designed and constructed to prioritize energy efficiency and contribute to LBA's overall decarbonization efforts through their ongoing operations.

INDUSTRIAL CASE STUDY

LBA Engages with Customers to Increase Waste Diversion and Recycling

Across our portfolio, LBA engages with customers to improve environmental and social outcomes, including encouraging changes to operational policies and practices. Many customers share these aspirations and appreciate working together to achieve mutually beneficial goals. LBA's Sustainability as a Service demonstrates our commitment to encourage, advise and support our customers.

One area of focus is waste management. LBA is committed to reduce waste, reuse material and implement recycling programs at our buildings. We have partnered with third-party service providers across the U.S. to monitor and audit our service levels to improve diversion rates. We also help individual customers implement waste programs for their facilities.

Our Orange County Industrial team is a leader in this effort. Beginning in 2021, they have challenged customers every year to recycle all manner of electronic waste such as desktop computers, laptops, monitors, keyboards and other office machinery. They collect the electronics from customers as part of coordinated events. Customers now look forward to the annual events and save electronic waste for the occasion.

In May 2023, the team kicked off the third year of programming. We partnered with California Electronics to provide the service at no cost to our tenants. The event at Dow Business Park included an LBA-hosted pastry, coffee and hot chocolate bar. Our landscaper provided succulents for tenants (always a favorite). DC Environmental, our waste consultant, provided educational materials on recycling and AT&T came with a roulette-style wheel tenants could spin to win prizes.

Inspired by the corporate Earth Month Challenge in April, we rolled out a "Go Green Challenge" to tenants to encourage environmentally conscious practices in their daily lives.

Following the Dow Business Park event, we held complimentary e-waste pickups at three other LBA industrial facilities in Orange County.

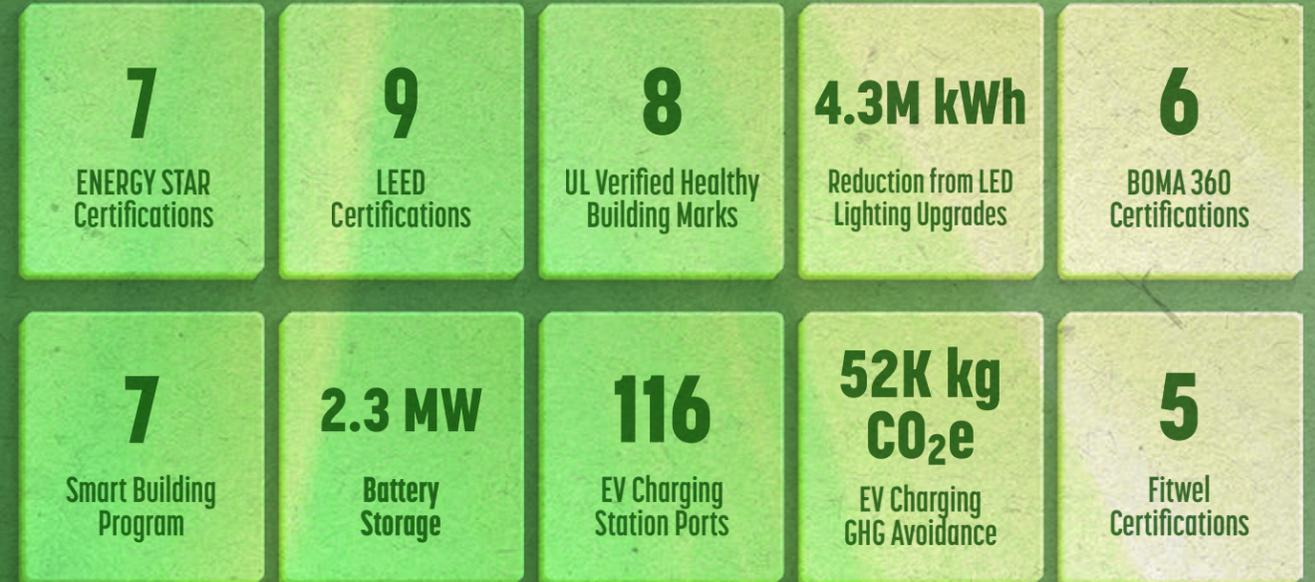
Results

Our Orange County industrial e-cycling events last year collected 9,000 pounds of equipment, including desktop computers, monitors, laptops, servers, printers and batteries. Over 123 pounds of metals were diverted from landfills. Greenhouse gas emissions were reduced by 6,000 pounds.



OFFICE

Office Portfolio Highlights



Total Office Portfolio: Approximately 7 million square feet





OFFICE INITIATIVES AND APPROACH

Utility Data & Benchmarking

LBA uses ENERGY STAR Portfolio Manager to benchmark all available utility data, track progress, monitor performance and ensure compliance with regulatory standards. This process helps identify opportunities for cost savings and environmental impact reductions within operations. Benchmarking energy, GHG, water, and waste data offers insights into current performance and establishes a pathway for continuous improvement.

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Energy Efficiency

Our ESG program places a strong emphasis on energy efficiency as a cornerstone. We prioritize building operational enhancements by implementing strategies that optimize programming and controls, leading to improved overall building performance. Additionally, we choose energy-efficient equipment for LED lighting and HVAC, and integrate smart building technologies, window tinting and cool roofs to maximize energy conservation and reduce operating costs.

Carbon Reduction Focus

LBA invests in energy efficiency, assesses electrification through renewable energy installations and identifies opportunities for building system upgrades to eliminate natural gas usage. We share technologies and best practices to increase operational efficiencies and to advance carbon emission reductions.

Renewable Energy & Clean Tech

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Water

LBA benchmarks water usage and identifies solutions to enhance water efficiency. Strategies include drought-resistant and native plant landscaping, drip irrigation, smart metering, rain sensors and leak detection.

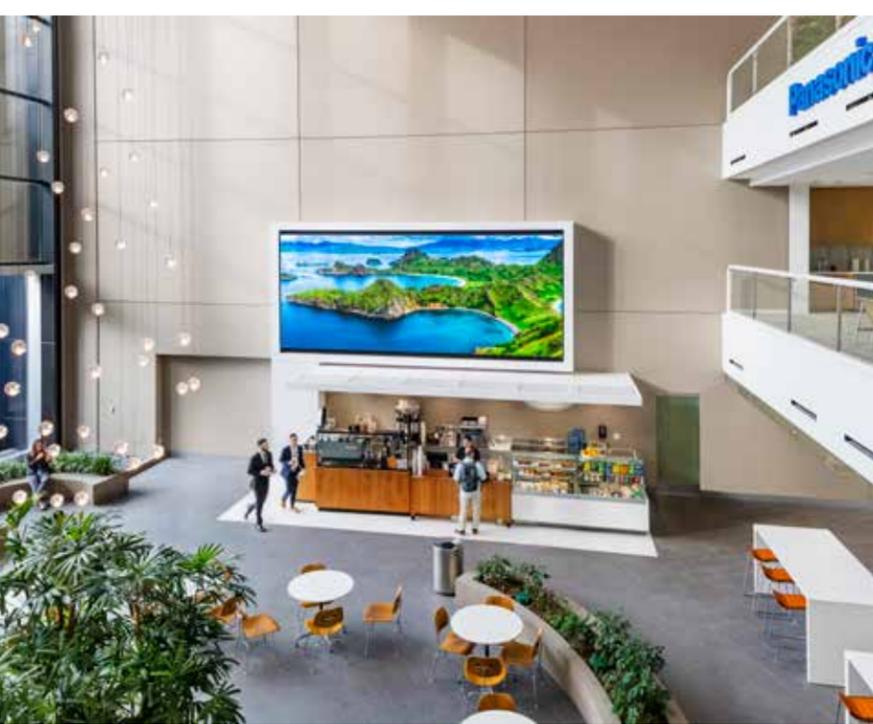
Waste

We support waste diversion benchmarking and propose improvement solutions such as recycling, e-cycling and composting efforts.

Green Certifications

We utilize green certifications as third-party validation of excellent sustainable operations including LEED, ENERGY STAR, ENERGY STAR for Tenant Space, Fitwel, BOMA 360, UL Verified Healthy Building Mark and more. These certifications are evidence of our dedication to sustainable practices and showcase our strong commitment to these initiatives.





RESULTS & PROGRESS

LONG-TERM EUI TARGET

2% Average Annual Percentage Improvement (AAPI) over 10-Year Period

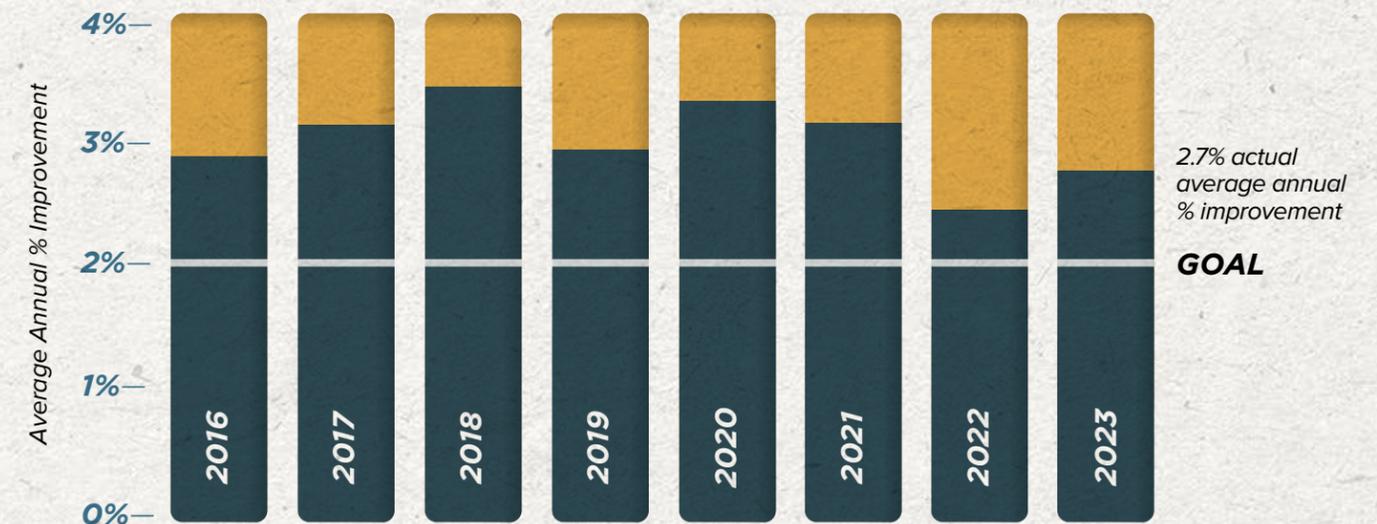
GOAL:

LBA set a long-term goal under the Department of Energy's Better Buildings Challenge to improve energy use intensity by a minimum of 2% annually, starting from a 2013 baseline.

RESULTS:

LBA has successfully achieved this goal with an AAPI of 2.7% through 2023, exceeding the initial target by 40%.

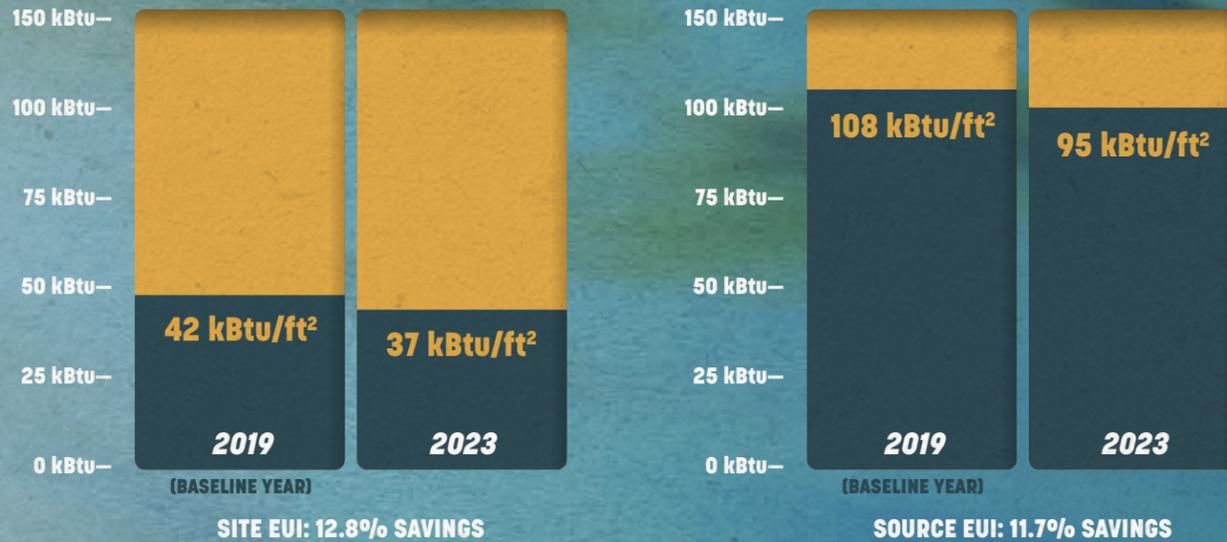
**Improvements calculated by the U.S. Department of Energy's Better Buildings*



LBAProperties

Energy Performance

GOAL: 3% Annual Reduction



Average ENERGY STAR Score

GOAL: Portfolio Average Rating of 85 or Better



Footnotes:

- Site energy use intensity represents the direct energy consumption at a specific location, powering equipment, heating, cooling, lighting, and other on-site processes. This metric is measured at the point of consumption and is reflected on utility bills, typically measured in kilowatt-hours (kWh) for electricity or therms for natural gas.
- Source energy use intensity goes beyond on-site consumption and takes into account energy losses that occur during generation, transmission, and distribution to the site. It considers the entire life cycle of energy, from its origin (e.g., fossil fuel power plants or renewable energy facilities) to the point of consumption.

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Water

2019 VS 2023

GOAL: 3% Annual Reduction



24%
Reduction

LBAProperties 

Waste

2019 VS 2023

GOAL: 3% Annual Increase in Diversion Rate



134%
Increase in Diversion Rate

LBAProperties 

OFFICE CASE STUDY

Shedding Light on Performance: Park Place's Biannual Night Walks

At Park Place, our premier mixed-use office, retail, multi-family and hotel campus in Southern California, we are always improving the property's performance.

Twice a year (spring and fall) we conduct night walks of the campus to view the buildings' interiors and exteriors from every vantage point. We walk the grounds, the perimeters of every building, the walkways between buildings, the parking structures and more.

We are detectives on the hunt for unnecessary lighting in use, monitors left on, escalators or fountains running and lights that could be on sensors. We check occupied and vacant spaces.

Based on our discoveries, our building engineers make adjustments and we inform tenants of issues in their spaces and areas for improvement. The night walks have become special occasions that our property operations, janitorial and security teams take together after a team dinner.



OFFICE CASE STUDY

LBA Expands ENERGY STAR for Tenant Space Program with New Management Office Recognition

As LBA continues to expand our ENERGY STAR for Tenant Space program, we are proud to share that Park Place's building management office in Irvine, California -- LBA's corporate headquarters and largest office campus -- has been recognized as a high-performing tenant space by ENERGY STAR. This achievement follows the recent recognition of our corporate office and building management office in Culver City, CA. These LBA-occupied spaces are located in multi-tenant buildings that already hold ENERGY STAR certifications, reinforcing our commitment to sustainability and reducing greenhouse gas emissions, as highlighted by the U.S. Environmental Protection Agency.

Our goal is to expand this program across all LBA offices, where practical, to gain deeper insights into workplace performance and continuously improve at both the building and workspace levels. This involves engaging our employees, demonstrating our commitment to them and enhancing our company culture.

By monitoring and optimizing our energy use, we aim to inspire and assist tenants to expand their sustainability efforts, strengthening customer relationships. To achieve ENERGY STAR Tenant Space recognition, tenants must install separate metering systems to monitor energy consumption, understand their usage, implement efficient lighting, use energy-efficient equipment, and share data with the landlord to manage overall energy performance.

Additionally, we have adopted an Energy Efficient Equipment Procurement Policy to drive energy reduction and improve operational performance across our portfolio. These practices apply to ground-up developments, major and minor renovations, tenant improvements, ongoing services, and asset acquisitions, guiding supplier selection and material procurement. This initiative demonstrates LBA's commitment to improving performance and being a valued partner.

LBA's Office Portfolio Continues to Enhance Energy Efficiency

LBA's office portfolio includes diverse properties primarily located in major markets throughout the western United States, including California, Colorado, Washington, Arizona and Texas. To better serve our customers and investors while minimizing our carbon footprint, we continually improve our properties, with a focus on increasing their energy efficiency.

South Park Center and Denver Place

South Park Center is an iconic urban complex just blocks from the Los Angeles Convention Center in downtown L.A. The main tower features floor to ceiling glass walls and brushed stainless-steel accents. The adjacent tower has larger floorplates that accommodate all manner of creative and traditional office tenants.

In 2023, we undertook a major interior lighting retrofit that encompassed every square foot of the buildings. Ultimately, we replaced 10,272 bulbs with high-efficiency LED lighting. The estimated annual reduction in energy consumption is 1.3M kWh, or a 68% savings in consumption reduction and 76% cost savings. The savings will be shared by LBA and our building occupants.

Also at South Park Center, we began an elevator modernization program that will, upon completion in 2024, produce meaningful energy and cost savings. Additionally, updating the property's 28 elevator cabs will result in higher overall service quality with shorter wait times and faster trips, improved security and lower maintenance costs.

A similar elevator modernization program was performed recently at Denver Place, our million square-foot office and retail property in Denver's central business district. Twenty passenger elevators were recommissioned to replace motor-generator sets. Notably, the cabs operate with a kinetic energy recovery system that captures and stores energy created during elevator operation much like regenerative braking used in hybrid and electric vehicles to produce power.

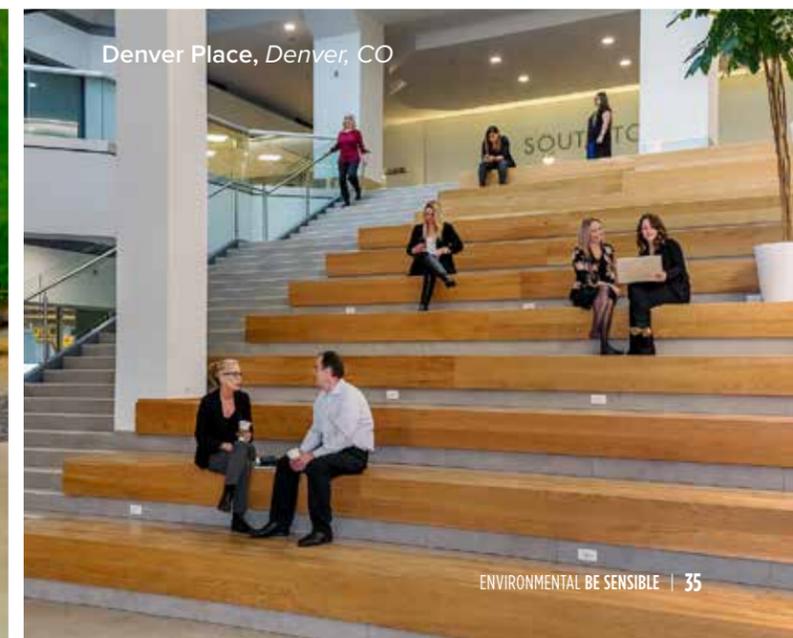
We estimate the elevator modernization program at Denver Place will result in annual energy savings of 660K kWh and a reduction in operating expenses.



South Park Center, Los Angeles, CA



Denver Place, Denver, CO



Denver Place, Denver, CO

COMPANY



RESPONDING TO CLIMATE RISKS: OUR COMMITMENT

At LBA, we approach physical and transition climate risk with diligence and are committed to reducing risk and enhancing resilience across our portfolio. Our process integrates risk assessments and mitigation efforts throughout the investment life cycle to address the potential impacts of climate hazards. We perform climate-related scenario analysis with Moody's, evaluating asset and portfolio exposure to physical climate risk across six categories based on RCP4.5 and RCP8.5 in decadal time horizons from 2030 to 2099.

Here's how we tackle climate risks:

Acquisition Process:

- During due diligence, we conduct physical and transitional climate risk assessments for each asset, where appropriate. Depending on the property's location, we evaluate exposure to hazards such as:

FLOODING	SEA LEVEL RISE
HEAT STRESS	WATER STRESS
HURRICANES	WILDFIRES

- A scorecard helps identify medium-to-high climate risks. If any risks are identified, we evaluate them and consider mitigation options during investment underwriting.

Portfolio Analysis:

- Every three years, we analyze our portfolio's exposure to climate-related risks. This assessment highlights areas with potential risk.
- Based on the results, we implement actions and recommendations to enhance resilience. Operations teams create and execute Emergency Preparedness and Climate Risk Resilience Plans for properties with medium-to-high risks which are incorporated into the Standard Operating Procedure for the property.

Transition Risks Consideration:

- Beyond physical risks, we also address climate-related transition risks. These include changes in:



- We assess each potential risk in terms of manageability and mitigation throughout the investment life cycle.

Operational Resilience:

- Upon acquisition, identified risks are evaluated and transitioned to our Operations Team.
- Resiliency plans are developed and integrated into property Standard Operating Procedures. These plans cover tenant engagement, operational improvements, budgeting, capital planning, emergency preparedness and response.
- Our teams receive guidance on industry best practices and consulting expertise to effectively manage climate risks.

By adopting these comprehensive measures, we proactively address climate risks, ensuring the long-term resilience of our investments and the safety and satisfaction of our stakeholders.

GREEN LEASING

The environmental impact across our portfolio heavily relies upon our customers' behavior within their individual spaces. Engagement with our tenants is essential to educating them on sustainable operations so we can execute our strategies. By incorporating green language into our leases, we collaborate with our customers to increase sustainable performance within our buildings and create positive environmental outcomes.

To support our ESG objectives, we have updated our master lease templates to incorporate green lease language. Our standard language allows us to obtain utility data so that we can comply with benchmarking requirements and assist customers with performance improvements.

We are also able to recover costs for green certifications and capital expenditures that reduce energy consumption or operating charges, as well as address the regulatory requirements for building performance standards that are active or emerging in certain markets within our portfolio. As a result of our efforts, LBA has received national recognition from the Institute for Market Transformation and the DOE's Better Buildings Alliance as a 2019 and 2022 Green Lease Leader—Gold Level, which is awarded every three years.

AWARDS & RECOGNITION

Company Achievements - National Recognition



ENERGY STAR Partner of the Year – Sustained Excellence in Energy Management Category

LBA has achieved the ENERGY STAR® Partner of the Year award for the sixth consecutive year and is a four-time recipient of the Sustained Excellence Award. Sustained Excellence is the highest honor bestowed by the ENERGY STAR® program. Recipients are part of a distinguished group that has made a long-term commitment to fight climate change and protect public health through energy efficiency. The ENERGY STAR® award is a national recognition by the U.S. Environmental Protection Agency (EPA) and U.S. Department of Energy.



ENERGY STAR Premier Member of Certification Nation

LBA celebrated the 30th Anniversary of ENERGY STAR by becoming a Premier Member of Certification Nation. The Certification Nation is a one-time special recognition that the EPA launched to recognize organizations earning multiple ENERGY STAR certifications. To earn ENERGY STAR, a commercial building must be independently verified to operate more efficiently than 75% of similar properties nationwide. ENERGY STAR certified buildings use an average of 35% less energy and are responsible for 35% less carbon dioxide emissions than typical buildings.



Green Lease Leaders – Gold Level

LBA received national recognition from the Institute for Market Transformation and the DOE's Better Buildings Alliance as a 2019 and 2022 Green Lease Leader - Gold Level, which is awarded every three years. Green Lease Leaders is a recognition program to shed light on forward-thinking companies who effectively modernize their leases and sustainability strategy to encourage collaborative action with all stakeholders on energy efficiency and sustainable operations.

Property Achievements



BOMA 360 226 Certifications

BOMA 360 is a commercial real estate designation developed by the Building Owners and Managers Association International (BOMA) that recognizes all-around excellence in building operations and management. Unlike typical “green” rating programs, BOMA 360 looks at all areas of a building’s operations and management, including energy, sustainability and impacts within the local community.



Leadership in Energy & Environmental Design (LEED)

22 Certifications: 3 Platinum, 6 Gold, 8 Silver, 5 Certified

LBA is a gold member of the U.S. Green Building Council and utilizes LEED as a framework to ensure we are operating our buildings with the highest standards of building efficiency and sustainability practices. We pursue LEED across our office portfolio and at LBA managed ground-up developments, where feasible.



ENERGY STAR 22 Certifications; 3 ENERGY STAR for Tenant Space Certifications

LBA tracks data for all office buildings, where we are in operational control, in ENERGY STAR® Portfolio Manager and also partners with industrial customers to help measure building performance and identify energy saving opportunities where practical. By earning ENERGY STAR certifications, we are acting on our commitment to save energy, protect the environment and help conserve for the future.



UL Verified Healthy Building Mark in Indoor Air & Water Quality 8 Office Buildings

LBA was the first company globally to achieve the UL Verified Healthy Building Mark for Indoor Environment across the office portfolio. To earn the UL Verification Mark, buildings must undergo a rigorous, science-based assessment that entails visual on-site inspections and comprehensive performance tests that evaluate a range of building conditions, including indoor air and water quality.



Fitwel 6 Certifications

Fitwel was created by the U.S. Centers for Disease Control (CDC) and the General Services Administration (GSA) to optimize healthy buildings, decrease disease, improve mental health, encourage social interaction, and increase civic trust and overall well-being. LBA's Fitwel program demonstrates our commitment to prioritize healthy building operations and assist in the well-being of our building occupants. The program also encourages our Operations Team to promote wellness by incorporating new amenities and strategies at the asset level.



INDUSTRY ENGAGEMENT



Real Estate Roundtable Membership

As a member of The Real Estate Roundtable and the Roundtable's Sustainability Policy Advisory Committee (SPAC), LBA remains well-informed on policies that promote cost-effective investments to optimize energy efficiency in U.S. buildings. Additionally, SPAC educates policymakers on the importance of responsible and sustainable energy and climate policies within the real estate industry to ensure we receive legislative and regulatory support.



Urban Land Institute Greenprint Partnership

LBA is a member of the Urban Land Institute Greenprint Center for Building Performance program. This is a worldwide alliance of the leading real estate owners, investors and financial institutions committed to reducing carbon emissions across the global real estate industry.



Building Owners and Managers Association International

LBA is a member of BOMA and holds numerous local memberships and volunteers across our organization. BOMA represents owners, managers, service providers and other property professionals of all commercial building types to maximize value for their careers, organizations and assets through advocacy, influence, and knowledge. We are also involved at the international level, including executive involvement on BOMA's National Advisory Council, an exclusive network of senior commercial real estate professionals who meet twice annually to share perspectives and advance policy recommendations.



U.S. Department of Energy's Better Buildings Challenge & Low Carbon Pilot

The Better Buildings initiative, led by the U.S. Department of Energy (DOE), aims to enhance the quality of life for Americans by encouraging energy innovation leadership. The initiative collaborates with public and private sector leaders to increase energy efficiency in the nation's residential, commercial, and industrial buildings by accelerating investment and sharing effective strategies. As a partner in the Better Buildings Challenge, LBA has committed to enhance energy efficiency by a minimum of 20% over 10 years, starting with a 2013 baseline. By 2023, we have proudly met our target, achieving an average annual energy use intensity reduction of 2.8%. Additionally, we have embraced the Better Buildings Challenge Low Carbon Pilot for three of our office properties. This program is instrumental in developing and refining low carbon strategies as we progress on our journey towards decarbonization.



COMPANY CASE STUDY

Ingram Micro-Park Place
Irvine, CA



Mira Loma Distribution Center
Eastvale, CA



COMPANY CASE STUDY

LBA Is First Company Inducted Into BOMA 360 Hall of Fame

LBA is the first company inducted into the BOMA 360 Hall of Fame, an honor awarded by the Building Owners and Managers Association International. We have received more building certifications globally than any other firm.

The honor was announced at the BOMA International Conference in June 2023. The program is recognized for its comprehensive building management certification, which highlights exceptional properties worldwide. LBA currently holds 226 BOMA 360 certifications.

The BOMA 360 Performance Program sets the standard for operational best practices in commercial real estate. Earning the BOMA 360 label demonstrates that a building is operating with all-around excellence. Owners and managers rely on the program to help achieve operational efficiencies and higher levels of tenant satisfaction.

Currently, 220 LBA industrial and six LBA office properties are certified. LBA team members across the organization participate in the application process, which takes a holistic approach to evaluate buildings based on industry best practices in six major areas.

BOMA 360 Evaluation Criteria

- Building operations and management, including preventive maintenance.
- Fire life safety, security and risk management, including emergency and disaster preparedness and recovery, code compliance and fire safety.
- Training and education, including the professional development, certification and licensing of staff.
- Energy, including building energy management and system servicing.
- Environmental/sustainability, including building certifications, exterior maintenance management and traffic-reduction initiatives.
- Tenant relations and community involvement, including tenant experience.

LBA Partners with Customers to Advance Their ESG Goals and Improve Outcomes

Multiple LBA teams have been partnering with tenants to further their sustainability goals, leading to enhanced outcomes such as reduced operating expenses, increased revenue, decreased energy consumption, and reduced greenhouse gas emissions, thereby creating added value.

Examples include LED lighting retrofits for tenants including Abso Alarms, Pretium Packaging, The Boston Group, Daisy Collection, GPA, Leader Mutual Logistics, Lennox, Sole Technologies and one of the largest technology companies. Additionally, LBA partnered with Ingram Micro by providing an energy audit as a resource to further their sustainability goals, and we have worked with them to evaluate the initiatives that were identified.

Ingram Micro is the largest tenant in our portfolio, occupying multiple sites, including the Park Place corporate office campus in Irvine, California, and the Mira Loma Distribution Center in Eastvale, California, where Ingram Micro recently completed a significant LED lighting retrofit. Future plans being vetted include evaluating electrification solutions and solar energy implementation.

Additionally, LBA led Ingram Micro and Panasonic Avionics (whose North American headquarters are located at Park Place) on a tour of the Frank R. Bowerman Landfill to help educate them about the daily intake of trash and why it's important to recycle as well as compost food waste. Both tenants are evolving their recycling programs within their spaces at Park Place.

Meantime, at LBA's One Culver multi-tenant office property in Culver City, California, we've added 30 more electric vehicle charging ports to accommodate demand from tenants' employees who drive electric vehicles to reduce greenhouse gas emissions, and generate revenue.

LBA's Sustainability as a Service offering covers areas such as energy efficiency, technology and innovation, renewable energy, health and wellness, water conservation and waste management. If you're interested in leveraging LBA's expertise, please contact:

Michelle German, Vice President, ESG
Sustainability@LBArealty.com
949.955.9339

LBA's ESG Task Force: Cultivating Sustainability in Everyday Office Life

Twenty LBA team members from across the company's corporate and regional offices met regularly in 2023 to advance ESG initiatives among employees in our workspaces. The motivation: lead by example to cultivate good habits, make ESG fun, and demonstrate to team members how sustainable policies and practices can be embedded into everyday office life.

Task Force members formed three subcommittees: Health and Employee Wellness + Employee Transportation, Sustainable Office Supplies + Recycling, and Energy Efficiency + Technology.

Key initiatives were introduced in 2023 and are ongoing in 2024 include:

- **A six-week fitness challenge** that grouped employees on teams and incentivized team members to diversify their workouts to include activities like walking, running, hiking, yoga and cycling. Successful teams were rewarded with gift cards.
- **A sustainable office supplies initiative** aimed at reducing the use of disposable items such as plastic serving ware in favor of reusable utensils and dishware as well as giving up individual trash bins with liners in favor of centralized trash depositories and recycling. Additionally, we are vetting the use of rechargeable versus disposable batteries.
- **An energy challenge** to encourage employees to unplug or power down office equipment and appliances at the end of the day, and after-hours "Night Walks" to audit energy usage and identify improvements within our workspaces.

We remain committed to benefiting our team members by embedding sustainability practices into our daily work lives.



Park Place, Irvine, CA



RESULTS & PROGRESS

GHG Equivalencies

LBA saved 35K metric tons of CO₂ equivalent from baseline year 2019 to 2023, which equals:



91 MILLION MILES

Miles driven by an average passenger vehicle



9,700 TONS

Tons of waste recycled instead of landfilled



39 MILLION POUNDS

of coal burned

Source: EPA Greenhouse Gas Equivalencies Calculator

Renewable Energy

19 MW

Active Solar Projects

Industrial

28.8 MW

Under Construction / Lease Signed

Industrial

2.3 MW

Battery Storage

Office

Biodiversity

50,000 HONEYBEES

One Culver
Culver City, CA

40,000 HONEYBEES

Denver Place
Denver, CO

30,000 HONEYBEES

DFW Airport Center
Coppell, TX

Transportation

62 EV CHARGING STATIONS

118 EV CHARGING PORTS

295 LOCKERS

Bike Storage

15 LOCKERS

Stand-Up Scooters

GHG Emissions Inventory

Market-based Method

Metric Tons of CO₂ Equivalent

	Scope 1	Scope 2	Scope 3
2019	15,553	42,524	121,656
2022	13,087	20,592	234,303
2023	9,676	13,154	246,762



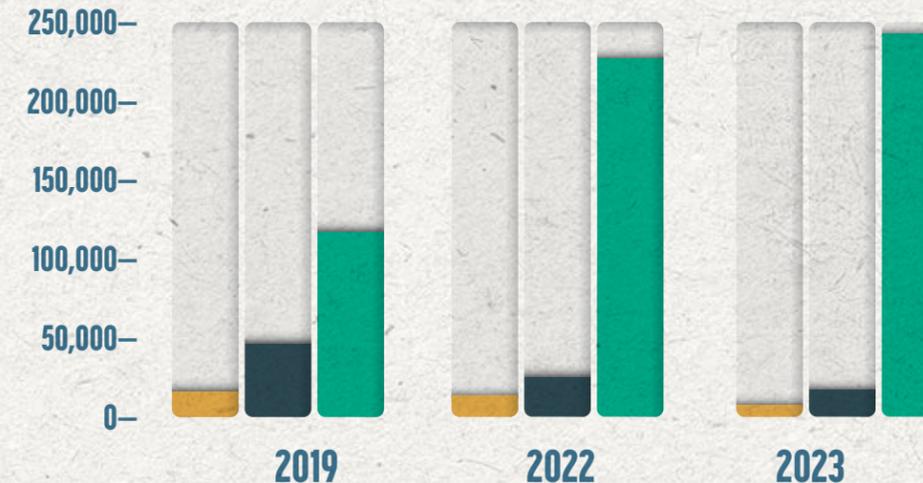
(Baseline Year for Assets in Operational Control)

GHG Emissions Inventory

Location-based Method

Metric Tons of CO₂ Equivalent

	Scope 1	Scope 2	Scope 3
2019	15,553	47,352	121,656
2022	13,087	24,072	234,303
2023	9,676	20,904	246,762



(Baseline Year for Assets in Operational Control)

Footnotes:

Organizational and Operational Boundaries:

- Scope 1: Directly managed natural gas, refrigerants, generator diesel fuel and engineering mobile fleet
- Scope 2: Directly managed purchased electricity and steam
- Scope 3: Directly managed waste, LBA business travel, LBA employee commute, and indirectly managed energy, waste, refrigerants and generator diesel fuel

Method:

Location-based methodology is used to calculate GHG emissions based on the physical location of emissions sources. It considers the direct emissions produced within a specific geographical area, without accounting for emissions associated with the production or consumption of goods and services outside of that boundary.

Market-based methodology is used to calculate GHG emissions, considering both the direct emissions from a particular entity and the emissions associated with the consumption of goods and services by that entity. It allows entities to offset their emissions by purchasing carbon offsets or renewable energy credits.

Variance Explanations:

- Scope 1 and 2 GHG use intensity, where LBA is in operational control, has decreased by 56% between 2019 (baseline year) and 2023.
- Scope 1 emissions decreased due to an 18% reduction in natural gas use, largely from a milder winter and a 30% drop in refrigerant use office-wide, combined with a 60% decrease in gas consumption at Denver Place attributable to a boiler upgrade.
- Scope 2 decreased due to energy efficiency projects and purchase of Green-e certified renewable energy certificates (RECs) (for market-based method) for Park Place, One Culver, and DFW Airport Center.
- Scope 3 data coverage increased by 72% between 2019 and 2023, due to portfolio growth and increased data coverage from industrial tenants.
- Scope 3 electricity includes estimates for properties where LBA is not in operational control and where we do not receive actual utility data from tenants.



Social

BE MINDFUL

Engaging with our Stakeholders

Stakeholder engagement remains a central focus within our ESG platform, as we collaborate with key stakeholders including team members, investors, customers, service provider partners and the community. This approach allows us to educate team members, cultivate stronger customer relationships, achieve performance improvements and fulfill LBA's ESG commitment. These collective efforts align with our business strategy, aiming to attract and retain investor partners, protect our environment, and support the communities where we invest, live and operate.



Customer Engagement and ESG Sentiment

Over time, LBA has connected with tenants and conducted annual customer satisfaction surveys to maintain an understanding of their priorities. A consistent upward trend has emerged, highlighting the increasing significance of sustainable operations for our customers. This has motivated us to continuously collaborate with them and deliver value through our Sustainability as a Service approach. Within this framework, our property management teams are equipped with the resources necessary to engage customers on targeted initiatives. This collaboration strengthens efforts to achieve shared objectives, allowing us to prepare annual ESG Action Plans that align with the sustainability expectations of our customers.

Our engagement with customers has led us to identify the ESG aspects that resonate most with our customer base:

- ELECTRIC VEHICLE CHARGING STATIONS
- RECYCLING PROGRAM
- ENERGY EFFICIENT LIGHTING
- ENERGY CONSERVATION
- RENEWABLE ENERGY (SOLAR BATTERY STORAGE)
- INDOOR AIR QUALITY
- SMART BUILDING TECHNOLOGY
- WASTE-REDUCING INVENTORY METHODS
- HEALTH & WELLNESS
- GREEN BUILDING CERTIFICATIONS

Our Commitment to Health & Wellness

LBA is committed to providing a healthy workplace for our team members, customers and visitors. To that end, LBA has collaborated with Underwriters Laboratories (UL) in their Verified Healthy Building Program to achieve third-party validation of our indoor environment across our office portfolio. Where possible, LBA pursues the Fitwel certification to align with the Centers for Disease Control and Prevention and General Services Administration's standards for healthy and productive workplaces. We also partner with Alveole to bring urban beehives to our properties, which provides benefits to the local community and environment.



As a testament to our commitment, LBA became the first company to achieve the UL Verified Healthy Building Mark for Indoor Environment across our entire office portfolio. Throughout this process, we worked closely with UL, the global independent safety science company, to ensure that our office spaces meet the highest standards in performance and building protocols for indoor environmental quality. To earn the UL Verification Mark, our buildings underwent a rigorous, science-based assessment, including on-site inspections and comprehensive performance tests to evaluate various building conditions. We maintain this verification for air and water quality testing through on-site inspections twice a year, ensuring the consistent delivery of excellent indoor environmental quality.



LBA continues to evaluate our portfolio on an ongoing basis in accordance with the Fitwel program standards. Our program demonstrates our commitment to prioritize healthy building operations and enhance the well-being of our office and industrial customers. This program encourages our Operations Team to promote wellness by introducing new amenities and strategies at the asset level. Notable strategies include fitness classes, dedicated rooms for nursing mothers, incentives for healthy food choices and desirable common seating areas.



To support biodiversity, LBA introduced urban beehives at three office properties: Denver Place in Colorado, One Culver in California, and DFW Airport Center in Texas. In collaboration with Alveole, we have placed urban beehives on the rooftops, hosting approximately 120,000 bees. Through this initiative, we engage our customers by providing them with the opportunity to meet the bees, enjoy the honey, and learn about their critical role in the environment. Bee pollination is crucial for approximately 250,000 species of flowering plants to reproduce, and many insects and small animals rely on plants pollinated by bees for survival. In addition to their role in pollinating crops, which contributes almost \$18 billion to the value of U.S. agriculture, bees also produce valuable hive products like honey. This initiative aligns with LBA's overarching commitment to health and wellness, providing local communities with the numerous benefits that bees offer within their ecosystems.



SOCIAL CASE STUDY

LBA Helps Launch Engineering Apprenticeship Program, Hires One of First Graduates

To help support diverse talent in commercial building operations, LBA's Denver office team helped design and launch an engineering apprenticeship program last year, and already has hired one of the program's first students to join the team at LBA's Denver Place Regional Office.

Bryan Ellison, who graduates from Arapahoe Community College (ACC) this fall, joined our company to participate in the 18-month apprenticeship program that LBA launched in partnership with Denver Metro BOMA's Workforce Development Committee, ACC, the state of Colorado, ABM, and several other real estate firms in the market.

An Army veteran and a single-parent of three, Bryan is studying construction management. He says the apprenticeship program not only trained but inspired him. "The program meant so much for me," he said. "I was afraid, not confident, and felt like I did not belong. The acceptance into the program changed my life. It gave me confidence and opened possibilities to improve my life."

Bryan added: "I have been inspired to pursue my education, enhance my career path as an engineer and open my interest to attain my EPA 608 certification for air-conditioning and refrigeration. This license will provide even more career opportunities in the commercial real estate industry."

"I am learning so much working alongside very smart building engineers as we troubleshoot plumbing, electrical and lighting issues. I also paint and perform assigned maintenance items, including changing lights, filters, hot calls, cold calls, tenant calls and handling various other building management and maintenance needs."

As part of the apprenticeship program's on-the-job training, students shadow building engineers and then are tasked with doing actual repairs and maintenance around the building. Says Frank Arellano, Director at LBA, "Bryan is motivated and eager to learn. He's a sponge soaking up information, skills and perspective. We're happy to have him on our team at Denver Place."



LBA Tops Kingsley Excellence Awards for Customer Satisfaction

For more than 15 years, LBA has connected with our tenants through annual third-party surveys to benchmark our performance in tenant satisfaction. Survey results are a valuable resource for our property management and leasing teams, enabling them to better understand customer needs and help ensure the consistent delivery of exceptional service.

LBA has consistently surpassed industry averages according to the Kingsley Index benchmark across office, industrial and retail. Our office portfolio, in particular, ranked #1 in the 2024 Kingsley Excellence Award Elite 5, based on customer surveys completed by office tenants in 2023.

This achievement reinforces LBA's reputation as a preferred office landlord, as evidenced by the numerous customers who have chosen to establish their corporate and regional office headquarters in our properties.

Properties with perfect tenant satisfaction scores for two years in a row qualify for Kingsley's 100% Club. In the current rankings, 42 LBA industrial properties earned this distinction.



In the Community: Making a Difference Where We Work and Live

Across every region, LBA team members stepped up and gave back to their communities in 2023. We supported approximately **30 events** and activities with **1,200** volunteer hours.

Through our efforts, we help families, children, and veterans, particularly those facing food insecurity, economic insecurity and life-threatening illnesses. We assist food banks by sorting, packing and distributing food, and we did the same with clothing, toys and backpacks filled with school supplies.

Working with Miracles for Kids in Southern California, we helped a family whose six-year-old boy was being treated for a congenital heart defect. The LBA team provided holiday gifts, including household necessities, clothing and gift cards. In Colorado, we supported the Denver Children's Home with food donations and helped prepare lunch for the children and staff of the facility, which provides comprehensive therapeutic and education for the region's abused, neglected, and traumatized kids and their families grappling with mental health issues.

Across the country, we stuffed **500** backpacks with school supplies and handmade bookmarks with inspirational messages for teens involved in the Boys & Girls Clubs of America. We have a long-standing partnership with the organization, providing goods and services including facilities support.

In 2023, we had our most successful fundraising season ever for the Pediatric Cancer Research Foundation. About 100 employees and family members registered for the Reaching for the Cure Run-Walk in Irvine, for which we raised over **\$50,000**. Our Northern California team organized their own walk to contribute to the success of LBA's efforts.

In addition to our team members, the support of our customers and service-provider partners is key to our community relations. Staples, for example, partnered with us in providing competitive pricing for school supplies for the backpack drive.

To encourage team members to increase their individual impact with organizations they support, we offer a charitable giving match program and provided opportunities to volunteer at company-organized charitable events during the work week. Our giving is sustained through the LBA Foundation, which has been supporting philanthropic organizations since LBA's inception.



In Our Workplace: Shining the Light on Diversity, Equity and Inclusion

In the past year, LBA maintained an elevated level of discussion and storytelling about the challenges and triumphs that can affect team members across roles and at different stages of their careers and lives.

One highlight was the LBA Academy session held during Women's History Month, which featured Annette Walker, president of the City of Hope Cancer Care and Research Center in Orange County, California. Recognized as an influential national leader in health care, her story and the discussion that ensued were both enlightening and inspiring. To underscore this commitment, our 2023 all-hands training emphasized unconscious bias.

Also in 2023, our year-round "LBA Limelight" team member spotlights program continued. LBA Limelight shares the personal narratives of diverse team members through internal and external social media channels. The campaign spotlights the backgrounds and professional journeys of LBA employees, demonstrating the company's commitment to hiring, promoting and empowering people from various backgrounds.

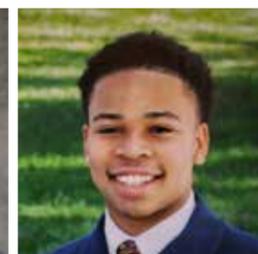
Women comprise two-thirds of the LBA workforce, and racially or ethnically diverse employees make up almost 40% of the LBA team. Our DEI initiatives celebrate the diversity within the company and emphasize the importance of developing an inclusive and equitable workplace.

To encourage and support the next generation of diverse professionals in commercial real estate, LBA's Summer Internship Program continued in 2023, with four interns participating. The college-level students are exposed to the full scope of our business to help them envision their career paths in commercial real estate, finance, investment management, property management and leasing. The program is a collaboration with local colleges, universities and our partnership with Seizing Every Opportunity, an education nonprofit whose mission is to create a more equitable society by closing the academic and career opportunities gap for motivated young people in underserved communities.

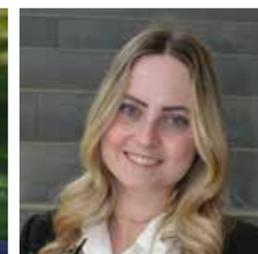
2023 INTERNS



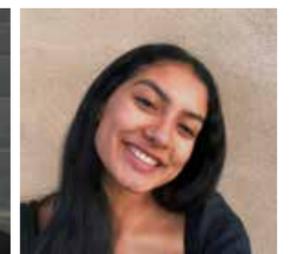
Shane Premer
University of Southern
California | Class of 2024



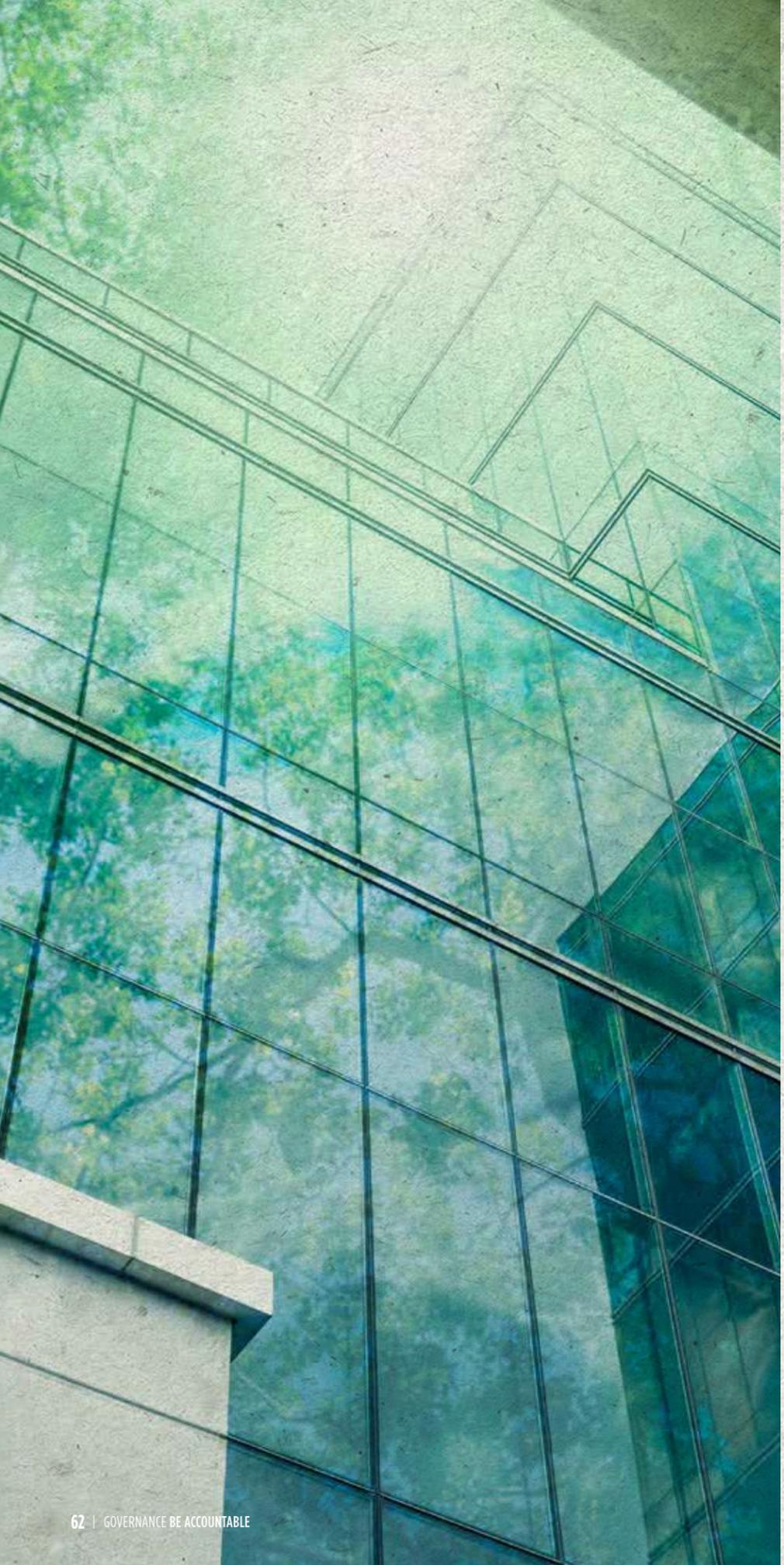
Jordan Walker
Hobart and William Smith
Colleges | Class of 2024



Omer Nativ
Rutgers University |
Class of 2025



Jisselle Jimenez
California State University,
Fullerton | Class of 2024



Governance

BE ACCOUNTABLE

Corporate Governance Practices

Essential to LBA's corporate governance is a company-wide commitment to integrity. Whether engaging with peers, customers, vendors, investors or the community, transparency and ethics are ingrained in all aspects of our business practices.

To support this mandate, LBA maintains a governance structure led by its internal Compliance Team, which consists of our Chief Compliance Officer/CFO and our Vice President of Compliance. The Team's efforts are supported externally by impartial, third-party service providers who audit and monitor LBA's policies and procedures at regular intervals.

A Culture of Compliance

LBA maintains a three-pronged approach to compliance: education, documentation and auditing.

Education

At least annually, all team members receive live training on LBA's Code of Ethics. The Code of Ethics provides a clear framework for employees to achieve and maintain LBA's core values. Focusing on fundamentals like avoiding real and perceived conflicts of interest, proper management of confidential information, appropriate handling of material nonpublic information, understanding fiduciary obligations and accountability gives team members the tools necessary to comply with the intent and spirit of LBA's policies and procedures.

Documentation

All full-time employees and dedicated third-party service providers participate in LBA's compliance online platform. The platform allows team members to confirm training, annually attest to LBA's Compliance Manual, pre-clear gifts and entertainment, disclose personal trading activity, answer mandatory questionnaires, request approval for outside business activities and disclose other miscellaneous items. LBA's comprehensive Compliance Manual is regularly reviewed and updated to accommodate changes in the regulatory landscape. This document is available to all personnel. Annually, an updated Compliance Manual is distributed electronically to our team members to review and attest in the compliance software system.

Auditing

Internal compliance audits are crucial to the integrity of LBA's Compliance Program. The Vice President of Compliance tests our procedures to ensure practical fidelity to our written policies. These audits and recommendations are documented and escalated wherever necessary. In addition to the internal testing, LBA's third-party compliance consultant conducts in-depth exams biannually.

Cybersecurity

The ever-changing cybersecurity landscape can pose unique challenges. Recognizing the significant value of a well-run program, LBA has invested in protecting its data and networked assets by cultivating a team of dedicated and experienced IT personnel. While streamlining business processes and educating our team on various aspects of the cybersecurity program, our professionals also maintain a key focus on risk mitigation that includes:

- Protection of sensitive information by implementing cybersecurity threat controls.
- Disaster recovery protocols based on a resilient, cloud-based computing environment that provides secure access to critical applications and company data.
- Assessment of building-level controls to provide protection of critical building systems.

Third-party partnerships also bolster the cybersecurity function by conducting regular penetration testing, domain monitoring, training and administering phishing tests and annual cybersecurity training.

Our Approach

LBA's approach to governance is comprehensive with long-standing policies in place.

Some key policy areas are designed to address:

- Physical liability and transition risks associated with climate change and potential impacts on current and future investments.
- Resiliency and recovery in the event of a significant business disruption.
- Proper identification, reporting, management and mitigation of real and perceived conflicts of interest.
- Anti-money laundering processes and procedures.
- Documentation and maintenance of required business records.
- Transparency in communications and reporting to investors.

United Nations Sustainable Development Goals



Source: www.un.org/en/academic-impact/new-guidelines-using-sustainable-development-goals-logo-and-icons

LBA understands the importance of aligning our ESG program with an international framework, therefore, we have committed to 10 out of 17 of the United Nations Sustainable Development Goals (SDGs). This is part of the transparency LBA strives to provide to our stakeholders. The SDGs allow us to tie our corporate ESG goals to global goals and demonstrate that while investments in energy and carbon reductions may benefit our bottom line, they also offer broader benefits to the community and the world.

ENVIRONMENTAL



Approach:

We enhance water efficiency in select buildings with measures like drought-resistant plants, drip irrigation, smart metering, and rain sensors. Water quality is maintained through the UL Verified Healthy Building Program and adherence to ASHRAE 188 standards, involving testing and screening.

Progress:

- Achieved a water consumption reduction of 24% from 2019 to 2023.
- In 2023, secured the UL Verified Healthy Building Mark for eight office properties.



Approach:

We are dedicated to lowering energy and GHG use intensity, consistently evaluating and adopting renewable energy solutions across our portfolio whenever possible.

Progress:

- Scope 1 and 2 GHG use intensity, under LBA's operational control, decreased by 56% from 2019 to 2023.
- LBA set a long-term goal under the DOE Better Buildings Challenge to improve energy use intensity by a minimum of 2% annually, starting from a 2013 baseline. LBA has successfully achieved this goal with an AAPI of 2.8% through 2023, exceeding the initial target by 40%.
- LBA's operational solar energy projects now produce 19 MW, a 200% increase from last year's 6.4 MW. Upcoming solar projects are expected to add another 28.8 MW.



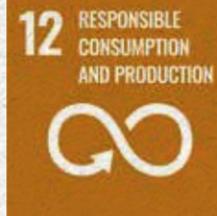
Approach:

We are dedicated to constructing and managing efficient, reliable, and healthy buildings. We install onsite renewable energy and energy storage, where possible. We utilize third-party certifications to improve both new and existing buildings, emphasizing sustainability, efficiency, wellness and operational excellence.

Progress:

- Current Certifications: BOMA 360 (226), ENERGY STAR (22), ENERGY STAR for Tenant Space (3), LEED (22), Fitwel (6).
- LBA pursues LEED certifications for managed ground-up developments, holding 13 in Building Design & Construction.
- LBA was recognized as a Gold Level Green Lease Leader by the Institute for Market Transformation and the DOE Better Buildings Alliance in 2019 and 2022.

ENVIRONMENTAL (CONTINUED)



Approach:

Our commitment to energy, waste, GHG management, benchmarking, tenant engagement, efficiency investments, and sustainable development guidelines ensures quality operations and promotes healthier, safer and more sustainable properties.

Progress:

- All office properties under LBA's operational control are required to undergo a third-party energy audit every three years, which helps guide asset level decarbonization strategy.
- LBA evaluates acquisitions and our existing portfolio to identify efficiency opportunities. These improvements have resulted to the following savings, where we are in operational control:
 - Energy consumption decreased 12.8% from 2019 to 2023.
 - Water consumption decreased 24% from 2019 to 2023.
 - Waste diversion rate increased by 134% between 2019 and 2023, from 21% to 48%.



Approach:

LBA mitigates greenhouse gas emissions, manages asset-specific and portfolio risks and opportunities, and invests in proven efficiency measures with financial and environmental benefits related to climate risk and resiliency. We address medium to high climate risks at each property through a comprehensive resiliency plan.

Progress:

- LBA conducts climate risk assessments for each acquisition to identify and mitigate climate-related risks, mandating a Resiliency Plan as part of our Standard Operating Procedure.
- Every three years, a portfolio-wide climate risk analysis is performed to evaluate exposure and develop a resilience plan for properties facing medium to high climate risks.

SOCIAL



Approach:

We prioritize health and well-being for employees, tenants and building visitors with annual indoor environmental quality testing and green cleaning methods to reduce harmful substances. These measures are validated through the UL Verified Healthy Building Mark and various green certifications.

Progress:

- LBA's corporate headquarters and two building management offices have earned the ENERGY STAR for Tenant Space certification.
- In 2023, eight office properties were awarded the UL Verified Healthy Building Mark.

SOCIAL (CONTINUED)



Approach:

We make DEI a focus of our company culture. To ensure equal opportunities for all, we've formed a dedicated DEI Committee, addressing areas like recruitment and the Internship Program, charitable efforts and employee education.

Progress:

- Women represent two-thirds of LBA's workforce, with racially or ethnically diverse employees constituting nearly 40% of the LBA team.
- LBA's internship program is designed to provide historically underrepresented groups with valuable industry experience, exposure and education.
- The "LBA Limelight" initiative showcases the diverse stories of our team members on internal and external social media channels throughout the year.



GOVERNANCE



Approach:

We promote professional development at all levels through annual performance reviews, investments in training and personalized growth plans.

Progress:

- LBA encourages and supports employee education and professional licensing relevant to their roles.
- The company offers a benefits package that includes 401(k) matching for employees.
- Code of Ethics training is provided to all employees at the start of their employment and regularly thereafter.



Approach:

LBA strives to enhance our ethics and prevent workplace corruption.

Progress:

- The LBA Compliance Manual, which includes the Code of Ethics, is subject to an annual review. From the outset, the Compliance Manual has included procedures to ensure compliance with international sanctions regulations.
- LBA has implemented policies to comply with the Foreign Corrupt Practices Act (FCPA) and Anti-Money Laundering regulations.



Reporting Methodology

The purpose of this report is to communicate LBA's ESG performance to our stakeholders. LBA's reporting adheres to the United Nation's Sustainable Development Goals and aligns with the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD), although we do not formally submit to SASB or TCFD. The information and outcomes presented in this report focus on the performance of our office and industrial portfolio. It is important to note that there are variations in data accessibility and control between properties where LBA has operational control (typically office spaces) and properties where customers have operational control (typically industrial spaces as dictated by our leases). Therefore, the utility data results cited in this report pertain specifically to LBA's portfolio where we have operational control. However, we include Scope 3 greenhouse gas emissions inventory outcomes, which encompass utility data from industrial tenants—based on our data collection or estimation methods—even though these are outside our operational control. Throughout the report, we incorporate case studies, highlights, and green certifications that demonstrate the results and initiatives undertaken in both our office and industrial portfolio. We will continue to analyze data from properties under customer control to evaluate performance and collaborate with our customers to implement sustainability improvements.

For our interested stakeholders, the SASB and TCFD reports can be obtained by emailing: Sustainability@LBArealty.com.

Data Assurance

To ensure the accuracy and reliability of our environmental footprint claims regarding greenhouse gas emissions, energy usage, water consumption, and waste management, LBA has enlisted the services of a third-party organization, UL Verification Services, Inc. They have conducted data verification on behalf of LBA.

For our interested stakeholders, the Independent Statement can be obtained by emailing: Sustainability@LBArealty.com.





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