



DNV

Independent Assurance Statement

Alexandria Real Estate Equities, Inc. (“ARE”) commissioned DNV Business Assurance USA, Inc. (“DNV”, “we”, or “us”) to undertake independent assurance of the ARE’s 2022 Environmental, Social, and Governance (ESG) Report (the “Report”) and to carry out an independent verification for selected performance indicators for the year ended December 31, 2022.



Our Opinion: On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe ARE’s adherence to the Principles described below. In terms of reliability of the performance data, nothing came to our attention to suggest that these data have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate. In our opinion, the Report provides sufficient information for readers to understand the company’s management approach to its most material issues and impacts.

Without affecting our assurance opinion, we also provide the following observations:

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

ARE continues to demonstrate its commitment to engaging internal and external stakeholders across the company’s value chain through direct dialogue, training, surveys, and industry initiatives. The company conducted a formal materiality process which included mapping and engagement of key stakeholders in order to identify and prioritize ESG topics of relevance to them. In our opinion, these topics and methods of engagement are well documented within the Report.

Ongoing engagement efforts undertaken by the Risk Management and Sustainability programs in 2022 have supported increased awareness of opportunities and risks related to climate change for the business as well as the sector more broadly. This is evidenced in ARE’s approach towards addressing climate resilience and embodied carbon. ARE has also implemented a number of employee-focused activities in 2022 to foster collaboration and support capacity-building across business functions for its priority ESG topics. In future reports, DNV recommends in addition to disclosing the annual employee trainings and programs, ARE consider further detailing outcomes from specific initiatives undertaken in the reporting year for additional ESG topics referenced in the materiality assessment.

Materiality

The process for determining the issues that are most relevant to an organization and its stakeholders.

ARE conducted a formal materiality assessment which was completed in 2023 and will inform the company’s strategy and reporting over the next three years. In our opinion, the Report describes the materiality process and addresses the most material issues for the company and its stakeholders. The company remains updated on the latest sectoral approaches and industry standards and draws from them to define and measure the impacts suitable to its portfolio and risk profile. For instance, in 2022, ARE became a founding sponsor of the International Institute for Sustainable Laboratories (I2SL) Labs2Zero program, which aims to establish the first-ever energy and emissions performance certification specifically designed for laboratory buildings. Through this, ARE and its stakeholders will gain a more accurate understanding of the impact and performance of its assets. DNV understands that ARE has already begun the process for developing goals beyond those that will sunset in 2025. We look forward to the future disclosures to provide further context on the company’s priorities and ambitions on the issues that have emerged as most significant to the company’s stakeholders.

Sustainability context

The presentation of the organization’s performance in the wider context of sustainability.

ARE’s reporting has aligned with global frameworks such as the Global Reporting Initiative (GRI) and guidelines developed by the Task Force on Climate-related Financial Disclosures (TCFD). The company draws on industry best practices and evidence based and science-based thinking to guide and advance its ESG objectives. ARE continues to assess the Science Based Target Initiative (SBTi) and developed the emissions reduction framework which distinguishes between emissions that the company will directly and indirectly address. Direct focus includes Scope 1 and 2 and Scope 3 downstream leased assets emissions, associated with energy consumption. Considering its influence on Scope 3 emissions beyond downstream leased assets, which is referred to as indirect focus, ARE continues its effort to measure and reduce embodied carbon by collaborating with its supply chain and targeting reductions on a project level basis through its embodied carbon assessments, and procurement of low carbon materials with product specific Environmental Product Declarations.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported.

The Report provides a comprehensive overview of ARE’s ESG performance and its ongoing efforts to manage and monitor its material issues in the reporting year. ARE has developed its emissions reduction framework which demonstrates management of Scope 1 and 2 emissions, as well as Scope 3 downstream leased assets emissions. The Report also includes ARE’s approach to managing the social and governance topics which are of increasing relevance for the sector. Based on the work performed, we do not believe that ARE has failed to report on any of its material issues.

Reliability and quality

The accuracy and comparability of information presented in the Report, as well as the quality of underlying data management systems.

ARE has established a variety of processes for collecting and consolidating the various data it reports. We have confidence in the processes in place to ensure reasonable accuracy for the information presented in the Report and data management systems. The disclosure of data is comprehensive, and the indicators are disclosed in a balanced manner. Additionally, ARE continues to enhance transparency of its environmental data through more granular reporting of emissions sources. The systems for production and collation of these data appear, from our review, to be reliable and capable of producing complete and consistent data.



Scope and approach

We performed our work using DNV’s assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practice including the International Standard on Assurance Engagements 3000 (“ISAE 3000”), and the Global Reporting Initiative (“GRI”) Sustainability Reporting Guidelines.

We evaluated the Report for adherence to the VeriSustain™ Principles (the “Principles”) of stakeholder inclusiveness, materiality, sustainability context, completeness, and reliability. We evaluated the performance data using the reliability principle together with ARE’s data protocols for how the data are measured, recorded and reported. The reporting criteria against which the GHG verification was conducted is the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) Greenhouse Gas – Corporate Accounting Standard.

The boundary of our work for all environmental data in scope is restricted to global assets operating under ARE’s operational control and indirectly managed assets where ARE has financial control and available data. In addition, employee data included US operations only.

We understand that the reported financial data and information are based on data from ARE’s 10-K, which is subject to a separate independent audit process. The review of financial data taken from the 10-K is not within the scope of our work. Claims and assertions related to the company’s Green Bond and use of proceeds are outside the scope of this assurance.

Specified information verified

The 2022 performance data in scope are listed below:

Greenhouse Gas Emissions

- 2022 Greenhouse Gas Emissions
 - Total Scope 1 Emissions 106,768 MtCO₂e
 - Total Scope 2 Emissions (Location-Based) 203,362 MtCO₂e
 - Total Scope 2 Emissions (Market-Based) 125,355 MtCO₂e
 - Total Scope 3 Emissions – Downstream Leased Assets 66,353 MtCO₂e

Energy

- 2022 Total Energy Consumption 1,661,384,636 kWh

Water

- 2022 Total Water Consumption 704,427,016 gallons

Waste

- 2022 Total Waste Generated 56,848,060 LBS
- 2022 Total Waste Recycled 22,848,640 LBS
- Waste Diverted 40.2%

Diversity & Inclusion

- 2022 Total Percent of Female | Male 52% | 48%
- 2022 Total Percent of Minorities | White 49% | 51%
- 2022 Total Percent of Age Breakdown
 - < 30 years of age 16%
 - 30 – 40 years of age 42%
 - 41 – 50 years of age 25%
 - > 50 years of age 17%
- 2022 Total Manager Role, Percent of Female | Male 48% | 52%

Like For Like: directly managed properties that were owned and operational for a full 24-month period with complete data and that did not encounter significant events which would alter year-over-year consumption values.

Greenhouse Gas Emissions

- 2022 Greenhouse Gas Emissions
 - Scope 1 Emissions 54,225 MtCO₂e
 - Scope 2 Emissions (location-based) 112,303 MtCO₂e

Energy

- 2022 Energy Consumption (incl. electricity, natural gas, and steam) 726,868,329 kWh

Water

- 2022 Water Consumption 303,811,927 gallons

Responsibilities of Alexandria Real Estate Equities, Inc. and of the Assurance Providers

ARE has sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of ARE; however, our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. This is our third year providing assurance on ARE’s environmental indicators and second year providing assurance for ARE’s Report.

DNV’s assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement. The materiality assessment was conducted by DNV UK and the process remained separate from the assurance process.

Level of Assurance

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a ‘limited level’ of assurance. A ‘reasonable level’ of assurance would have required additional work at headquarters and site levels to gain further evidence to support the basis of our assurance opinion.

Independence

DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

DNV Business Assurance

DNV Business Assurance is a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

<https://www.dnv.com>

GRI Indicators in scope include:

- 302-1: Energy Consumption
- 303-3a: Water Withdrawal by source (per GRI 303: Water and Effluents, 2018)
- 305-1: Direct GHG Emissions
- 305-2: Indirect GHG Emissions
- 305-3: Other indirect (Scope 3) GHG Emissions
- 306-3: Waste Generated
- 306-4a: Waste Diverted from disposal

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work. We undertook the following activities:

- Review of the current sustainability issues that could affect ARE and are of interest to stakeholders;
- Review of ARE's approach to stakeholder engagement and recent outputs;
- Review of information provided to us by ARE on its reporting and management processes relating to the Principles;
- Conducted interviews with Senior Vice President, Risk Management; Senior Vice President, Sustainability; Director, Sustainability Reporting; Executive Vice President, Talent Management; Executive Vice President, Business Operations; President and Chief Financial Officer. They are responsible for areas of management and stakeholder relationships covered by the Report. The objective of these discussions was to understand top level commitment and strategy related to ESG and ARE's governance arrangements, stakeholder engagement activity, management priorities, and systems. We were free to choose interviewees and functions covered;
- Assessed documentation and evidence that supported and substantiated claims made in the Report;
- Reviewed the specified data collated at the corporate level, including that gathered by other parties, and statements made in the Report. We interviewed managers responsible for internal data validation, reviewed their work processes, and undertook sample-based audits of the processes for generating, gathering, and managing the quantitative and qualitative sustainability data;
- Examined data and information to support the reported energy use, GHG emissions, waste generated, and water use assertions;
- Evaluated whether the evidence and data are sufficient to support our opinion and ARE's assertions.
- Provided feedback on a draft of the report based on our assurance scope.

In addition, the following methods were applied during the verification of ARE's environmental footprint inventories and management processes:

- Review of documentation, data records and sources relating to the corporate environmental data claims and GHG emission assertions;
- Review of the processes and tools used to collect, aggregate and report on all environmental data and metrics;
- Assessment of environmental information systems and controls, including:
 - Selection and management of all relevant environmental data and information;
 - Processes for collecting, processing, consolidating, and reporting the relevant environmental data and information;
 - Design and maintenance of the environmental information system;
 - Systems and processes that support the environmental information system.
- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative environmental data;
- Examination of all relevant environmental data and information to develop evidence for the assessment of the environmental claims and assertions made;
- Confirmation of whether the organization conforms to the verification criteria

DNV Business Assurance USA, Inc.

Katy, Texas

June 28th, 2023

D'Silva,
Natasha

Digitally signed by
D'Silva, Natasha
Date: 2023.06.28
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Natasha D' Silva

Lead Verifier

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Antonio Astone

Technical Reviewer

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