



2017

SUSTAINABILITY REPORT

**BUILDING A
SUSTAINABLE
FUTURE**

SHORENSTEIN
SUSTAINABILITY



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MESSAGE FROM THE PRESIDENT

One of Doug Shorenstein's guiding principles was that sustainability is not just a competitive edge or an optional business strategy – it's a collective obligation. Corporate responsibility remains a priority for our organization. That commitment continues to yield measurable benefits for our properties, tenants, employees, and the communities where we operate.

In 2016, we achieved our ambitious goal of reducing energy use by 20% – four years ahead of the original 2020 timeline. Many buildings across our portfolio have achieved a 20% or greater energy reduction since setting the goal in 2008. We estimate that energy bills were \$6.5 million lower in 2016 as a result of these efficiency gains, delivering savings to tenants and investors.

Shorenstein earned the Global Real Estate Sustainability Benchmark (GRESB) "Green Star", the highest rating, for a third consecutive year in 2016. We are pleased with this outcome and continue to refine our strategies for effectively managing environmental, social, and governance issues.

We extended our record of smart operation by completing 43 efficiency projects across the portfolio last year, with associated annual operating

expense savings of \$850,000. The projects will deliver an aggregate 64% internal rate of return over their expected useful lives. From chiller retrofits to LED lighting systems to peak demand management, investments in efficiency make our buildings perform better while using less energy and water.

We continued our tenant engagement efforts by hosting Flip the Switch sustainability workshops in six markets. Over 175 attendees participated in these interactive lunchtime sessions, which give tenants tools and resources to use in their own operations, as well as an opportunity to inquire about issues that matter to them.

We also completed the adaptive reuse of the Ford Factory in Los Angeles, CA last year – adding to our list of successful repositioning projects that includes Market Square in San Francisco, The Reserve in Los Angeles, and 210 North Green in Chicago. Repurposing old buildings to Class A creative office space reduces natural resource use, avoids development on virgin land, and preserves historic architectural features. We successfully leased the Ford Factory to a major media tenant – the largest commercial lease in

“In 2016, we achieved our ambitious goal of reducing energy use by 20% – four years ahead of the original 2020 timeline.”

LA in 2016 – helping to anchor economic revitalization in the City’s Arts District neighborhood.

All of these accomplishments required hard work and coordination by our employees and service providers. We gratefully acknowledge their contributions. This report highlights only a small sample of the excellence achieved across our organization. We hope you find its contents informative and welcome your feedback as we carry on Doug’s legacy of building a sustainable future.



Charles W. Malet, President & Chief Investment Officer,
Shorenstein Properties LLC

REPORT OVERVIEW

Sustainability Framework

At Shorenstein, sustainability means enhancing building performance, investment resilience, and business governance for the benefit of properties, tenants, employees, and communities. We embrace sustainability as an opportunity to improve our business practices while also reducing our impact on the environment and strengthening the communities where we operate. Our efforts have added measurable value through reduced operating expenses and increased tenant satisfaction.

This report covers Shorenstein's sustainability efforts and achievements through the end of May 2017. It contains standard disclosures from the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. The GRI standard is an internationally recognized sustainability reporting framework used widely by leading real estate organizations as well as major corporations. An index of GRI indicators is included in the last section of this report.

Company Profile

NAME OF ORGANIZATION	Shorenstein Properties LLC
PRIMARY BUSINESS	Vertically integrated owner and operator of high-quality office properties throughout the U.S.
HEADQUARTER LOCATION	San Francisco, CA
REAL ESTATE SERVICES PROVIDED	Asset Management, Leasing, Property Management, Construction, and Development
EXPERIENCE	Owner and operator of high-quality office buildings for over five decades
NUMBER OF EMPLOYEES	287

MARKETS SERVED

16

20.4

\$6.1B

Markets

Million Square Feet

In Value



PERFORMANCE

Objective evaluation informs smart decision-making. We closely monitor industry participation in sustainability performance standards and adopt only those that are broadly accepted by real estate peers and align with our business model. We have integrated these standards into the overall performance assessment of our properties and our company.



Better Buildings Challenge

In 2008, we set an ambitious goal: reduce energy use by 20% across the entire Shorenstein portfolio by the year 2020. When we pledged to cut energy use by one-fifth as part of our participation in the U.S. Department of Energy's "Better Buildings Challenge", we did not know what strategies we would use to get there, or even whether such a dramatic reduction was possible. As measured by Department of Energy, we have cut portfolio-wide energy use 20.4% relative to the 2008 baseline. As a result, we estimate that our portfolio-wide energy bills were \$6.5 million lower in 2016.¹ These efficiency gains reduce occupancy costs and enhance the attractiveness of Shorenstein's buildings in a competitive market for office space.

One of a handful of commercial real estate companies that signed on to the U.S. Department of Energy's "Better Buildings Challenge" eight years ago, Shorenstein committed to sharing best practices with industry peers and measuring annual performance. The Challenge provided the impetus for consistently tracking utility bills using the ENERGY STAR program. Through our participation, we have learned new operating strategies and refined our ability to measure energy efficiency over the life of a real estate investment. Technological advancements, such as more efficient lighting and better building control systems, have provided a tailwind contributing to our success as well as efficiency gains seen more broadly across the industry.

Portfolio Rating

GRESB (Global Real Estate Sustainability Benchmark) is an investor-driven sustainability assessment for real estate portfolios. A widely adopted portfolio rating standard, the annual assessment has seen increasing adoption by public and privately-held U.S. investment vehicles. Investor-members of GRESB include global institutional investors, pension funds, and real estate associations collectively representing \$7.6 trillion in capital. The 2016 GRESB assessment ranked the environmental, social, and governance (ESG) performance of 733 real estate entities and \$2.8 trillion in real assets globally.

Shorenstein earned the "Green Star" rating for a third straight year on the 2016 GRESB assessment. GRESB awards the "Green Star",

¹ Portfolio-wide energy cost savings are modeled as the difference between actual 2016 energy use and "business-as-usual" energy use, where the "business-as-usual" scenario assumes no change in energy use between 2008 and 2016 and where energy price (dollars per unit of energy) is held constant.

its highest rating, to real estate portfolios that demonstrate proficiency in managing ESG issues. We ranked fifth among a peer group of 35 U.S. office portfolios and 157th among 733 global participants. Shorenstein's annual GRESB result provides relevant, comparable information for assessing strengths and areas for improvement.

Building Rating

ENERGY STAR for Buildings is an energy efficiency rating program for commercial and multifamily residential buildings. Part of the U.S. Environmental Protection Agency's (EPA) broader ENERGY STAR consumer products rating program, EPA offers voluntary energy efficiency scoring and certification for buildings based on a 1-to-100 percentile scale. The ENERGY STAR score measures building energy performance using a nationally-representative statistical model that normalizes for factors including climate zone, seasonal weather, operating hours, space use type, and occupancy. To apply for annual certification, buildings must achieve a minimum ENERGY STAR score of 75 and pass an operational review by a Licensed Professional.

Shorenstein started benchmarking building energy performance and pursuing ENERGY STAR certification for eligible buildings in 2008. As of May 2017, the average ENERGY STAR score across Shorenstein's portfolio of eligible buildings was 86 out of 100, meaning that our properties, in aggregate, are more efficient than 86% of all commercial office buildings. 49 Shorenstein buildings, representing over 16 million square feet, achieved ENERGY STAR certification last year. 42 of these buildings have earned annual certification for three or more consecutive years, representing the majority of our eligible portfolio.

Shorenstein is subject to mandatory benchmarking and public disclosure of energy use in 14 cities and 2 states and is subject to mandatory water use disclosure in 8 cities. Our early adoption of voluntary benchmarking has validated substantial savings and streamlined regulatory compliance. Shorenstein supports benchmarking legislation as a mechanism for transparency and market-based demand for efficient buildings.

LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification program for the design, construction, and operation of real estate assets. The U.S. Green Building Council, the independent standards and rating body that administers LEED, provides the real estate market with a transparent, third-party measure of building performance. LEED is widely recognized by tenants, landlords, brokers, and design and construction professionals as a standard of excellence. Shorenstein pursues certification wherever it is appropriate for the property type and in alignment with market expectations.

Shorenstein develops and operates all properties to the LEED standard and pursues LEED certification for some assets as part of the investment strategy. Our national management platform includes green cleaning practices, integrated pest management, waste and e-waste recycling, and energy and water efficiency standards. Additionally, our construction standards require all improvement projects to meet LEED criteria for indoor environmental quality, energy and water efficiency, sustainable materials procurement, and waste management.

² Average ENERGY STAR score is measured as the floor-weighted average score of operational buildings for which a baseline with at least 12 months of utility data are available under Shorenstein ownership. Buildings acquired within the past 12 months are not included. Each building's energy efficiency potential is different and depends on many factors including construction materials, mechanical system type, and tenancy profile.

Shorenstein's Building Ratings as of May 2017

Location	Property	LEED Level	ENERGY STAR Score	Square Feet
Atlanta, GA	Bank of America Plaza	Silver	78	1,490,112
Burbank, CA	Media Studios North (buildings I-V)	Gold	91 (average of 5 buidings)	927,421
Denver, CO	707 17th Street	Silver	79	1,189,946
Denver, CO	Johns Manville Plaza	Gold	94	759,967
Houston, TX	Five Post Oak Park	Gold	90	567,396
Houston, TX	2000 West Loop South	Gold	84	356,946
Lake Oswego, OR	Kruse Oaks III	Gold	NA*	108,192
Los Angeles, CA	707 Wilshire Boulevard	Platinum	94	1,468,371
Los Angeles, CA	Ford Factory	Gold	N/A*	257,028
Portland, OR	Lincoln Center Tower	Gold	85	220,103
Portland, OR	Lincoln Center (buildings 1-5)	Silver	79 (average of 5 buildings)	495,543
San Francisco, CA	Market Square	Gold	97	1,105,488
San Francisco, CA	45 Fremont Street	Gold	90	584,663
San Francisco, CA	Russ Building	Platinum	98	512,439
San Francisco, CA	50 California Street	Platinum	96	741,500
San Francisco, CA	188 Spear Street	Gold	91	214,898
Santa Clara, CA	Santa Clara Tower I	Gold	92	205,055
HELD PORTFOLIO SUMMARY		26 LEED Buildings		11,205,068 square feet
REALIZED ASSETS (2016 - MAY 2017)				
Austin, TX	Domain 2 & 7	Silver	NA*	336,661
Boston, MA	Center Plaza	Gold	85	741,232
Irvine, CA	Main Plaza	Gold	92	630,762
Minneapolis, MN	Minneapolis City Center	Silver	98	1,375,717
New York, NY	850 Third Avenue	Gold	85	590,072
Portland, OR	Congress Center	Gold	94	387,728
Portland, OR	Umpqua Bank Plaza	Gold	87	319,397
Washington, DC	1875 K Street	Gold	83	208,592

* Development project with insufficient operational history to earn an ENERGY STAR Score.

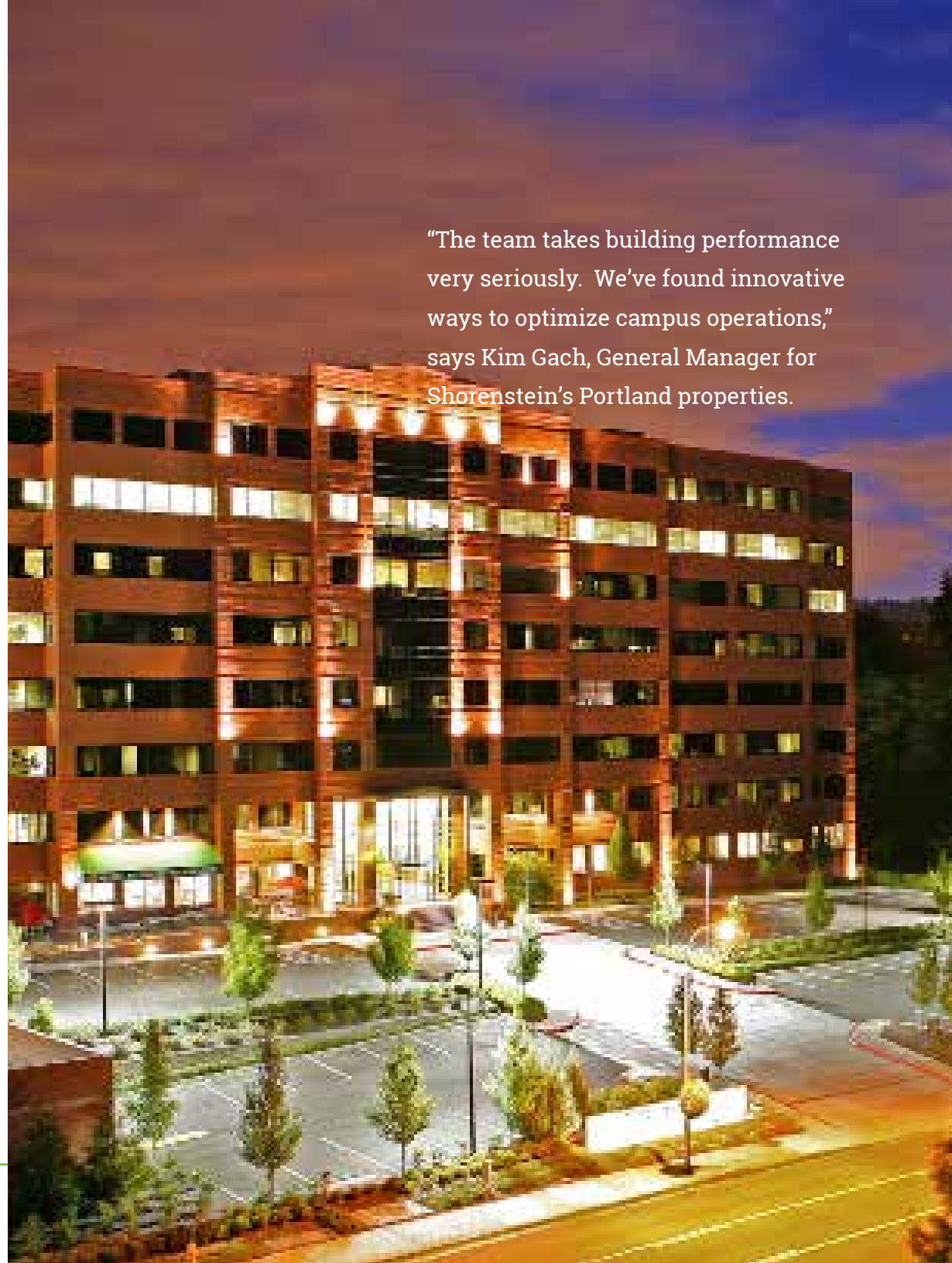
CASE STUDY

Energy and Environmental Performance

Kruse Woods Corporate Park Lincoln Center

Surrounded by stunning natural features, the property team at Kruse Woods Corporate Park and Lincoln Center in Portland, Oregon takes energy and environmental performance to the next level.

“The team takes building performance very seriously. We’ve found innovative ways to optimize campus operations,” says Kim Gach, General Manager for Shorenstein’s Portland properties.





Building Management Team at Kruse Woods
Corporate Park and Lincoln Center

In 2016, the Portland team undertook several trail-blazing initiatives:

- **LEED Gold:** Lincoln Tower, part of a Class A office campus located in Portland's suburban market, earned gold-level recertification for the 12-story landmark building via the U.S. Green Building Council's new "LEED Performance Score" rating system. Lincoln Tower is the first Shorenstein building, and one of the first in the Portland Area, to earn the LEED designation using the Performance Score pathway.
- **Energy Optimization:** At Kruse Woods, engineers optimized energy control sequences at all twenty buildings throughout the corporate park, achieving annual energy savings of \$75,000 and earning over \$10,000 in rebates through the Energy Trust of Oregon's "Strategic Energy Management" program. The energy management strategies ensure occupant comfort while minimizing HVAC and lighting energy use.
- **Waste Diversion:** Shorenstein's Portland team works hard to make recycling easy. In 2016, property managers completed the following activities that yielded over \$65,000 in annual waste management cost savings.
 - o Provided over 120 new recycle bins and educational resources to building occupants.
 - o Hosted two Flip the Switch tenant recycling workshops attended by over 40 tenants and facilitated by Shorenstein's Sustainability Program Manager and local waste management professionals.
 - o Conducted an in-house garbage audit that led to significantly reduced weekly trash pick-up service.

Kruse Woods Corporate Park is a 20-building office campus located in Lake Oswego, one of the most attractive live-work-play communities in the Portland area. This distinctive property offers state-of-the-art facilities and amenities, scenic oak groves and natural wetlands lining the south edge of the property, and magnificent views of Tualatin Valley. Lake Oswego is just eight miles southwest of Portland on the banks of the Willamette River.

Lincoln Center is an eight-building office campus located minutes from downtown Portland. This premier suburban campus is set among lush landscaping with outdoor seating and features state-of-the-art amenities including multiple training and conference facilities along with a fitness center and secured bike parking.

INVESTMENT

Leadership in Governance

Shorenstein delivers strong investment performance by investing in and operating high-quality office properties nationwide. The company combines over five decades of hands-on operating expertise, an experienced management team, a proven investment strategy, strong alignment with investors, powerful deal sourcing and transactional capacity, capital markets sophistication, and a 25-year track record as a successful real estate fund sponsor.

The senior management team has an average tenure of 17 years at the company. Shorenstein's Advisory Board and Investment Committee are comprised of experienced and successful business leaders.

Shorenstein's Operational Risk Management (ORM) Committee is a standing, cross-departmental body that takes into account the company's legal and regulatory environment, contractual obligations, prudent business practices, and industry norms. ORM identifies and assesses operating risks to the

company, selects and oversees projects to address such risks, communicates and documents policies and procedures to manage such risks, and periodically reviews existing risk management policies and procedures for ongoing effectiveness. The Committee promotes maintenance of strong internal controls, consistency and clarity of policies and procedures, and elimination of redundant reviews and approvals across departments. In 2016, ORM rolled out an enhanced cybersecurity program including a web-based training for all employees and updated earthquake and flood insurance coverage for all affected properties.

“Shorenstein delivers strong investment performance by investing in and operating high-quality office properties nationwide.”

CASE STUDY

Historic Revitalization



Ford Factory

In April of 2014, Shorenstein acquired the Ford Factory, a former manufacturing facility of Model A and Model T Ford vehicles, in Los Angeles, CA. The site housed the Imperial Toy Factory for many years and had become a storage facility due to its age. The property consisted of four buildings, including a five-story factory (Tower) built in 1914, a two-story factory (Assembly Plant) built in 1923, a single-story storage facility (Annex) built in 1984, and a cold storage facility built in 1996. The four-acre site had been vacant since 2013.





Extensive renovation to the Tower, Assembly Plant, and Annex buildings created a first-class creative office space in the rapidly renewing Los Angeles Arts District, surrounded by boutique retail shops, high-end restaurants, eateries, and other amenities. Listed on the National Historic Registry, many of the property's historic features have been repaired and returned to the original condition.

The completed repositioning of the Ford Factory reflects the exceptional ability of our acquisition and development team to envision and then actualize the potential of a rundown warehouse space. We successfully leased the newly-renovated Class A creative office complex to a major media tenant – the largest commercial lease in LA in 2016 – all while preserving the original building structure and historic elements. Similar to the successful repurposing of Market Square in San Francisco, The Reserve in Los Angeles, and 210 North Green in Chicago, Ford Factory has helped anchor a wave of economic revitalization in a historically gritty neighborhood.

Shorenstein's Development Group has built sustainability into the fabric of new construction and asset repositioning projects. Since initiating corporate USGBC membership in 2008, we have set LEED Gold or Platinum as the standard for all development projects.

We integrate sustainability into the earliest stages of the development process. Our team executes development projects that positively shape communities, including brownfield rehabilitation, neighborhood revitalization, urban infill, and historic preservation. We create human-centric built environments with an emphasis on natural lighting, indoor environmental quality, alternative transportation, and occupant satisfaction and productivity. Close collaboration with capital markets professionals, architects, and contractors enables us to execute these projects in a manner that incorporates sustainability best practices while also producing successful financial investments.

In recent years, we have taken on a number of investment opportunities that involve the adaptive reuse of existing buildings. By modernizing old structures, we are salvaging valuable resources and avoiding development on virgin land.



THE FORD FACTORY RENOVATION INCLUDED:

- Three interconnected buildings that combine to 258,000 sf
- Car charging stations and large secured bicycle locker facility with showers
- Restoration and repair of the exterior façade
- New energy efficient window glazing in restored existing frames
- Extensive skylight repairs and new glazing
- New light-wells to provide natural light to the basement
- New restrooms with water efficient fixtures
- Large storefront windows and a new skylight in the previously windowless Annex building
- Large outdoor private paseo, with park-like landscaping
- New roof deck with stone pavers on the Tower building
- Achieved LEED Gold certification in May 2017

MANAGEMENT

We continuously evaluate and improve building performance. Through industry-leading operating procedures and intelligent technology adoption, Shorenstein embraces opportunities to improve efficiency and sustainability across the portfolio.

Long-term Targets and Performance to Date

	ENERGY 	GREENHOUSE GAS EMISSIONS 
Progress through year-end 2016	20.4%	23.3%
Target by 2020	20.0%	20.0%

In 2016, we achieved our goal of reducing energy use and greenhouse gas emissions 20% below 2008 levels. Execution of our building performance strategy helped us achieve these goals four years ahead of schedule.



Building Performance Strategy

Shorenstein's **Sustainability Committee** is a multi-departmental team composed of professionals from across the organization. The Committee's company-wide representation, from both the investing and operating sides of the business, enables coordinated responses to corporate responsibility challenges. The Sustainability Committee implements the company's building performance strategy, a three-pronged approach to continual improvement that consists of investment in efficiency, smart operation, and tenant engagement.

The company's **PREP Committee** (Property Resources for Emergency Preparedness) prepares property management teams to anticipate, plan for, and respond to emergencies for the purpose of protecting our assets and people. From terrorism threats to system outages to crisis communication, PREP ensures the ability of our building teams to adapt and respond to disaster situations. In 2016, we launched an interactive web-based training program and delivered instruction to all property managers.

Investment in Efficiency



Smart Operation



Tenant Engagement



“One of the four 1,000 ton chillers at 707 Wilshire Boulevard in Los Angeles, CA was retrofitted with four Turbocor compressors to improve efficiency of the building’s climate control system. Chief Engineer Robert Jones has seen the chiller’s operational efficiency improve by 50%, with better responsiveness to a range of air conditioning needs throughout the year. A utility rebate of over \$130,000 reduced the cost of implementation by 24%, resulting in net project cost of \$404,000. Annual energy cost has been reduced by \$200,000 as validated by Los Angeles Department of Water and Power.”

Investment in Efficiency

Energy efficiency means delivering the same level of service with less energy. Cost-effective efficiency projects are the backbone of our sustainability program.

In 2016, Shorenstein completed 43 energy and water efficiency projects that together will save over \$850,000 annually and eliminate carbon dioxide emissions equivalent of taking 439 cars off the road.³ In total, these efficiency projects will achieve a payback period of 1.5 years and an IRR of 64% over the expected useful life. Shorenstein received utility rebate and incentive payments of \$500,000, or 28% of the \$1.8 million gross project cost, yielding net project cost of \$1.26 million.

³ Car equivalency calculated using the U.S. Environmental Protection Agency’s Greenhouse Gas Equivalencies Calculator. <http://www.epa.gov/cleanenergy/energy-resources/refs.html>.

Utility Efficiency Projects - Portfolio-Wide Result

Year	Net Project Cost	Annual Savings	Payback Period (years)
2016	\$1,260,000	\$865,000	1.5
2015	\$567,000	\$569,000	1.0
2014	\$1,300,000	\$510,000	2.5
2013	\$1,379,000	\$607,000	2.3

Smart Operation

Our engineering teams use real-time energy analytics to manage electric demand proactively throughout the year. Demand is a building's instantaneous power draw from the grid at a given point in time. Increasingly constrained electric grids force utilities to charge large premiums for power during peak demand hours. Over the last few years, demand charges for large commercial buildings have grown to comprise 50% or more of the monthly electric bill in some markets.

Shorenstein participates in utility demand response and peak-day pricing programs wherever operationally feasible and locally available. Active demand management strategies often save our buildings tens of thousands of dollars each month while helping to ensure the reliability of shared power infrastructure in our local communities and limiting the need for new power plants.

Recognizing Our Engineers

Shorenstein's Managers of Engineering Services presented efficiency awards at Shorenstein's 2016 Chief Engineers Conference. The awards recognize top-performing Chief Engineers who demonstrate outstanding energy management accomplishments and are an important motivational component of Shorenstein's Utility Management Program.

Shorenstein Utility Management Program



2016 ENGINEERING AWARDS

JIM RHODES, 1818 Market
Most Improved Building

TIM STEFANS, 33 South Sixth
Most Efficient Building

ARTHUR WOLF, Russ Building
Most Efficient Building

DENNIS CARRAFIELLO, Center Plaza
Outstanding Achievements in Energy

ROBERT JONES, 707 Wilshire
Most Efficient Building

Tenant Engagement

Tenants determine 60-80% of a building's energy use and a majority of other resource consumption. Shorenstein's signature Flip the Switch tenant sustainability program provides building occupants with the knowledge, tools, and technical support to enhance the sustainability of their own workplace. Combining easy-to-implement energy and sustainability toolkits with in-person and online support resources, Flip the Switch empowers tenants to make environmentally-friendly choices that improve operations, reduce utility consumption, and save money.

- Green Scorecards provide prospective and current tenants with a one-page summary of each building's sustainability elements, from active and natural features to efficient operation
- Tenant Sustainability Action Guide introduces Shorenstein's sustainability program to new tenants
- Flip the Switch educational workshops help tenants find energy savings and environmental impact reductions in their offices
- Consumption Reduction Strategies Guide recommends easy-to-implement energy efficiency strategies
- I Will if You Will Tenant Energy Challenge provides building occupants with personalized energy use information and fun rewards for participation
- Sustainability Resources Website puts ideas, tools, and resources at tenants' fingertips
- Earth Hour and Earth Day events annually provide education and encourage action

In 2016, we launched a nationwide Flip the Switch workshop tour, meeting with over 175 tenants in six markets across the country. Emulating the successes of our first Flip the Switch tour in 2011, we invited local partners to provide sustainability tools and resources ranging from recycling demonstrations to behavioral energy management strategies.

Kelly Levine, Property Manager at Kruse Woods Corporate Park, delivers a Flip the Switch presentation to over 20 tenants in Portland, Oregon. Shorenstein's property management teams periodically host Flip the Switch workshops to provide education and gather feedback from tenants in a fun environment.



Jason Yancey, Director of Consumer Financial Protection at the HOPE Coalition America, won a bicycle at 707 Wilshire's Flip the Switch workshop in Los Angeles, California this past October.

INDUSTRY ENGAGEMENT

Better Buildings Challenge

Shorenstein achieved its goal of reducing energy use by 20% – four years ahead of schedule. As one of the first real estate companies to join the U.S. Department of Energy’s (DOE) “Better Buildings Challenge” to cut energy use 20% by 2020, we have worked with DOE for nearly a decade to track year-over-year performance transparently and to share energy efficiency strategies openly with industry peers. Shorenstein has demonstrated portfolio-wide energy savings of 20.4% since joining the “Challenge”, resulting in energy bills that were \$6.5 million lower in 2016.

Building Owners and Managers Association

As a Building Owners and Managers Association (BOMA) member, Shorenstein engages broadly with BOMA on a variety of sustainability, policy, security, and other industry matters. We actively

participate in BOMA’s National Advisory Council as well as BOMA chapters in local markets across the country.

ENERGY STAR

Shorenstein is a partner with the U.S. Environmental Protection Agency’s (EPA) ENERGY STAR program and we benchmark all buildings using ENERGY STAR Portfolio Manager. As of May 2017, our portfolio-average ENERGY STAR score is 86, meaning our buildings are more efficient than 86% of all commercial office buildings. 49 buildings earned the ENERGY STAR certification in 2016 and 42 buildings have maintained the annual certification for three or more consecutive years, representing the majority of our portfolio by square footage.

Environmental Defense Fund

In 2016, Shorenstein hosted three EDF Climate Corps fellows in San Francisco, Pittsburgh, and New York City. Since its launch in 2008, EDF

Climate Corps has placed over 700 trained fellows within 400 organizations, resulting in over \$1.5 billion in energy savings identified. Doug Shorenstein served for many years on the EDF Board of Trustees and Shorenstein participates annually in the Climate Corps program, with great results each year. The fresh eyes and sharp skills brought by Climate Corps fellows provide a boost to Shorenstein’s Sustainability Committee, helping make the business case for investments that save resources and money.

Kevin Kirk, Shorenstein’s Manager of Engineering Services, lent his energy management expertise to nearly 200 Climate Corps Fellows at EDF’s annual Energy Solutions Exchange, held last fall in San Francisco. The Energy Solutions Exchange (ESE) brings Climate Corps Fellows and host organizations together to share energy management solutions and celebrate the recent fellowship season.



At Left: Kevin Kirk, Shorenstein's Manager of Engineering Services, spoke at the Environmental Defense Fund's Energy Solutions Exchange.

At Right: Jacob Kolb, Assistant Property Manager and Sustainability Committee member, accepted Shorenstein's goal achievement award at the annual Better Buildings Summit in Washington, DC.

Real Estate Roundtable Sustainability Policy Advisory Committee

Shorenstein takes a leading role in shaping national sustainability policy. The company actively participates on the Real Estate Roundtable's Sustainability Policy Advisory Committee to influence federal legislation, with positive environmental outcomes for the real estate industry.

Shorenstein played a key role in winning broad industry support for the EPA "Tenant Star" legislation. In 2015, Congress approved "Tenant Star" and in 2016 Shorenstein worked with EPA, DOE, and landlord and tenant representatives to establish criteria for a new rating system focused on design and construction of efficient tenant spaces.

U.S. Green Building Council

Shorenstein is a platinum member of the U.S. Green Building Council (USGBC) and we have achieved LEED certification for 23 million square feet of office properties, primarily certified at the Gold level. The Sustainability Program Manager represents Shorenstein at the national and local level to support USGBC in delivering green building education, events, and programs to the industry.

We sponsor LEED professional accreditation for property management and construction, development, leasing, and other related staff positions. Eight employees earned a LEED credential in 2016, bringing to twenty-eight the number of LEED credentials earned through the training program since 2013.

EMPLOYEES AND COMMUNITY

People define our buildings and our company.

Shorenstein values excellence, measurable achievement, accountability, clarity, integrity, teamwork, diversity, and professional development.

Employees

Our successful fund management track-record, over more than two decades, bears testament to the talent, experience and hard work of each and every person at Shorenstein.

We recognize the dedication of our employees through milestone service anniversaries, department-specific leadership awards, Pay for Performance programs, and annual review and evaluation of compensation and position structures. Shorenstein's Employee Handbook addresses employee conduct and work rules, including workplace etiquette, business ethics, conflicts of interest, and continuing Affirmative Action programs.





All employees working 20 hours per week or more are eligible for a number of benefits including:

- Medical, Dental, and Vision Plans
- 401(k) Retirement Plan
- Employee and Dependent Life Insurance
- Disability Benefits Programs
- Paid Time Off Program with an additional 10 paid Holidays per year
- Shorenstein Berger Scholarship Program for children of employees
- Educational Assistance Program for employees
- Health, Dependent and Transit Spending Accounts
- Employee Referral Program
- Ergonomic Evaluations

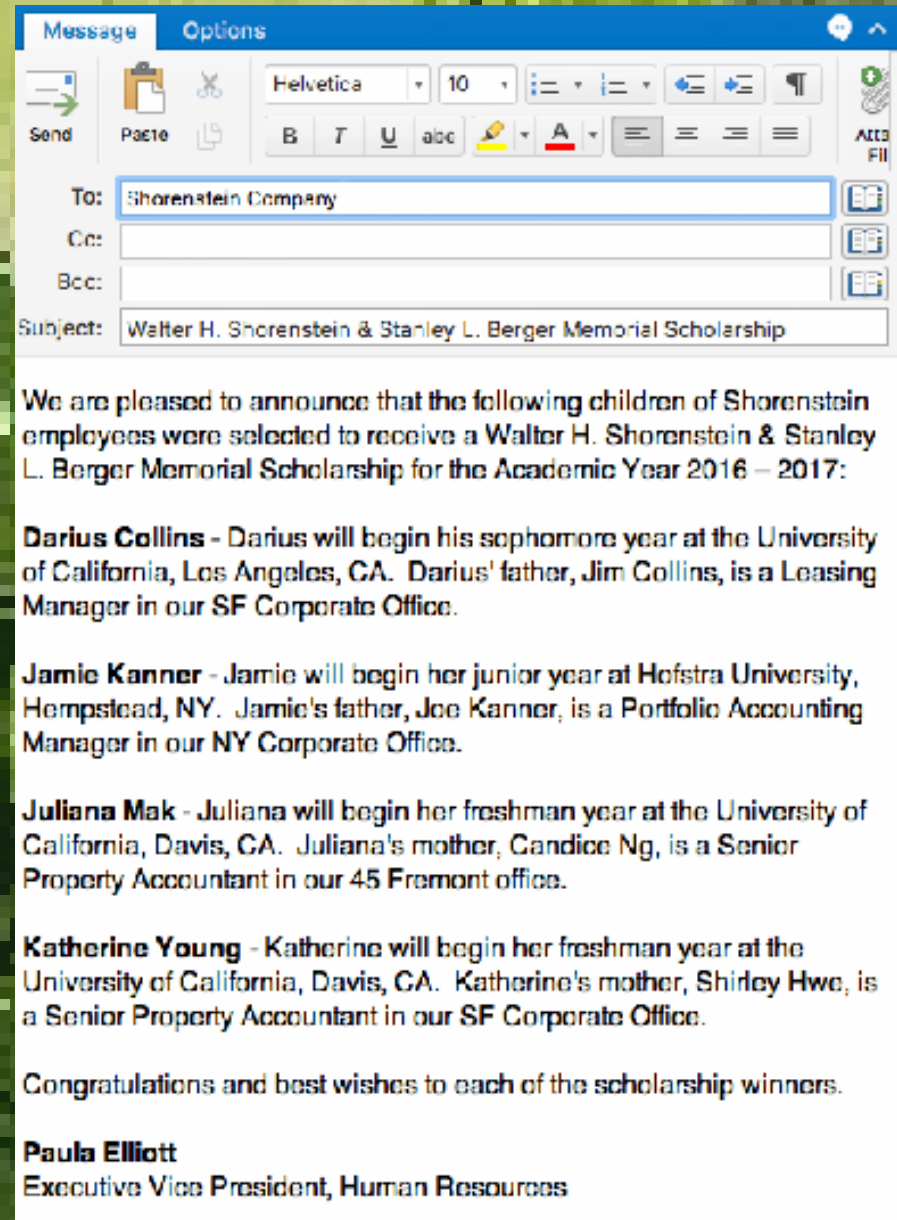
Walter H. Shorenstein & Stanley Berger Memorial Scholarship year 2016-17.

Patriot Award

Shorenstein supports America's service men and women. The company received the U.S. Department of Defense "Patriot Award" in 2016 for support of employees deployed in the National Guard or Reserves.

J.P. Morgan Corporate Challenge

Last year, fourteen Shorenstein employees joined over 250,000 runners representing more than 7,600 companies in 13 cities worldwide in the 32nd annual J.P. Morgan Corporate Challenge. In San Francisco, the 5k team race attracted more than 10,500 individual entrants from 350 Bay Area companies. In 2016, J.P. Morgan Corporate Challenge donated more than \$750,000 to not-for-profit organizations throughout the Series cities. Year Up Bay Area, a career development program for low-income youth, received the 2016 donation for San Francisco.



Shorenstein's 2016 JP Morgan Corporate Challenge Team, from left to right: Matt Watkins, Jaxon Love, Gabriel Roberts, Elora Limburg, Anna Olsen, Jonisha Smith, Ruby Petargue, Elena Merkulkova, Maria Kristiani, Stephanie Byra, Rebekah Nye, Carmen Benjamin, Patrick Blas, and Kelly McNee.



The company received the U.S. Department of Defense "Patriot Award" in 2016.





Community

Aim High

A partner with Aim High since 2003, Shorenstein supports the organization's mission to inspire and prepare students for success in school and in life. Glenn Shannon, the company's Vice Chairman, has served on Aim High's Board of Trustees for many years. As part of Shorenstein's foundational commitment to educational advancement of low-income youth, the company supports Aim High through executive leadership, funding and fundraising, and student career trips.

Shorenstein has donated more than \$1 million to Aim High, helping to create brighter futures for thousands of Bay Area students. Aim High honored Shorenstein with the inaugural Partner of the Year Award in 2013 and the organization continued its sponsorship of the Aim High Spring Luncheon and Annual Gala events in 2016.

Aim High facilitates real-world interactions between teenage participants and working professionals, which can have a transformational impact on the career goals of Aim High's bright young minds. Exposure to a variety of careers is crucial during middle school, when students are preparing for the transition to high school.

Children's Hospital Oakland

Shorenstein's 17th Annual Holiday Tree Trimming brought Shorenstein employees together in fun competition to decorate miniature holiday trees for donation to the UCSF Benioff Children's Hospital Oakland. The company delivered 22 trees this year to decorate patient rooms, bringing holiday cheer to local children and families.

First Place	The Russ Building, Property Management Office
Second Place	Maria Kristianti
Third Place	Stephanie Byra

Reaching Out MBA

In 2016, Shorenstein continued its financial support of Reaching Out MBA with sponsorship of the organization's annual leadership summit. Reaching Out MBA empowers LGBT business students to become professionals who will lead the way to equality in business education, in the workplace, and throughout society.

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28	Reporting Period for Information	2
32	GRI Disclosure Level	2
EC2	Risks and Opportunities Due to Climate Change (partial)	10
EC8	Indirect Economic Impacts (partial)	13
EN7	Reductions in Energy Requirements (partial)	5, 14
EN19	Reductions in Greenhouse Gas Emissions (partial)	14
LA1	Profile of Employees (partial)	22 - 25



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