



ALEXANDRIA®  
Building the Future of Life-Changing Innovation™

# 2018 CORPORATE RESPONSIBILITY REPORT

ALEXANDRIA REAL ESTATE EQUITIES, INC.



**Stripe Headquarters** | 510 Townsend Street, San Francisco, CA | 2018 LEED Platinum Certification

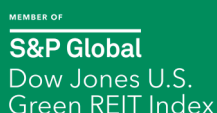
# ALEXANDRIA'S SUSTAINABILITY MISSION

is to make a positive and meaningful impact on the health, safety, and well-being of our tenants, stockholders, and employees, and the communities in which we live and work.

## ON THE COVER

510 Townsend Street, a 295,333 RSF development project for Stripe, Inc., a technology company that builds economic infrastructure for the internet, in Alexandria's Mission Bay/ SoMa submarket of San Francisco. The award-winning, highly sustainable project achieved LEED® Platinum certification in 2018. The innovative Class A facility features energy-efficient, healthy work spaces; a reclaimed-water system; and public improvements that promote walkability and biodiversity.

## ALEXANDRIA'S AWARDS & RECOGNITIONS





# Alexandria's Corporate Responsibility Report

highlights our environmental, social, and governance (ESG) efforts benefitting our tenants, employees, and communities, as well as preserving and enhancing value for our stockholders over the long term.

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### ENVIRONMENTAL

Alexandria is committed to high and improving levels of sustainability. We minimize our environmental impact by targeting LEED® Gold or Platinum certification for our new developments and by reducing energy use, carbon pollution, water use, and waste from our buildings in operation.

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### SOCIAL

Alexandria is proud to be widely recognized for our industry leadership and longstanding focus on innovative approaches to developing sustainable and collaborative campus environments and healthy workplaces that enhance the recruitment and retention of world-class talent, promote health and well-being, and inspire productivity, efficiency, creativity, and success.

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### GOVERNANCE

Alexandria operates on a foundation of sound corporate governance and risk management practices and philosophies, reflecting our best-practices approach to advancing our corporate mission.

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# ALEXANDRIA®

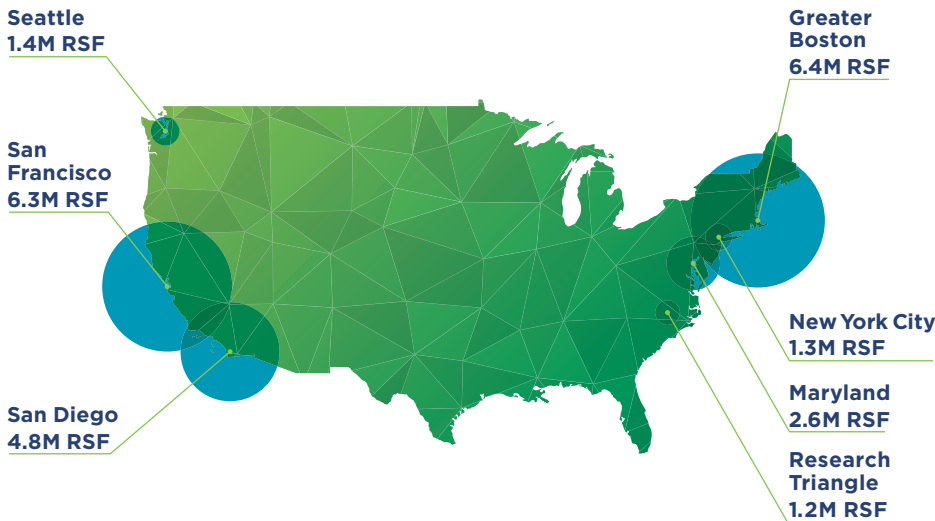
Building the Future of Life-Changing Innovation™

## ALEXANDRIA'S CORPORATE OVERVIEW

**Alexandria's mission** is to create clusters that ignite and accelerate the world's leading innovators in their noble pursuit of advancing human health by curing disease and improving nutrition.

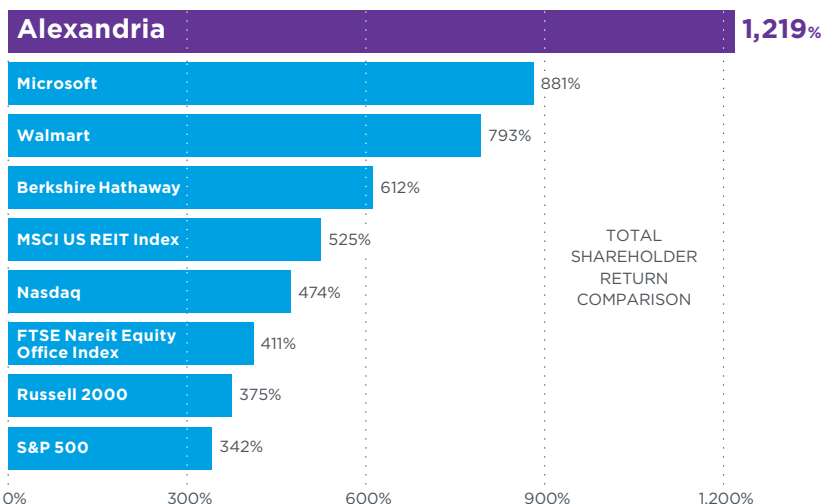
Alexandria Real Estate Equities, Inc. (NYSE:ARE), an S&P 500® company, is an urban office REIT uniquely focused on collaborative life science and technology campuses in AAA innovation cluster locations, including Greater Boston, San Francisco, New York City, San Diego, Seattle, Maryland, and Research Triangle. Alexandria has a longstanding and proven track record of developing Class A properties clustered in urban life science and technology campuses that provide our innovative tenants with highly dynamic and collaborative environments that enhance their ability to successfully recruit and retain world-class talent and inspire productivity, efficiency, creativity, and success. For more information, please visit [www.are.com](http://www.are.com).

## ALEXANDRIA'S URBAN INNOVATION CLUSTER LOCATIONS



As of December 31, 2018.  
RSF represents rentable square feet of buildings in operation, including development and redevelopment properties.

## ALEXANDRIA'S SOLID PERFORMANCE (MAY 27, 1997–DECEMBER 31, 2018)<sup>1</sup>



Source: Bloomberg. Assumes reinvestment of dividends.  
1. Alexandria's IPO priced at \$20.00 per share on May 27, 1997.

## 2018 KEY HIGHLIGHTS<sup>1</sup>

**\$1.3B**

Total Revenues

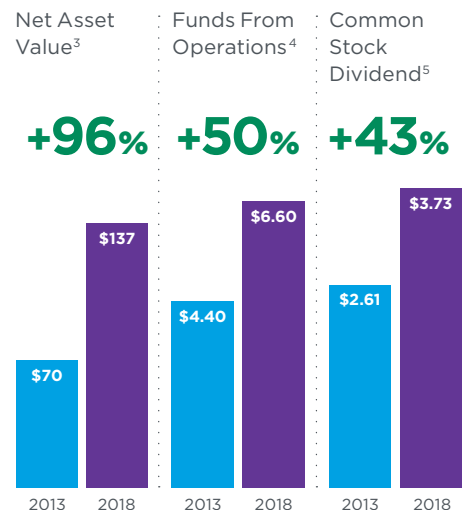
**\$18.4B**

Total Market Capitalization

**237**

Properties<sup>2</sup>

## ALEXANDRIA'S STRONG PER-SHARE GROWTH



- As of and for the year ended December 31, 2018.
- In Alexandria's North American asset base, including development and redevelopment properties.
- Based on average net asset value estimates for each year presented from Bank of America Merrill Lynch, Barclays Capital Inc., Citigroup Global Markets Inc., Evercore ISI, Green Street Advisors, Inc., J.P. Morgan Securities LLC, and UBS Securities LLC.
- Represents funds from operations – diluted, as adjusted. For information on Alexandria's funds from operations, including a definition and a reconciliation to the most directly comparable GAAP measure, see "Non-GAAP Measures and Definitions" under Item 7 of Alexandria's Annual Report on Form 10-K for the fiscal years ended December 31, 2013 and 2018.
- Represents common stock dividends declared.

# ALEXANDRIA'S KEY 2018 ACHIEVEMENTS IN ESG

**"WE TRULY FEEL AS SHAREHOLDERS THAT ALEXANDRIA IS A LEADER IN ESG."**

**BRADFORD STOESSER**  
GLOBAL INDUSTRY ANALYST  
WELLINGTON MANAGEMENT COMPANY, LLP

## A LEADER IN GREEN DEVELOPMENT



New ground-up developments target LEED Gold or Platinum certification

# \$450M

Green bond issuance in June 2018, funds from which can be allocated to projects that have achieved or are targeting LEED Gold or Platinum certification

# 51%

Percentage of total annual rental revenue generated from LEED projects<sup>1</sup>

# 82

Efficiency projects on 57 operating properties in 2018

# 58

LEED projects<sup>1</sup>

6	PLATINUM
39	GOLD
13	SILVER

1. Upon completion of 15 projects with 2.8 million RSF in process targeting LEED certification as of December 31, 2018.

## A LEADER IN WORKPLACE HEALTH & WELLNESS

# #1

Global ranking in the 2018 GRESB Health & Well-being Module with perfect score of 100

# 3.7M

RSF of Fitwel and WELL projects<sup>1,2</sup>

**RECOGNIZED AS THE INAUGURAL INDUSTRY LEADING COMPANY** in Fitwel's 2018 Best in Building Health

**EARNED THE WORLD'S FIRST WELL CERTIFICATION FOR A NEWLY CONSTRUCTED LABORATORY SPACE** in 2017 at Alexandria LaunchLabs® in New York City

# 4

WELL projects<sup>2</sup>

2	GOLD
2	SILVER

# 19

Fitwel projects<sup>1</sup>

6	★★★★
9	★★★
4	★★

1. Upon completion of 12 projects in process targeting Fitwel certification as of December 31, 2018.  
2. Upon completion of three projects in process targeting WELL certification as of December 31, 2018.

## A LEADER IN PHILANTHROPY & VOLUNTEERISM

# 2,600+

Hours volunteered by Alexandria team members

# 250+

Non-profit organizations Alexandria supported with mission-critical resources

# \$225k

Total funds raised through Alexandria's 49 team members who ran the New York City Marathon to support critical oncology research at Memorial Sloan Kettering Cancer Center

# \$68,541

Total funds donated to non-profit organizations by Alexandria team members and matched by Alexandria

# ALEXANDRIA'S LETTER TO STAKEHOLDERS

**We are pleased to share with you** Alexandria's 2018 Corporate Responsibility Report, which highlights the continued execution of our industry-leading environmental, social, and governance (ESG) initiatives, programs, and policies benefiting our tenants, employees, and communities, as well as preserving and enhancing value for our stockholders over the long term.

For Alexandria, our business has long been about more than real estate. Our mission — to create unique clusters that ignite and accelerate the world's leading innovators in their noble pursuit of advancing human health by curing disease and improving nutrition — has shaped our differentiated business model, and it is the unifying basis around which we have built our four strategic verticals: real estate, venture investments, thought leadership, and corporate responsibility. We understand that innovation does not occur overnight. Accordingly, our four business verticals take the long view in building dynamic life science clusters, and in fostering the vitality of the life science ecosystem as a whole, to catalyze life-changing innovation that benefits humankind.

As part of our commitment to making a positive impact on the world, Alexandria's corporate responsibility vertical focuses on sustainability and philanthropy. We are proud of the wide recognition that we received for our ESG efforts and accomplishments in 2018:

- We earned our **second consecutive prestigious Green Star designation** from the Global Real Estate Sustainability Benchmark ("GRESB"), which reflects our strong ESG policies, practices, and performance.
- We received our **second consecutive Nareit Gold Investor CARE (Communications and Reporting Excellence) Award** in the Large Cap Equity REIT category for superior shareholder communications and reporting, highlighting Alexandria's operational transparency and marking Alexandria's fourth Gold Investor CARE Award from 2015 to 2019.
- We earned an **"A" disclosure score from GRESB** for public disclosures related to our ESG performance, underscoring our reputation for transparency.
- We were recognized as the **#1 real estate company in the world** in GRESB's 2018 Health & Well-being Module.
- We received the **inaugural Best in Building Health Company Award** from Fitwel.
- We **reduced our like-for-like energy consumption and carbon pollution** by 2.4 and 2.0%, respectively, from 2017 to 2018; this brings our total carbon pollution reduction since 2015 to 14.5%, reflecting an average pace of 4.8%, which is nearly double the global target for energy efficiency according to the United Nations' Sustainable Development Goals.
- We achieved **two LEED Platinum certifications while meeting our target for LEED Gold or Platinum certification** on all new ground-up developments delivered in 2018.
- We issued a **\$450 million green bond** in June 2018, proceeds from which continue to be allocated to projects that have achieved or are targeting LEED Gold or Platinum certification.
- We **provided mission-critical funds to over 250 non-profit organizations**, and our Alexandria team members volunteered over 2,600 hours through Operation CARE, our highly impactful philanthropy and volunteerism program.
- We **initiated a mission-critical project with Verily Life Sciences, LLC, Alphabet's life science division, to build a tech-enabled rehabilitation campus in Dayton, Ohio**, for the full and sustained recovery of people living with opioid addiction. The campus ecosystem will provide a comprehensive model of care and include a behavioral health treatment center, rehabilitation housing, and wrap-around services to act as a state-of-the-art model for opioid addiction treatment nationwide.

While we are proud of our achievements and actions to date, we recognize that it is a business imperative, as well as our responsibility to our tenants, stockholders, employees, and industry, to continue raising the bar, particularly in the area of climate change. In 2019 and beyond, Alexandria will remain focused on actively identifying, managing, and responding to the impacts of climate change and issues of sustainability by:

- Continuing to implement projects that lead us toward our 2025 sustainability goals, which include **reducing energy consumption, carbon pollution, potable water consumption, and waste** for buildings in operation;
- **Contributing to the establishment of industry standards for measuring and reducing the global warming impact of construction materials;**
- **Developing a framework to enable us to evaluate and consider the potential impacts of climate change in design decisions, construction projects, and building operations** in order to enhance how we manage and reduce potential climate-related financial impacts on our business; and
- **Investing in unique opportunities through our agtech platform** to help improve nutrition and expand access to food in the face of changing climate and weather patterns that could affect the developed and developing worlds for decades to come.

To meet these key objectives, we will harness our best-in-class team's unique talents, leverage their deep relationships with our innovative tenants and partners, and call upon our team's deeply held sense of mission to build with purpose. The private sector must play a key role in leading and convening stakeholders toward positive economic, environmental, and social outcomes that create shared successes to benefit society and the planet at large.

To help us further drive our process, we will focus on implementing our sustainability goals and transparency around the ESG dimensions that will enable us to be more purposeful, establish more accountability, and ensure that the ESG efforts we undertake are right for both our business and our stakeholders. By creating sustainable, collaborative life science and technology campuses; investing in promising companies that are pursuing the development of therapies and technologies with the potential to save lives and reduce the economic burden of disease on society; and supporting the communities in which we live and work, we are building the future of life-changing innovation. Our corporate responsibility efforts will remain fundamental to fulfilling our mission, which motivates us each and every day.

Sincerely,



**DEAN A. SHIGENAGA**  
CO-PRESIDENT & CHIEF FINANCIAL OFFICER



**JENNIFER J. BANKS**  
CO-CHIEF OPERATING OFFICER, GENERAL  
COUNSEL & CORPORATE SECRETARY



**VINCENT R. CIRUZZI**  
CHIEF DEVELOPMENT OFFICER



**ARI M. FRANKEL**  
ASSISTANT VICE PRESIDENT, SUSTAINABILITY  
& HIGH-PERFORMANCE BUILDINGS



**EMILY M. SHERIDAN**  
SENIOR VICE PRESIDENT - STRATEGIC  
PROGRAMMING & PHILANTHROPY



## ENVIRONMENTAL

# ALEXANDRIA'S DEVELOPMENT & REDEVELOPMENT OF NEW CLASS A PROPERTIES

Longstanding Commitment to & Leadership in Green Building That Enable Industry-Leading Green Bond Issuance

### Alexandria's commitment to build sustainably continues.

Since delivering one of the world's first office/laboratory spaces to be certified in the U.S. Green Building Council's (USGBC) LEED® pilot program for Core & Shell in 2007, Alexandria has pursued and promoted green building practices and targets high levels of green building certification.

Alexandria targets a minimum of LEED Gold certification on all new ground-up development projects. We delivered four development projects in 2018, all of which met this goal, and earned two LEED Platinum certifications. Also, Alexandria's new regional office space in Seattle, located at 400 Dexter Avenue North, was awarded LEED Gold certification in 2018.

Targeting these high levels of LEED certification enables us to deliver energy- and resource-efficient buildings that also meet or exceed tenant, city, and state requirements for energy and water efficiency and alternative transportation.

As of December 31, 2018, our total asset base in North America includes 58 projects that have achieved or are targeting LEED certification. Our certified projects constituted 34.2% of our total RSF of operating properties as of December 31, 2018, up from 30.4% one year ago and more than twice the Nareit average.

Alexandria's longstanding commitment to LEED certification enabled us to issue our debut green bond, which on June 12, 2018, was priced as a public offering of \$450 million of senior notes due 2024, to fund development, redevelopment, or tenant improvement projects that have achieved or are targeting LEED Gold or Platinum certification. Alexandria's green bond follows the International Capital Market Association (ICMA) Green Bond Principles, signifying best practices covering use of proceeds, project evaluation and selection, management of proceeds, and reporting. Alexandria's [inaugural Green Bond Report](#) is available on the [sustainability page](#) of our company website.

## ALEXANDRIA'S SUSTAINABILITY GOALS FOR ALL NEW GROUND-UP DEVELOPMENT PROJECTS

### Achieve LEED Gold or Platinum certification



# 25%

**Reduce energy consumption 25%**  
below the ASHRAE<sup>1</sup> 90.1-2010 baseline

# 50%

**Reduce potable water consumption outdoors 50% and indoors 35%**  
below the UPC<sup>2</sup> baseline

1. American Society of Heating, Refrigerating and Air-Conditioning Engineers; the ASHRAE 90.1-2010 standard is the baseline standard in LEED v4 for heating, ventilation, air-conditioning, and refrigeration systems.

### Achieve Fitwel certification



# 65%

**Divert 65% of construction waste**  
from landfills

# 5%

**Pre-wire 5% of total parking spaces**  
to facilitate the installation of electric vehicle charging stations

2. Uniform Plumbing Code; UPC baseline requirements cover landscaping for outdoor water consumption, and water closets, urinals, showerheads, faucets, faucet replacement aerators, and metering faucets for indoor water consumption.





## 510 TOWNSEND STREET, SAN FRANCISCO

510 Townsend Street is a 295,333 RSF development project for Stripe, Inc. in our Mission Bay/SoMa submarket of San Francisco. The award-winning, highly sustainable project achieved LEED Platinum certification in 2018. The innovative Class A facility features energy-efficient, healthy work spaces; a reclaimed-water system; and public improvements that promote walkability and biodiversity.

- **LEED Platinum** certification in 2018
- **Commercial Property Executive (CPE) Distinguished Achievement Award** – Bronze Award for Best Development in 2018
- **39%** energy savings
- **55%** outdoor water savings
- **41%** indoor water savings
- **96%** of construction waste diverted from landfills
- **High-performance glazing**, daylighting controls, and operable windows to minimize energy consumption and let in fresh air
- **Dynamic glass** that adjusts transparency to further optimize energy consumption and preserve views of the outdoors
- **On-site greywater system** that saves up to 740,000 gallons of potable water annually and provides water for all outdoor irrigation and the building's toilets and urinals
- **2 publicly accessible pedestrian walkways** that feature seating constructed of wood reclaimed from the warehouses formerly on-site; a variety of native, drought-resistant plants; and public art that includes a 60-foot-tall mural by famed street artist RETNA
- **12,500 RSF roof deck** with urban garden that showcases native plants and trees and provides ample seating and open space to enjoy a 360 degree view of the San Francisco skyline
- **7-story central atrium** to enhance connectivity, with stadium seating on the first floor that can double as event space
- **5 skylights** that provide a significant amount of natural light, an iconic central staircase to encourage physical activity and social interaction, and other design strategies that promote wellness

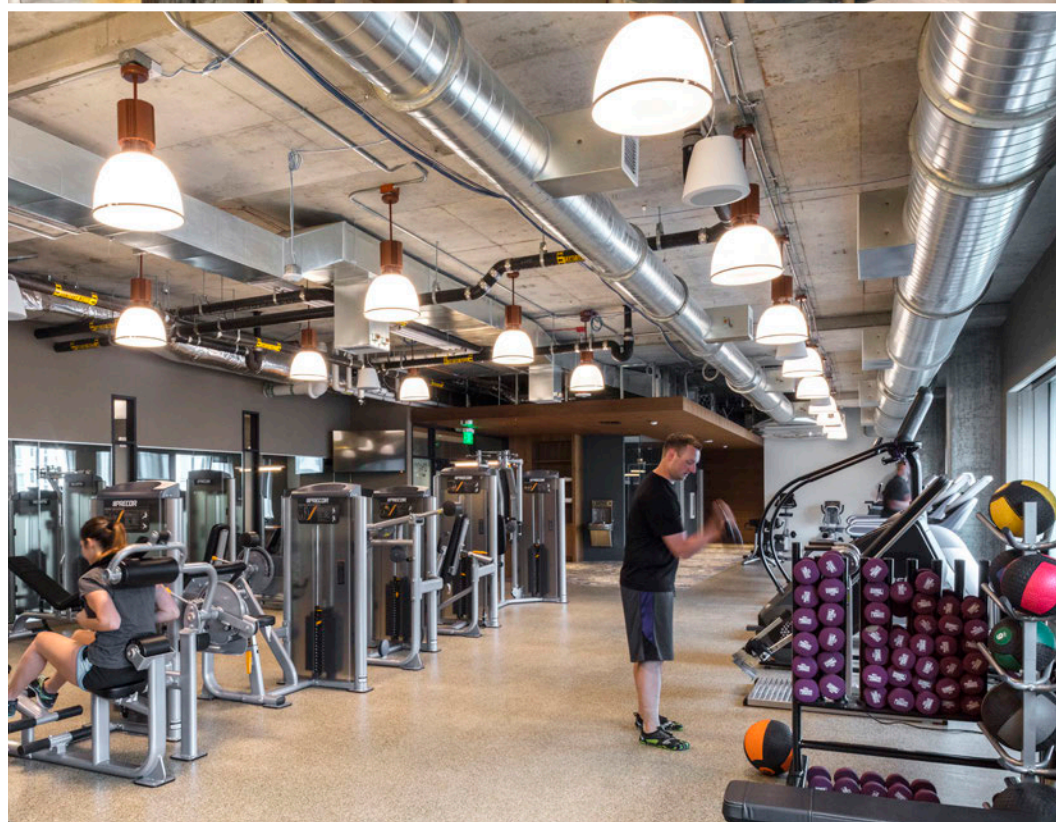




## ALEXANDRIA'S SEATTLE OFFICE AT 400 DEXTER AVENUE NORTH

Alexandria's new regional office space in Seattle was awarded LEED Gold certification in 2018, reflecting our commitment to a high-quality, energy- and resource-efficient, and healthy work environment for our best-in-class people.

- **LEED Gold** certification
- **Fitwel 2 Star** certification
- **27%** energy savings from lighting by using LEDs and occupancy sensors
- **35%** indoor water savings
- **86%** of construction waste diverted from landfills
- **90%** of occupied spaces have views of the outdoors
- **90%** of cleaning chemicals used on-site have Green Seal or ECOLOGO certifications
- **Landscaping irrigation** sourced primarily from an on-site stormwater detention tank
- **Composting and recycling** programs, including for electronics
- **Dispensers for filtered and sparkling water** to minimize consumption of aluminum and plastic
- **Fair trade** coffees
- **The Collective**, a dynamic club with unique amenities designed to bring Seattle's leading entrepreneurs and creatives together in an energizing environment
- **State-of-the-art fitness center** available 24/7 to all building occupants
- **On-site bicycle storage** and electric bicycles available for use by all building occupants





ENVIRONMENTAL

# ALEXANDRIA'S EXISTING BUILDINGS





Commitment to Operational Excellence

Alexandria continuously monitors and improves the operational and environmental performance of our properties to maximize the useful life of equipment and reduce operating costs for our tenants. Our proactive approach enhances the operational and financial performance of our business and supports an energy-efficient and comfortable workplace for our tenants and employees.

For buildings in operation, Alexandria

is targeting a 25% reduction in energy consumption, a 30% reduction in carbon pollution, a 10% reduction in potable water consumption, and a 45% waste diversion rate by 2025. Progress against these long-term goals is represented below. Our ongoing efforts to reach our goals by the target year are driven foremost by our overarching commitment to operational excellence in sustainability, building efficiency, and service to our tenants.

ALEXANDRIA'S LIKE-FOR-LIKE REDUCTION GOALS & PERFORMANCE FOR BUILDINGS IN OPERATION<sup>1</sup>

METRICS	2025 GOAL <sup>2</sup>	PROGRESS FROM 2017 TO 2018 <sup>3</sup>	CUMULATIVE PROGRESS SINCE 2015 <sup>4</sup>
 <b>Energy Consumption Reduction (kWh)</b>	25%	2.4%	15.3%
 <b>Carbon Pollution Reduction (MTCO2e)</b>	30%	2.0%	14.5%
 <b>Potable Water Consumption Reduction (gal)</b>	10%	0.0%	1.3%
 <b>Waste Diversion (% in tons)<sup>5</sup></b>	45%	2.0%	38.3%

1. Energy, carbon, and water values are for directly managed buildings.

2. Relative to a 2015 baseline.

3. Energy, carbon, and water values are for like-for-like buildings from 2017 to 2018.

4. Reflects sum of annual like-for-like progress since 2015.

5. Waste values are for the total portfolio, which includes both indirectly and directly managed buildings.

ALEXANDRIA'S ENVIRONMENTAL PERFORMANCE FIGURES FOR TOTAL PORTFOLIO, 2017-2018<sup>1</sup>

METRICS		2017	2018
Energy	Consumption (kWh)	971,227,036	924,163,719
	Data Coverage (sq ft) <sup>2</sup>	16,946,778	16,592,608
	Energy Use Intensity (kWh/sq ft)	57.3	55.7
Carbon Pollution <sup>3</sup>	Emissions (MTCO2e)	221,579	204,506
	Data Coverage (sq ft) <sup>2</sup>	0.0131	0.0123
	Carbon Intensity (MTCO2e/sq ft)	16,946,778	16,592,608
Water	Consumption (gal)	422,863,351	333,805,041
	Data Coverage (sq ft) <sup>2</sup>	13,296,068	10,416,710
	Water Use Intensity (gal/sq ft)	31.8	32.0
Waste	Diversion (ton)	36.3%	38.3%

1. Total portfolio data coverage rates are based on Gross Floor Area (GFA) and are as follows: energy and carbon pollution, 78% of GFA in 2017 and 77% of GFA in 2018; water, 61% of GFA in 2017 and 48% of GFA in 2018; and waste, 52% of GFA in 2017 and 39% of GFA in 2018.

2. Total GFA for reported building is 21,685,500 in 2017 and 21,677,164 in 2018.

3. Carbon pollution is reported combined for Scope 1, Scope 2, and Scope 3 data in metric tons.

ALEXANDRIA'S GREEN LEASE LANGUAGE

Since Alexandria's leases are predominantly triple net, we have green lease language in our form lease that addresses the traditional split incentive between landlords and tenants. These clauses play a role in our efforts to reduce the consumption of energy and water and the creation of waste.



We annually review our portfolio for opportunities to improve operations, upgrade systems, and execute optimization projects that can improve building efficiency. The **capital cost recovery clause** in our leases aligns our incentives with those of our tenants to implement projects that reduce operating expenses.



We invest in infrastructure and operational practices that enable us to proactively monitor, analyze, and minimize operating expenses for our tenants. Language in the Alexandria form lease enables our **recovery of the cost to monitor whole-building energy and water use**, which we use to better understand and manage operating costs and to drive compliance with municipal and state benchmarking ordinances for energy and water.



For projects pursuing LEED certification, our form lease includes language that enables Alexandria project teams to obtain from our tenants the information we need to facilitate our **compliance with LEED prerequisites and credits**.



# CLIMATE CHANGE

Industry Leadership in Risk Management, Resilience & Disclosure

## THE FOUR CATEGORIES OF TASK FORCE ON CLIMATE-RELATED DISCLOSURES (TCFD)



Alexandria has a tradition of delivering best-in-class transparent, quality, and efficient communications and reporting to our stockholders and supports industry efforts to drive meaningful disclosure of climate change and sustainability issues in accordance with the guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD).

### STRATEGY

Alexandria recognizes that our society has come to expect companies to make a positive impact on the world. Tenant preferences for green, efficient, and healthy buildings continue to rise, and the cities in which we live and work are enhancing their policies regarding energy efficiency, utility rates, and the pricing of carbon pollution. These factors, in addition to our own corporate and sustainability missions, compel us toward industry-leading sustainability practices and performance that can help reduce operating expenses and result in higher occupancy levels, longer lease terms, higher rental income, higher returns, and greater long-term asset value.

We are aware that the long-term effects of climate change could have material impacts to some or all of our properties. Our ability to actively identify, manage, and respond to the impacts of climate change and issues of sustainability positions us to thrive amidst changing physical conditions.

### PHYSICAL ISSUES: RISK MANAGEMENT, SCENARIO ANALYSIS, AND GOVERNANCE

We provide the mission-critical infrastructure that our life science and technology tenants

need to conduct experiments and research and to drive new discoveries. Alexandria's asset base, consisting of 237 properties totaling 24.6 million rentable square feet as of December 31, 2018, faces exposure to a changing climate and extreme weather conditions. We believe that being mindful about climate-related perils as we design, develop, and operate our buildings will be valued by our tenants and can help our company continue to be successful as we drive superior return to our stockholders in the long term.

Alexandria's environmental risk management program provides a proactive approach to assess risks to our business, including risks related to climate change. As part of this program, we ensure property insurance is purchased to insure against certain losses, including those related to certain extreme weather events and natural disasters.

Alexandria is also in the process of creating a framework for managing climate risk by modeling the near-, medium-, and long-term effects of climate change. With guidance from members of our executive team, we are evaluating our U.S. portfolio for potential exposure to the following perils: sea level rise, increases in heavy rain, drought, extreme heat, and wildfire. Our evaluation, which is based on recent events, updated flood maps, and multiple future scenarios that utilize tools and widely accepted scientific analysis for the years 2030 and 2050, will enable us to consider the potential impacts of climate change in design decisions, construction projects, and building operations in order to enhance how we manage and reduce potential climate-related financial impacts on our business.

At **existing buildings in operation** that may be exposed to one or more perils, we are identifying opportunities to further protect our assets, assessing the practices that are in place, and preparing to work with our regional teams to identify potential property upgrades that can be integrated into long-term asset management strategies.

For **developments and redevelopments of Class A properties** going forward, Alexandria's project teams are advised to take into account the potential impact from climate models out to the year 2050 when evaluating estimated sea levels and storm surges in coastal or tidal locations, and when modeling summer temperatures that inform the design of building envelopes. As feasible, project teams will design for the potential need to add cooling infrastructure to meet future building needs while maintaining flexibility and optimizing infrastructure costs for more immediate needs. Additionally, in water-scarce areas, project teams strive to plant drought-resistant vegetation and prepare buildings to connect to recycled-

water infrastructure where available and feasible. In areas prone to wildfire, project teams will incorporate brush management practices into landscape design, and may include the capacity for increased or advanced air filtration systems that would support safe, healthy indoor air under extreme air pollution conditions.

For **future property acquisitions**, as feasible, members of our executive team will ensure that the risk management team obtains a climate risk evaluation so that we can evaluate potential climate change impacts out to the year 2050 and to underwrite any recommendations for potential property upgrades into financial modeling and transactional decisions, based on the considerations described on this page.

### TRANSITION ISSUES: METRICS, TARGETS, AND LEADERSHIP

Our sustainability goals and results are highlighted on page 6 for ground-up new development projects, on page 9 for buildings in operation, and on page 12 for health and wellness.

Additionally, we are mindful of the embodied carbon within our supply chain and in the materials we procure, and seek to provide industry leadership in this important emerging topic. Alexandria seeks to procure products with Environmental Product Declarations in our new construction projects, which helps further reduce global warming impact of new buildings. We are also members of the Embodied Carbon in Construction Calculator (EC3), the Carbon Leadership Forum's initiative that is helping to establish industry standards for measuring and reducing the global warming impact of construction materials. We will use the EC3 tool in our developments and redevelopments of Class A properties going forward.

## ALEXANDRIA'S BINNEY STREET PROJECTS AT THE ALEXANDRIA CENTER® AT KENDALL SQUARE, GREATER BOSTON

The Alexandria Center at Kendall Square, located in our Cambridge submarket of Greater Boston, includes a corridor of brownfield development projects that Alexandria has contributed to the revitalization of East Cambridge. Standing as examples of sustainability and resilience, these projects achieved LEED Gold certifications and represent successful collaborations with City leaders to pilot long-term stormwater and flood risk management strategies intended to position the neighborhood for decades of success and economic vitality.

### RESILIENCE HIGHLIGHTS:

- **Collaborative vulnerability assessment** conducted with project stakeholders to identify recommended actions that could increase the resilience of buildings
- **First floors and parking garage entrances** located above the modeled 100-year floodplain elevation in the year 2070
- **Diversion of approximately 630,000 gallons of stormwater** to the new stormwater trunkline we constructed beneath Binney Street, which may help reduce combined sewer overflows to the Charles River and, in turn, reduce public health and environmental risks
- **Blue roof** that stores building stormwater on-site and enables slow release to the City-owned street
- **Specialized backwater valves** and sanitary holding tanks further reducing flood risk
- **Individual stormwater infiltration systems** that have been constructed on each building site to allow water to infiltrate into the ground and replenish the groundwater table

75/125 BINNEY STREET



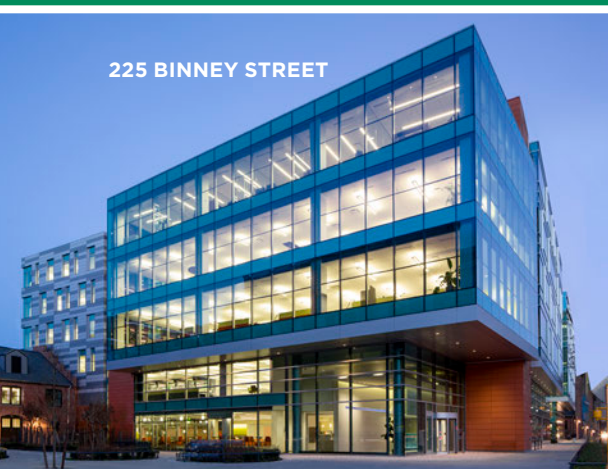
100 BINNEY STREET



50 & 60 BINNEY STREET



225 BINNEY STREET





# ALEXANDRIA'S HEALTH & WELLNESS

Leadership in Developing Sustainable & Collaborative  
Campus Environments That Promote Health,  
Wellness & Productivity

**Alexandria is an industry pioneer** in promoting the health, wellness, and productivity of our tenants and employees through our real estate assets and our internal operations. As the leading owner, operator, and developer of collaborative campuses for the life science and technology industries, we understand the caliber of talent our tenants seek to recruit and retain. We thoughtfully curate unique, high-quality amenities for our campuses and optimize environments to help strengthen our tenants' sense of community, maximize their convenience, promote the health and wellness of their employees as well as members of the local community, and inspire employee productivity, efficiency, creativity, and success.

As a result of our best-in-class approach to health and wellness, in 2018 we were honored to be recognized by the Global Real Estate Sustainability Benchmark (GRESB) for achieving the top score in the world in its Health & Well-being Module. We were also recognized as the Industry Leading Company in Fitwel's 2018 Best in Building Health Awards for our many Fitwel 3 Star certifications; our leadership activities in the real estate industry to promote best practices in building design, construction, and operations that support high levels of occupant health and wellness; and our aforementioned #1 global ranking in the 2018 GRESB Health & Well-being Module.

## HEALTHY BUILDING CERTIFICATIONS

### FITWEL

Alexandria is the first REIT to be named a Fitwel Champion and the first company of any kind to have received Fitwel certifications. As of December 31, 2018, Alexandria had received five 3 Star certifications, the highest possible, demonstrating the highest levels of occupant health and wellness. Additionally, Alexandria LaunchLabs® at the Alexandria Center® at One Kendall Square, which we delivered in November 2018, received a 3 Star certification and the highest score to date for a Fitwel project in early 2019. Created by the U.S. Centers for Disease Control and Prevention (CDC), Fitwel is the world's leading healthy building certification system that optimizes buildings to support the health of its occupants.

As a Fitwel Champion, a Fitwel Global Strategic Partner, and a Founding Member of the Fitwel Leadership Advisory Board, we are committed to continuing to raise awareness in the real estate industry about the need, the benefits, and the ability of professionals in the building design, construction, and operations industries to impact public health through simple, low-cost, effective measures that include promoting physical activity and consumption of healthy food, ensuring water and air quality, and providing access to natural daylight.

Alexandria uses Fitwel to optimize building design and operations across our portfolio. All of our new ground-up developments target Fitwel certification, and we seek to achieve 50 healthy building certifications by 2025.

### WELL

Alexandria is pursuing the WELL Building Standard (WELL) on select development projects. The standard set forth by the International WELL Building Institute provides guidelines for design, construction, and monitoring of the aspects of buildings that can impact occupant health and well-being across its seven concepts: air, water, nourishment, light, fitness, comfort, and mind.

## ALEXANDRIA'S HEALTHY BUILDING PROJECTS<sup>1</sup>

HEALTHY BUILDING STANDARD	CERTIFIED		IN PROCESS	
	Projects	RSF	Projects	RSF
Fitwel	7	1,849,837	12	1,172,802
WELL	1	14,891	3	662,930
Total	8	1,864,728	15	1,835,732

1. As of December 31, 2018.

#1

Global Ranking in the 2018 GRESB Health & Well-Being Module

### Alexandria's Healthy Building Goal

50

Healthy Building Certifications by 2025



**First** REIT to be named a First-in-Class Fitwel Champion

**First** company of any kind to earn Fitwel certifications

**First** company to be a Fitwel Global Strategic Partner

**First** to be named Industry Leading Company in Fitwel's Best in Building Health

**Founding Member** of the Fitwel Leadership Advisory Board

“Alexandria continues to lead by example by prioritizing the health and productivity of their tenant base and their own employees. We welcome their ongoing implementation of industry-leading practices and their valuable guidance as part of the Fitwel Leadership Advisory Board as we continue to advance Fitwel's global impact.”

**REENA AGARWAL**  
CHIEF OPERATING OFFICER  
CENTER FOR ACTIVE DESIGN (CFAD)





## ALEXANDRIA LAUNCHLABS® - CAMBRIDGE, GREATER BOSTON

Alexandria LaunchLabs – Cambridge, our premier startup platform for early-stage life science companies, opened in 2018. Located at the Alexandria Center® at One Kendall Square in Greater Boston, the dedicated 20,000 RSF incubator space demonstrates the efficient, responsible, and healthy design, construction, and operations that highlight Alexandria's industry-leading approach and commitment to supporting high levels of sustainability, health, wellness, and productivity.

- **LEED Gold** certification
- **Fitwel 3 Star** certification with highest score to date earned by a project (133 points)
- **8% energy savings**
- **35% indoor water savings**
- **83% of construction waste** diverted from landfills
- **14 materials** used with Environmental Product Declarations
- **9 materials** used with Health Product Declarations
- **Over 40 different materials** meeting LEED v4.1 requirements for low-emitting materials
- **High-efficiency chillers** and central chilled water plant

- **Airside energy recovery loop** to reduce cooling and heating demand
- **Occupancy sensors** to optimize lab ventilation rates and minimize energy consumption
- **Nursing mother's room** designed for comfort and complete privacy
- **Complimentary access to a staffed gym**, covered bicycle parking, and showers to promote fitness and support active commutes
- **Active workstations** that enable occupants to sit or stand while they work
- **Main entrance located away from elevators** to encourage tenants and visitors to use the stairs
- **Maximized daylight access** by locating all common spaces, gathering areas, and frequently used office spaces along the southern facade
- **Outdoor garden and seating** that encourage healthy outdoor experiences
- **Implementation of choice architecture to promote healthy decisions** related to selecting healthy snacks and complimentary seasonal fruits while controlling portion size through dry snack dispensers





## ENVIRONMENTAL

# ALEXANDRIA'S TRANSPORTATION PROGRAMS

Providing Sustainable Commuting Options on Our Campuses

**A robust transportation infrastructure** is a critically important consideration for Alexandria in selecting and developing our campuses, and for our tenants in attracting and connecting to a high-quality and diverse talent pool. To help ensure the vitality and sustainability of such infrastructure, we support sustainable transportation and smart growth initiatives and work proactively to reduce traffic in our regions by partnering with local operators and our tenants to reduce carbon and air pollution and also build up our own alternative-transportation infrastructure.

On our campuses, our tenants and our employees have access to various alternatives to single-occupancy vehicle transportation, including bike share stations and bike storage or racks; car share spaces and hybrid parking spaces; Alexandria shuttles to mass transit stations; and electric vehicle charging stations, which we continue to install on our campuses. We invest

in such electric vehicle infrastructure to reduce the carbon pollution and local air pollution in the regions where our campuses are located.

In addition to providing these environmental alternatives, we promote active commuting for our tenants through on-site educational programming and by providing locker rooms and showers to facilitate riding a bike, running, or walking to work.

Going forward, as we address our tenants' current transportation needs, we are mindful of and actively preparing for emerging trends and tenant preferences in sustainable transportation options. We are pre-wiring new parking garages at many of our projects to accommodate the anticipated widespread adoption of electric vehicles over the next decade, allotting more space for shared vehicles to pick up and drop off passengers, and taking future potential uses into account when designing and developing parking infrastructures.



**Bike share stations conveniently located** near the Alexandria Center® for Life Science – New York City optimize healthy transportation and community engagement.

## ELECTRIC VEHICLE CHARGING STATIONS ACROSS ALEXANDRIA'S TOTAL ASSET BASE<sup>1</sup>

219

Charging Stations

396

Charging Spaces

1,074

Metrics Tons of Carbon Pollution Avoided

1. As of December 31, 2018.



In June 2018, Circulate San Diego awarded 9880 Campus Point Drive, located in our University Town Center submarket, its Circulate Mobility Certification, formerly known as the MOVE Alliance Certification. Based on objective application criteria, the certification is awarded for transit-oriented, smart growth projects in the San Diego region.

## SOCIAL

# ALEXANDRIA'S COMMUNITY & ECONOMIC DEVELOPMENT

Making a Distinctive Impact on the Communities in Which We Live & Work

**Alexandria's commitment** to the success and growth of our tenants is well established in the real estate industry. Our vibrant urban campuses catalyze high-quality job creation, economic activity, and sustainable urban infill development in the innovative and dynamic cities and states in which we operate. Similarly, our involvement in the life science and technology industries has a distinctive and lasting impact on the growth, stability, and diversity of these industries and on the economies of the regions in which we operate.

We also regularly convene, participate in, and donate to groups that help grow the life science and technology industries. We carry out this aspect of our company's mission through philanthropy, volunteerism, and thought leadership (see pp. 18–21) and by partnering with life science industry groups,

local community planning and real estate groups, and organizations that help advance sustainable building and investment.

In 2018, Alexandria hosted the GRESB Americas Results Launch, a key annual event for real estate investors, companies, and industry stakeholders to discuss current and emerging sustainability topics impacting commercial real estate.

Additionally in 2018, Alexandria became a member of the Embodied Carbon in Construction Calculator (EC3), an important initiative started by the University of Washington Carbon Leadership Forum to develop a standard industry method to measure the full environmental impacts of construction and then enable companies to measure further reductions through carefully chosen building materials.



### Highlighting sustainability to the investment community

Dean Shigenaga, Alexandria's Co-President & Chief Financial Officer, speaking at the 2018 GRESB Americas Results Launch hosted at the Alexandria Center® for Life Science - New York City.

## SELECT INDUSTRY GROUPS & ORGANIZATIONS WITH WHICH ALEXANDRIA IS ACTIVELY INVOLVED

### SUSTAINABILITY

- Nareit Real Estate Sustainability Council – Elected Chair for 2019
- U.S. Green Building Council (USGBC) – Platinum Member
- Fitwel Leadership Advisory Board – Founding Member
- Global Real Estate Sustainability Benchmark (GRESB) Benchmark Committee
- Ceres Investor Network on Climate Risk and Sustainability
- University of Washington Embodied Carbon in Construction Calculator
- ASHRAE Net Zero Small to Medium Sized Buildings Working Group
- Cambridge Net Zero Task Force
- Kendall Square Association EcoDistrict
- Cascade Bicycle Club
- iCommute/Shift
- Mission Bay Transportation Management Association
- Sierra Point Environmental Management Association

### ECONOMIC DEVELOPMENT

- MassBio Economic Development Advisory Group
- San Francisco Bay Area Planning and Urban Research Association (SPUR)
- Partnership for New York City
- San Diego Regional Economic Development Corporation
- Economic Development Council of Seattle and King County

### REAL ESTATE & COMMUNITY ASSOCIATIONS

- Nareit
- Building Owners and Managers Association (BOMA)
- Commercial Real Estate Women (CREW) Network
- NAIOP, the Commercial Real Estate Development Association
- Urban Land Institute
- Mission Bay Citizens Advisory Committee

### LIFE SCIENCE & TECHNOLOGY

- Biotechnology Innovation Organization (BIO)
- Biocom
- California Life Sciences Association
- NewYorkBIO
- Washington Life Science & Global Health Advisory Council
- Life Science Washington
- Maryland Tech Council
- BioHealth Innovation
- North Carolina Biosciences Organization (NCBIO)



U.S. Green Building Council  
Platinum Member



Fitwel Leadership Advisory Board  
Founding Member





# ALEXANDRIA'S PEOPLE

Prioritizing Our Best-in-Class Team

**Alexandria understands that the health, happiness, and well-being** of our best-in-class team are key factors to our success. We devote extraordinary efforts to hire, develop, and retain our talented employees, and we are proud to be recognized by GRESB in the 2018 Health & Well-being Module as the #1 real estate company in the world, with a perfect score of 100 in all three sections covering leadership and policy, operations, and products and services.



## BENEFITS

Alexandria provides a comprehensive benefits package intended to meet and exceed the needs of our employees and their families. Our highly competitive offering assists our employees to stay healthy, meet their retirement and financial goals, and balance their work and personal lives. We pay 100% of the health insurance premiums for our employees and their families and provide an Employee Assistance Program to help them address a wide range of items.

# 100%

**Alexandria pays** 100% of the health insurance premiums for our employees and their families



## DIVERSITY & EQUAL OPPORTUNITY

Alexandria works continually to promote diversity and regularly reviews our compensation and corporate structure to identify any areas that have room for improvement. In order to address issues related to pay discrimination in the hiring process, we do not ask potential candidates about their current or previous compensation.

Additionally, our Corporate Governance Guidelines highlight the Board of Directors' focus on diversity by explicitly stating its commitment to considering qualified women and minority candidates, as well its policy of requesting any search firm it retains to include diverse candidates in the search firm's initial candidate list.



## PHYSICAL FITNESS

Alexandria goes to great lengths to encourage physical fitness across our company. Our unique programming and organized activities around the company help to build and further strengthen our culture and our commitment to each other's success, as well as to minimize absenteeism.

Alexandria sponsored and arranged for all of our employees to have the opportunity to participate in the 2018 New York City Marathon. 49 members of the Alexandria family ran, and with significant support for one another, all 49 finished. Alexandria also sponsors numerous team sports leagues and runs/walks throughout the year, which many of our employees participate in.

We provide either an on-site fitness center with organized classes, showers, and lockers or a fitness incentive that includes a subsidy for a gym membership or à la carte fitness classes.



## HEALTHY FOOD

We provide our employees with convenient access to healthy foods at the workplace through one or more of the following: discounted offerings at the organic, farm-to-table restaurants at our campuses, complimentary meals during the week, and complimentary fruit, vegetables, and other healthy snacks in our offices.



## ERGONOMICS & COMFORT

We are mindful that workstation conditions and long periods of sitting can have a direct impact on our dedicated employees' health, well-being, and productivity. We provide adjustable-height workstations, training videos on ergonomics, and in-house or third-party workstation checks and consultations to ensure that we maintain the best working conditions for our employees.



## TALENT DEVELOPMENT & GROWTH OPPORTUNITIES

Alexandria understands that to attract and retain the best talent, we must provide development and growth opportunities for our people. We aim to enhance the effectiveness, well-being, and engagement of our employees through a number of programs, including in-person trainings on the topics of project management, business writing, leadership development, change management, increasing productivity (both inside and outside the workplace), and conversations crucial to business results. In 2018, we provided a total of 3,522 hours of training, or nearly 9.5 hours per employee.

We also provide on-demand learning resources such as LinkedIn Learning whereby employees can take classes that range from creating effective PowerPoint presentations to understanding how the brain reacts to stress. Additionally, we have created a customized internal mentoring program that is designed to support career growth; a high-potential coaching program that supports leadership development; and an onboarding experience we personalize by working with the new hire's manager. We foster enthusiasm and curiosity for continued learning and provide each Alexandria employee with access to development offerings and resources to support their professional goals.

Alexandria continuously monitors employee satisfaction and seeks their input for improvement. We conduct annual performance reviews with our employees, and our Talent Management team conducts formal employee surveys and holds in-person and annual one-on-one meetings with employees.

The positive employee experience is evidenced by our low attrition rate (averaging 9.8% over the last five years), which is well below the reported average of 16% in the Nareit 2018 Compensation Survey, and we have an exceptional track record of identifying highly qualified candidates for promotion from within the company.





**\$225K funds raised** through Alexandria's 49 team members who ran the New York City Marathon in 2018 to support critical oncology research at Memorial Sloan Kettering Cancer Center.



**Farmer & The Seahorse**, a farm-to-table restaurant at The Alexandria at Torrey Pines in our San Diego cluster.



## SOCIAL

# ALEXANDRIA'S PHILANTHROPY & VOLUNTEERISM

Providing Mission-Critical Support & Resources to  
Leading-Edge Non-Profit Organizations

## ALEXANDRIA'S OPERATION CARE

As a key element of Alexandria's corporate responsibility vertical, Operation CARE leverages Alexandria's resources, people, network, and expertise to help the world's most innovative organizations advance human health, improve nutrition, and enhance quality of life in the communities in which we live and work.

Through our strategic corporate philanthropy, tireless fundraising, and robust volunteerism, Alexandria is committed to providing mission-critical support to nonprofit organizations doing impactful work in **medical research**, **STEM education**, **military support services**, and **local communities**.

## 2018 BY THE NUMBERS

### MATCHING GIFTS

# \$68,541

Total funds donated to non-profit organizations by Alexandria team members and matched by Alexandria

### NON-PROFIT ORGANIZATIONS

# 250+

Non-profit organizations Alexandria supported with mission-critical funds

### VOLUNTEER REWARDS

# 40

Volunteer rewards submitted by Alexandria team members

### ANNUAL COMPANY-WIDE HOLIDAY FUNDRAISING DRIVE

# \$315,000

Total funds raised company-wide to support local community non-profit organizations

### VOLUNTEER HOURS

# 2,600+

Hours volunteered by Alexandria team members to eligible non-profit organizations

### ALEXANDRIA ACCESS REQUESTS

# 50

Expert medical connections made to assist Alexandria team members and/or their families

## PROGRAMS AT A GLANCE



### MATCHING GIFTS

Alexandria matches each team member's financial contributions to, or funds raised for, eligible non-profit organizations on a dollar-for-dollar basis, **up to \$2,500 per person** each calendar year, for each of our team members to double the impact of their charitable gifts.



### ALEXANDRIA VOLUNTEERS (VOLUNTEER TIME OFF)

Each Alexandria team member receives **16 hours (two days)** per calendar year of volunteer time off to use at the eligible non-profit(s) of their choice.



### VOLUNTEER REWARDS

When an Alexandria team member volunteers more than 25 hours in any one quarter at a eligible non-profit(s), **Alexandria makes a \$2,500 donation** to the eligible non-profit(s) of their choice.



### QUARTERLY TEAM ENGAGEMENT OPPORTUNITIES

In an effort to provide Alexandria team members with the opportunity to **serve their community with their teammates**, each of our regional offices organizes quarterly volunteer activities.



### ALEXANDRIA ACCESS

Alexandria's unparalleled network in the life science community affords us access to deep medical expertise. **Alexandria Access makes this expertise available to our team members and their immediate family members** who are facing an illness or injury that would benefit from specialized expertise.



## MEDICAL RESEARCH

### FRED'S TEAM: SUPPORTING CRITICAL MEDICAL RESEARCH AT THE NYC MARATHON

On November 4, 2018, 49 Alexandria team members ran a collective 1,284.7 miles in the 2018 New York City Marathon with Fred's Team to benefit Memorial Sloan Kettering Cancer Center, raising more than \$225,000 to support critical oncology research and patient care. Cheered on by their families, friends, and fellow Alexandria team members, our runners ran to support the work of those fighting a disease that has touched all of us.



"I ran my first of two NYC marathons with Fred's Team exactly one year after my final radiation treatment for breast cancer. Training for a marathon and running for Fred's Team was my small way of contributing to the tremendous work and research at Memorial Sloan Kettering Cancer Center and Dr. Larry Norton, who helped me navigate through my chemo treatment. The marathon was a very humbling experience. I feel lucky to have been part of Fred's Team, and hope to continue supporting them."

**PORTIA HORSTMAYER**  
(PHOTO TO THE LEFT)  
SUPERVISOR - LEASE REPORTING & FINANCIAL ANALYSIS, ALEXANDRIA REAL ESTATE EQUITIES, INC.

## STEM EDUCATION

### COMPUTER SCIENCE FOR ALL: PARTNERING WITH NON-PROFITS AT EVERY LEVEL

As a founding partner of Computer Science for All (CS4All), a groundbreaking education initiative in New York City launched in 2015 with the goal of providing computer science education to all its estimated 1.1 million NYC public school students by 2025, the Alexandria team has supported CS4All students in myriad ways, from critical financial support for computer science education programs to state-of-the-art equipment and training for students.



### Working with computer science students

at the Queens High School for Information, Research, and Technology, Alexandria team members reconfigured and rebuilt over 50 Alexandria-donated computers, providing valuable equipment to the school's computer science program, as well as incredibly important real-world experience and exposure to the students.

"It was a first for me to meet someone who came from the same background as me and who has reached the goals that I strive for. It is possible."

**DENNIS**  
COMPUTER SCIENCE STUDENT AT THE QUEENS HIGH SCHOOL FOR INFORMATION, RESEARCH, AND TECHNOLOGY

"Being able to talk with a fellow female in the majority male technology sector about how she became successful was eye opening."

**ANIE TE**  
COMPUTER SCIENCE STUDENT AT THE QUEENS HIGH SCHOOL FOR INFORMATION, RESEARCH, AND TECHNOLOGY

## SOCIAL

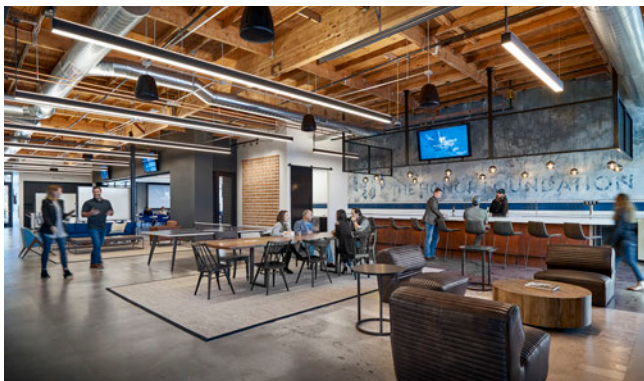
# ALEXANDRIA'S PHILANTHROPY & VOLUNTEERISM

Providing Mission-Critical Support & Resources to Leading-Edge Non-Profit Organizations

## MILITARY SUPPORT

### THE HONOR FOUNDATION: LEVERAGING ALEXANDRIA'S UNIQUE EXPERTISE TO CREATE WORLD-CLASS FACILITIES FOR NON-PROFITS

The Honor Foundation's (THF) mission-critical San Diego headquarters, built by Alexandria in partnership with the Navy SEAL Foundation in 2017, is an innovative space from which the organization delivers vital programs and hosts networking and other events to help transition Navy SEALs and other U.S. Special Operators into the private-sector workforce. THF's services provide a clear roadmap for professional development and a diverse network of world-class professional support. Every step in its curriculum is dedicated to advancing the career goals of this unique community of exceptional men and women during and after their service career. Since moving into their new headquarters in February 2018, 86 fellows have graduated from THF program.



Dynamic and collaborative workspace at **The Honor Foundation's San Diego Headquarters**

"It is a true honor to work together with Alexandria and the Navy SEAL Foundation on a transformative space for the Naval Special Warfare community, the business community, and the City of San Diego. Our headquarters brings together the best and brightest this city and our military have to offer as we continue to build on our plan to impact 65,000 lives by 2020. I am truly humbled by the outpouring of support as we deliver a world-class program for transitioning Navy SEALs and the wider Special Operations community."

**JOE MUSSELMAN**  
FOUNDER & CHIEF EXECUTIVE OFFICER  
THE HONOR FOUNDATION

## LOCAL COMMUNITIES

### EMILY K CENTER: BUILDING NETWORKS THROUGHOUT OUR REGIONAL COMMUNITIES

In 2018, Alexandria's Executive Chairman and Founder, Joel S. Marcus, joined the board of the non-profit, the Emily K Center. Founded by Mike "Coach K" Krzyzewski, head coach of Duke University's Men's Basketball team, the Emily K Center is a non-profit organization that serves as a college access hub in Durham, North Carolina. The Center is dedicated to nurturing and empowering academically focused, low-income students on their path to college and beyond.

Alexandria's Research Triangle team has fully embraced the work being done at the Emily K Center, introducing our partners and tenants to the organization, and raising mission-critical funds for its impactful programs.



**The Emily K Center booth at Alexandria's October 2018 tenant event** introduced key partners and tenants in the area to the organization and its impactful work for the children of Durham, North Carolina.

"It is a great honor and privilege to join the board of the Emily K Center and to support the Center in its critical efforts to strengthen the future of Durham, where Alexandria has a significant presence in our Research Triangle innovation cluster. At Alexandria, we are committed to the long-term vitality of the communities in which we live and work. By providing underserved Durham students with educational resources and opportunities in an incredibly hands-on and impactful way, we are building up the community's next generation of innovators and leaders."

**JOEL S. MARCUS**  
EXECUTIVE CHAIRMAN & FOUNDER  
ALEXANDRIA REAL ESTATE EQUITIES, INC.



## SOCIAL

# ALEXANDRIA'S THOUGHT LEADERSHIP & PATIENT ENGAGEMENT

Driving the Development of Innovative Therapies to Advance Human Health

**Alexandria's impactful thought leadership**, a core component of fulfilling the company's mission, convenes Alexandria's world-class global network for unique and interactive programming to create opportunities for collaboration that will shape the future of human health. The Alexandria Summit® was founded in 2011 as a neutral, interactive platform to convene the company's global life science and healthcare networks — a diverse group of visionary stakeholders — around critical topics in healthcare, including oncology,

neuroscience, medical research philanthropy, digital health, infectious diseases, healthcare economics, and agricultural innovation.

Since its founding, the Alexandria Summit has catalyzed transformative discussions and collaborations that have helped drive the discovery and development of novel, cost-effective therapies; shape policy to advance innovation that saves lives and manages and cures disease; and inspire new ways of addressing the urgent need to transform our healthcare system.



**Alexandria Summit – Infectious Diseases 2016** at the Andrew W. Mellon Auditorium in Washington, D.C.

## ALEXANDRIA SUMMIT – ONCOLOGY 2018: SPEAKERS



**Moderator (left):**  
**George D. Demetri, MD**

Senior Vice President for Experimental Therapeutics, Dana-Farber Cancer Institute; Professor of Medicine & Director, Ludwig Center, Harvard Medical School; Associate Director for Clinical Sciences, Dana-Farber/Harvard Cancer Center

**Keynote Speaker (right):**  
**Norman “Ned” Sharpless, MD**

Acting Commissioner, U.S. Food and Drug Administration; Former Director, National Cancer Institute



**Moderator (left):**  
**Joel S. Marcus**

Co-Founder, Alexandria Summit; Executive Chairman & Founder, Alexandria Real Estate Equities, Inc./Alexandria Venture Investments

**Keynote Speaker (right):**  
**Ge Li, PhD**

Chairman & Chief Executive Officer, WuXi AppTec





**“This building is going to be more than steel and concrete. It’s a lifesaving cure for my kids. It’s amazing to think about what’s going to happen in this building.”**

**JENNIFER FERGUSON**  
MOTHER OF TWO CHILDREN WITH CYSTIC FIBROSIS



## 3215 MERRYFIELD ROW, SAN DIEGO

3215 Merryfield Row is an innovative Class A development in our Torrey Pines submarket of San Diego. The 170,523 RSF office/laboratory building is the new San Diego site of Vertex Pharmaceuticals Incorporated, a global biotechnology company that invests in scientific innovation to create transformative medicines for people with serious and life-threatening diseases. The project exemplifies both Alexandria’s collaborative design approach and its commitment to sustainability, water conservation, biodiversity, and active design.

- **LEED Gold** certification in 2018
- **AIA San Diego Merit Award** for Architecture in 2018
- **AISC National IDEAS<sup>2</sup> Award** in 2019
- **Calibre Design Award** in the Healthcare category in 2019
- **30%** energy savings
- **100%** of irrigation water from reclaimed sources, saving 2.5 million gallons annually
- **44%** indoor water savings
- **77%** of construction waste diverted from landfills
- **35%** of building materials containing recycled content
- **31%** of building materials sourced regionally
- **Over 90%** of occupied areas have access to views of the outdoors
- **Bicycle pavilion with lockers and showers** that encourage active commuting
- **Numerous outdoor areas** available for meetings and meals, and walking paths along the adjacent canyon
- **Support for biodiversity** through a restored native landscape for migratory birds
- **1,500 RSF learning lab** for science, technology, engineering, arts, and math (STEAM) education programs to inspire and equip the next generation of leaders in science

**SHAPED LIKE HUMAN LUNGS, the building design features a central open lobby that bisects into two wings, like the trachea into the lungs, an intentional nod to the respiratory system whose function has benefited from the groundbreaking cystic fibrosis medications that Vertex develops.**



## GOVERNANCE

# ALEXANDRIA'S CORPORATE GOVERNANCE

**Alexandria operates on a foundation of sound corporate governance** and risk management practices and philosophies. We maintain an independently minded Board of Directors; conduct business according to the highest moral and ethical standards; deliver transparent, quality, and efficient disclosures; and align our objectives with those of our stockholders over the long term.



## GOVERNANCE OF SUSTAINABILITY

Alexandria's Sustainability Committee comprises members of our executive management team, the Alexandria Sustainability Team, and senior decision makers from the company's regions and corporate functions. The committee convenes periodically, and select team members meet with our Board of Directors.



## REPORTING EXCELLENCE & TRANSPARENCY

In 2015, 2016, 2018, and 2019, an independent panel of portfolio managers and analysts selected Alexandria for Nareit's Gold Investor CARE (Communications & Reporting Excellence) Award in the Large Cap Equity REITs category in recognition of our industry-best communications and reporting excellence.



## ETHICS & COMPLIANCE

Alexandria strives every day to foster a fair and inclusive workplace that respects the rights of our employees and espouses the virtues of corporate responsibility throughout our organization and with the third parties with which we do business. Alexandria has strict discrimination and harassment policies in place that cover our entire operations. Alexandria's Business Integrity Policy, which all employees are required to acknowledge annually, details the expectations, requirements, and procedures related to ethical conduct, including anti-bribery, anti-corruption, diversity and equal opportunity, worker rights and labor-management relationships, and whistleblowing mechanisms. Alexandria executives receive diversity and equal opportunity training.



## CYBER SECURITY

Alexandria provides training to our employees that focuses on maintaining data confidentiality, integrity, and availability.

At the company level, our multifaceted approach to security awareness engages employees and partners by using several and varied resources resulting in security awareness that is measurable and consistently higher than our industry peers. Our information security program includes training and education on key

topics and monthly email phishing tests, which resulted in reduced phishing susceptibility and increased correct reporting of phishing attacks.

At the building level, Alexandria builds, designs, and manages converged networks and exceeds the requirements set forth by the Construction Specifications Institute to deliver best-in-class intrusion detection, data and access control, and notifications through our building management systems.



## ENVIRONMENTAL RISK MANAGEMENT

Alexandria has successfully revitalized urban infill sites that require expertise in environmental risk management in order to successfully develop in these locations. Certain brownfield sites undergo measures to identify, manage, and mitigate environmental issues and liabilities that may exist, including soil and groundwater testing, cleanup, and remediation of hazardous conditions.

Additionally, properties in our operational portfolio are ongoing participants in our moisture intrusion, mold prevention, and asbestos management programs.



## BUSINESS CONTINUITY

Alexandria's business continuity project seeks to systematically identify, mitigate, and reduce the impact of risks from events that could cause business failure, reputational damage, financial loss, reduced productivity, injury, or death.

In 2018, we identified measures that can be deployed at the building and regional levels, covering the roles of Alexandria personnel and key departments, and third-party building engineers. Through this process, we are creating a customized set of best practices, procedures, and contracts that can be deployed across our regional property portfolios, and be periodically updated.

2015 | 2016 | 2018 | 2019

# Nareit® GOLD AWARD

## LARGE CAP EQUITY REIT

## COMMUNICATIONS AND REPORTING EXCELLENCE

**BEST-IN-CLASS TRANSPARENCY, QUALITY, AND EFFICIENCY OF DISCLOSURES AND REPORTING**

# GRI CONTENT INDEX

This index contains disclosures in accordance with the Global Reporting Initiative (GRI) Standards.

GRI STANDARD	DISCLOSURE	REFERENCE/LOCATION
<b>GRI 100: UNIVERSAL STANDARDS</b>		
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	Alexandria Real Estate Equities, Inc. (ARE)
102-2	Activities, brands, products, and services	Alexandria's Corporate Overview, p. 02; <a href="#">2019 Proxy, p. 04</a> ; <a href="#">2018 10-K, p. 01</a>
102-3	Location of headquarters	Pasadena, California
102-4	Location of operations	Alexandria's Corporate Overview, p. 02; <a href="#">2019 Proxy, p. 04</a> ; <a href="#">2018 10-K, p. 01</a>
102-5	Ownership and legal form	Alexandria is a publicly traded company under the NYSE: ARE; Alexandria is a Maryland corporation that has elected to be taxed as a REIT; Alexandria's Corporate Overview, p. 02
102-6	Markets served	Alexandria's Corporate Overview, p. 02; <a href="#">2019 Proxy, p. 04</a> ; <a href="#">2018 10-K, p. 01</a>
102-7	Scale of the organization	Alexandria's Corporate Overview, p. 02; <a href="#">2019 Proxy, p. 04</a> ; <a href="#">2018 10-K, p. 01</a>
102-8	Information on employees and other workers	Alexandria's People, p. 16; <a href="#">2018 10-K, p. 05</a>
102-11	Precautionary principle or approach	Climate Change, p. 10
102-12	External initiatives	Alexandria's Development & Redevelopment of New Class A Properties, p. 06; Climate Change, p. 10; Alexandria's Health & Wellness, p. 12; Alexandria's Transportation Programs, p. 14; Alexandria's Community & Economic Development, p. 15; Alexandria's Philanthropy & Volunteerism, pp. 18-20; Alexandria's Thought Leadership & Patient Engagement p. 21; Alexandria's Corporate Governance, p. 23; <a href="#">2018 Annual Report, pp. 19, 34-39</a>
102-13	Membership of associations	Inside Cover Page; Alexandria's Community & Economic Development, p. 15
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Alexandria's Letter to Stakeholders pp. 04-05; <a href="#">2018 Annual Report, pp. 02-03</a>
102-15	Key impacts, risks, and opportunities	Alexandria's Corporate Overview, p. 02; Alexandria's Development & Redevelopment of New Class A Properties, p. 06; Alexandria's Existing Buildings, p. 09; Climate Change, p. 10
102-16	Values, principles, standards, and norms of behavior	Alexandria's Letter to Stakeholders pp. 04-05; Alexandria's Corporate Governance, p. 23; <a href="#">2019 Proxy, pp. 15-23</a>
102-17	Mechanisms for advice and concerns about ethics	Alexandria's Corporate Governance, p. 23



GRI STANDARD	DISCLOSURE	REFERENCE/LOCATION
<b>GRI 100: UNIVERSAL STANDARDS (CONTINUED)</b>		
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>Governance</b>		
102-18	Governance structure	Alexandria's Corporate Governance, p. 23; <a href="#">2019 Proxy, pp. 15-23</a>
102-19	Delegating authority	Climate Change, p. 10
102-20	Executive-level responsibility for economic, environmental, and social topics	Alexandria's Corporate Governance, p. 23; <a href="#">2019 Proxy, pp. 15-23</a>
102-21	Consulting stakeholders on economic, environmental, and social topics	Alexandria's Community & Economic Development, p. 15
102-22	Composition of the highest governance body and its committees	<a href="#">2019 Proxy, pp. 11, 25</a>
102-23	Chair of the highest governance body	Joel S. Marcus, Executive Chairman and Founder of the Company
102-29	Identifying and managing economic, environmental, and social impacts	Climate Change, p. 10
102-30	Effectiveness of risk management processes	Climate Change, p. 10
102-31	Review of economic, environmental, and social topics	Climate Change, p. 10
102-32	Highest governance body's role in sustainability reporting	Climate Change, p. 10
102-38	Annual total compensation ratio	<a href="#">2019 Proxy, p. 81</a>
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	<a href="#">2018 Annual Report, pp. 03, 34</a>
102-43	Approach to stakeholder engagement	<a href="#">2019 Proxy, p. 10</a> ; <a href="#">2018 Annual Report pp. 02-03</a>
102-45	Entities included in the consolidated financial statements	<a href="#">2018 10-K, p. F-9</a>
102-50	Reporting period	Fiscal Year 2018
102-51	Date of most recent report	2018
102-52	Reporting cycle	Annual
102-54	Claims of reporting in accordance with the GRI Standards	GRI-Referenced Report
102-55	GRI content index	GRI Content Index, pp. 24-27
<b>GRI 200: ECONOMIC STANDARDS</b>		
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>		
201-1	Direct economic value generated and distributed	Alexandria's Corporate Overview, p. 02; <a href="#">2018 Annual Report, pp. 06-07</a>
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change, p. 10; <a href="#">2018 10-K, pp. 34-37</a>
<b>GRI 203: INDIRECT ECONOMIC IMPACTS 2016</b>		
203-2	Significant indirect economic impacts	Alexandria's Philanthropy & Volunteerism, pp. 18-20; Alexandria's Thought Leadership & Patient Engagement, p. 21
<b>GRI 205: ANTI-CORRUPTION 2016</b>		
205-1	Operations assessed for risks related to corruption	Alexandria's Corporate Governance, p. 23
205-3	Confirmed incidents of corruption and actions taken	There were no incidents of corruption or actions taken in the reporting year.

# GRI CONTENT INDEX

This index contains disclosures in accordance with the Global Reporting Initiative (GRI) Standards.

GRI STANDARD	DISCLOSURE	REFERENCE/LOCATION
<b>GRI 300: ENVIRONMENTAL STANDARDS</b>		
<b>GRI 302: ENERGY 2016</b>		
302-1	Energy consumption within the organization	Alexandria's Existing Buildings, p. 09
302-3	Energy intensity	Alexandria's Existing Buildings, p. 09
302-4	Reduction of energy consumption	Alexandria's Existing Buildings, p. 09
<b>GRI 303: WATER 2016</b>		
303-1	Water withdrawal by source	Alexandria's Existing Buildings, p. 09
<b>GRI 305: EMISSIONS 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Alexandria's Existing Buildings, p. 09
305-2	Energy indirect (Scope 2) GHG emissions	Alexandria's Existing Buildings, p. 09
305-3	Other indirect (Scope 3) GHG emissions	Alexandria's Existing Buildings, p. 09
305-4	GHG emissions intensity	Alexandria's Existing Buildings, p. 09
305-5	Reduction of GHG emissions	Alexandria's Existing Buildings, p. 09
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>		
306-2	Waste by type and disposal method	Alexandria's Existing Buildings, p. 09
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>		
307-1	Non-compliance with environmental laws and regulations	There were no incidents of non-compliance with environmental laws or regulation in the reporting year.
<b>GRI 400: SOCIAL STANDARDS</b>		
<b>GRI 401: EMPLOYMENT 2016</b>		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Alexandria's People, p. 16; <a href="#">2019 Proxy, p. 08</a>
<b>GRI 404: TRAINING AND EDUCATION 2016</b>		
404-1	Average hours of training per year per employee	Alexandria's People, p. 16
404-2	Programs for upgrading employee skills and transition assistance programs	Alexandria's People, p. 16
<b>GRI 413: LOCAL COMMUNITIES 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	Alexandria's Philanthropy & Volunteerism, pp. 18-20; Alexandria's Thought Leadership & Patient Engagement p. 21; <a href="#">2018 Annual Report, pp. 36-37</a>
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	Alexandria's Health & Wellness, p. 12



GRI STANDARD	DISCLOSURE	REFERENCE/LOCATION
<b>SECTOR DISCLOSURES</b>		
<b>GRI G4 SECTOR SUPPLEMENT: CONSTRUCTION AND REAL ESTATE</b>		
G4 CRE1	Building energy intensity	Alexandria's Existing Buildings, p. 09
G4 CRE2	Building water intensity	Alexandria's Existing Buildings, p. 09
G4 CRE3	Greenhouse gas emissions intensity from buildings	Alexandria's Existing Buildings, p. 09
G4 CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Alexandria's Key 2018 Achievements in ESG, p. 03; Alexandria's Development & Redevelopment of New Class A Properties, p. 06; Alexandria's Health & Wellness, p. 12

# FORWARD-LOOKING STATEMENTS

This Corporate Responsibility Report is intended to highlight our efforts in environmental sustainability, social responsibility, and corporate governance (ESG). Socially responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised, by Alexandria will reflect the beliefs or values of any one particular investor. Certain information regarding responsible practices is obtained from published sources or third parties, which may not be accurate or complete, and Alexandria is dependent on such information to evaluate and implement responsible practices. The standards of measurement and performance for ESG issues are developing or are based on assumptions, and norms may vary by region. There is no assurance that Alexandria will successfully implement any of the ESG policies, strategies, or procedures outlined in this Corporate Responsibility Report, or that, if implemented, such policies, strategies, and procedures will have any particular ESG-related effect. Past performance should not be viewed as a guide to future performance. Alexandria makes no representation or warranty regarding the information set forth in this Corporate Responsibility Report.

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This Corporate Responsibility Report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify the forward-looking statements by their use of forward-looking words, such as “forecast,” “guidance,” “goals,” “projects,” “estimates,” “anticipates,” “believes,” “expects,” “intends,” “may,” “plans,” “seeks,” “should,” or “will,” or the negative of those words or similar words. These forward-looking statements are based on our current expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts, as well as a number of assumptions concerning future events. There can be no assurance that actual results will not be materially higher or lower than these expectations. These statements are subject to risks, uncertainties, assumptions, and other important factors that could cause actual results to differ materially from the results discussed in the forward-looking statements. Accordingly, you are cautioned not to place undue reliance on such forward-looking statements. Alexandria and its directors, officers, employees, partners, affiliates, advisors, and agents do not accept any responsibility whatsoever or liability for any direct, indirect, or consequential loss or damage suffered or incurred by the recipient or any other person or entity, however incurred (including, but not limited to, negligence), in any way in connection with the information contained in this Corporate Responsibility Report. We do not undertake to update forward-looking statements, or any other information provided herein, whether as a result of new information, future events, or otherwise.

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