



JBG SMITH

ENVIRONMENTAL,
SOCIAL,
GOVERNANCE
REPORT

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Real estate is central to urban development. It consumes physical resources and is a significant source of operational and embodied carbon emissions. Equally, it is central to the goal of creating an environmentally sustainable, resilient and socially inclusive future. This is what it means to truly pursue sustainable development.

Committing to sustainable development practices demonstrates JBG SMITH's leadership. Focusing on environmental, social, and governance issues positively impacts our business and is the key to maximizing long-term net asset value (NAV) per share.



Illustrative New Metro Entrance and Retail on Crystal Drive

Our sustainability strategy is broadly focused on the economic, social and environmental aspects of what is material to our business, which includes the design and construction of our new developments and the operation of our existing buildings. We believe that by understanding the social and environmental impacts of our business, we are better able to protect asset value, reduce risk, and advance initiatives that result in positive economic, social and environmental outcomes.



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THE DECADE Ahead

We have proof points, all around us, confirming that focusing ESG on performance and impact is the critical frontier over the next decade.

The cornerstone to JBG SMITH's placemaking approach is our laser focus on metro-served, amenity-rich environments. By coordinating housing, transportation, and other infrastructure investments, JBG SMITH is intentionally reinvesting in existing communities, expanding residents' access to employment and educational opportunities, and catalyzing community revitalization that uplifts people of all ages, incomes, races, and cultures. Our intentional development of mixed-use buildings maximizes both the total value of the land and the use of natural resources, exceeding the return of the sum of the parts.

As an owner of diversified assets our largest contribution to sustainable development is our concentration on placemaking and transit orientation, which is demonstrated by 98% of our assets being metro served. A true sustainable development focuses on mixing the uses of office, residential, and retail environments so that people are living both close to work and have access to community amenities. Our transit-oriented development prioritizes modalities in walking, electric vehicles, and biking – all concepts and practices that work to reduce our dependence on fossil fuels and keep our communities healthier. Additionally, transit-oriented development maximizes the use of space – ultimately consuming fewer resources. The delivery of our Atlantic

Plumbing C, 1900 N, Street, 500 L'Enfant Plaza 4747 Bethesda Avenue, and West Half buildings are strong examples of such development.

In 2019, we have continued to demonstrate our commitment to sustainability and reinforce our position as an industry leader. We maintained and enhanced our building sustainability certifications and we were recognized byGRESB as the sector leader in diversified assets. We will continue to expand and improve our ESG footprint and elevate our performance against key metrics to demonstrate progress.

Our engagement with the Washington Housing Initiative continued with the inaugural Impact Pool investment in Parkstone, a 326-unit workforce housing asset, preserving workforce housing for middle-income renters in Alexandria, Virginia. On the corporate governance front, we regularly review best practices and proactively engage with investors on these issues. Accordingly, we recently amended our Bylaws to provide for a majority voting standard in uncontested trustee elections rather than a plurality standard.

Cities all over the country are establishing carbon neutrality goals, and our government partners throughout the Washington, DC Metro region have proven to be very aggressive in communicating the role of building owners in achieving these goals. David Wallace-Wells tells us

in *The Uninhabitable Earth* that the next decade will present us with intense world challenges regarding climate change beyond sea-level rise. We must continue to be vigilant by aggressively future proofing our assets and ensuring they are not locked into fossil fuel dependency for years to come.

As our plans for development continue to mature, we are actively future proofing our pipeline by leveraging economies of scale in innovative energy, water, and stormwater infrastructure. We continue to take advantage of opportunities to make our operational assets more efficient users of energy and water.

Investors are sending strong messages that they intend to analyze their investment strategies with environmental sustainability as a core goal—encouraging every business to rethink its carbon footprint. We consider sustainable development to be acting with foresight to maximize net asset value across the ESG impacts that may affect our business operations, investment strategies, and ability to provide risk adjusted returns. In addition to attracting and retaining talent, we believe that strong and impactful alignment to ESG-integrated investing is one of the keys to creating additional value for JBG SMITH shareholders.

To date, our environmental, social, and governance reporting, has been

geared toward addressing the trend of transparency and disclosure in the ESG and sustainable development spaces. Leveraging this solid foundation, we will continue to mature the program into one that is focused on improving impact, future-proofing our portfolio via better risk adjusted returns with a focus on maximizing and sustaining long-term net asset value.



W. Matthew Kelly, **CEO**



OUR Company

JBG SMITH is a real estate investment trust ("REIT") that owns, operates, invests in, and develops a dynamic portfolio of high-growth mixed-use properties in and around Washington, D.C. Through an intense focus on placemaking, JBG SMITH cultivates vibrant, amenity-rich, walkable neighborhoods throughout the Capital region, including National Landing where it now serves as the exclusive developer for Amazon's new headquarters. In addition, our third-party asset management and real estate services business provides fee-based real estate services to third parties and the legacy funds (the "JBG Legacy Funds") formerly organized by The JBG Companies ("JBG"). References to "our share" refer to our ownership percentage of consolidated and unconsolidated assets in real estate ventures.

4747 Bethesda Avenue

COMPANY Composition

Our Operating Portfolio consists of 62 operating assets comprising 44 commercial assets totaling

12.7 million square feet

(10.7 million square feet at our share)

18 multifamily assets totaling

7,111 units

(5,327 units at our share).

Additionally, we have seven assets under construction comprising four commercial assets totaling

1,011 units

(833 units at our share)

40 future development assets totaling

21.9 million square feet

(18.7 million square feet at our share) of estimated potential development density

Maryland MD



484 Employees
(99 On-Site; 385 Corporate)



4 Office Buildings;
502,111 square feet



498 Multifamily Units;
393,585 square feet

Virginia VA



281 On-Site Employees



30 Office Buildings;
8,285,444 square feet



2,891 Multifamily Units;
2,420,227 square feet

Washington, DC DC



240 On-Site Employees



10 Office Buildings;
1,920,643 square feet



1,938 Multifamily Units;
1,751,159 square feet

* All stats as of December 31, 2019 at JBG SMITH share

7 ASSETS UNDER CONSTRUCTION
1.7 MILLION SF
at our share

40 FUTURE DEVELOPMENT ASSETS TOTALING
21.9 MILLION SF
18.7 MILLION SF AT OUR SHARE

ECONOMIC Impacts

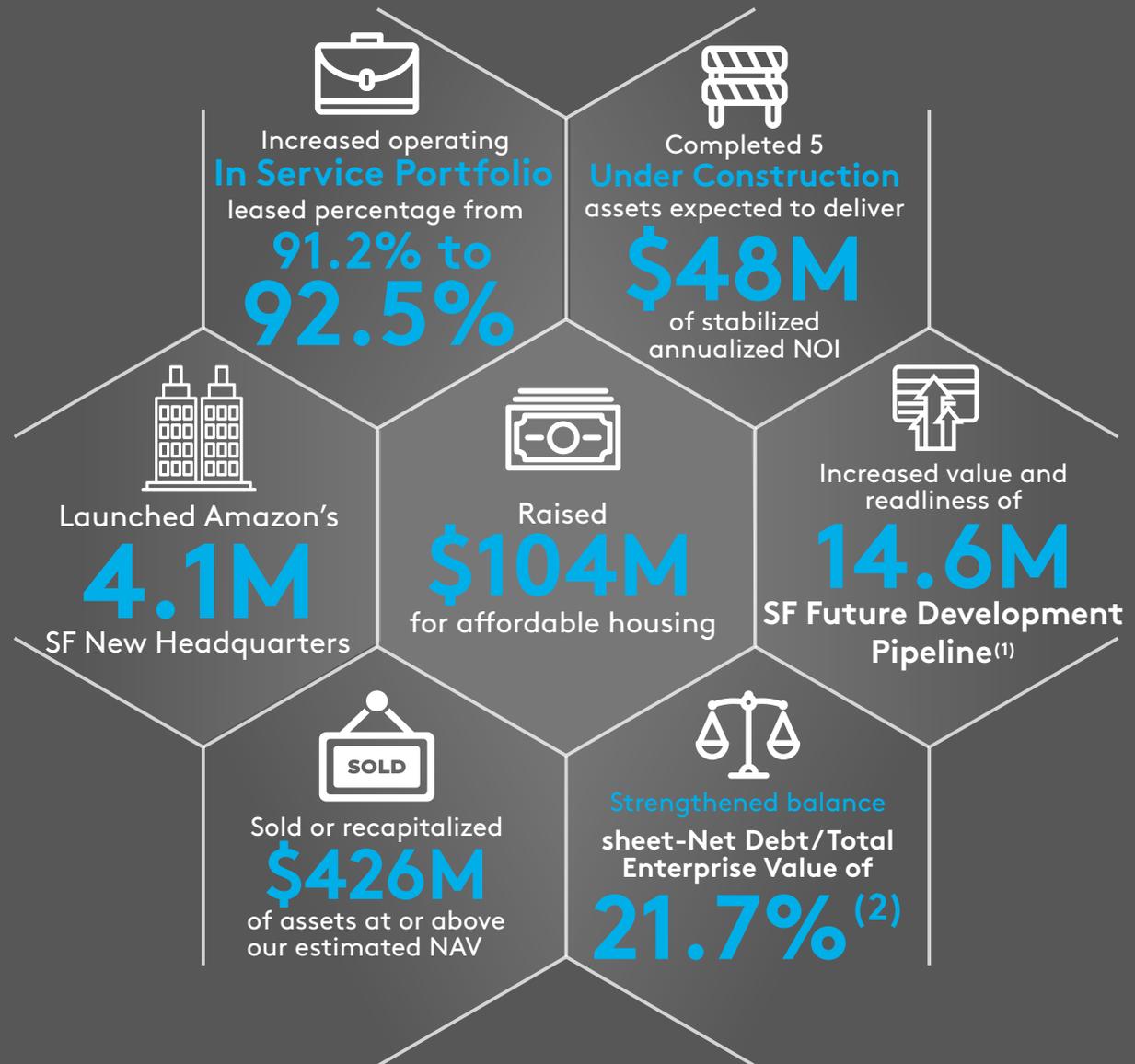
Our investment strategy demonstrates our commitment to the economic prosperity of our community, and we bring our deep experience developing real estate in the Washington, DC region to each investment decision. We carefully examine the impacts of our development strategy, and we seek to create resilient and inclusive communities that will generate value over the long term.

*Illustrative Metropolitan Park
6/7/8 from 15th and S. Eads Street*

2019

Economic Performance Highlights

We are, and always will be, a people-oriented company. We are fortunate to have an abundance of ambitious, energetic and intelligent colleagues, and we understand and appreciate that our employees come to JBG SMITH because they are passionate, both professionally and personally.



(1) Excludes 2.1M SF of Estimated Potential Development Density that Amazon from JBG SMITH in January 2020 and 2.0M SF that Amazon has agreed to purchase, subject to customary closing conditions.

(2) Adjusted for \$155M of proceeds from the sale of Metropolitan Park to Amazon in January 2020. Total Enterprise Value is based on a closing price per share of \$39.89 as of December 31, 2019.

HIGHLIGHTS and Awards

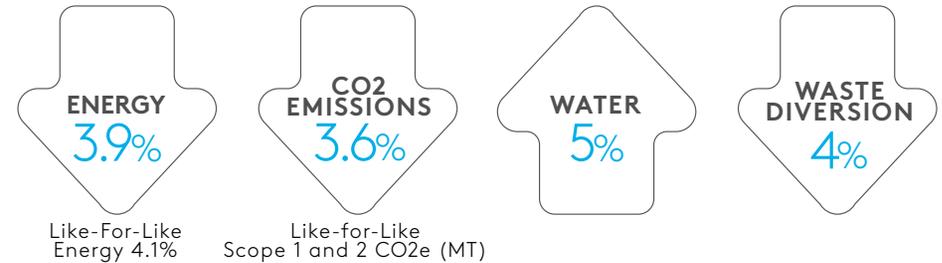


Illustrative Central District Retail

Highlights & Awards 2019



ENVIRONMENTAL Performance Highlights:



2019 GLOBAL SECTOR LEADER
Diversified Office Residential

4-STAR
Rating

GREEN STAR
Recognition



5.9 million square feet
CERTIFIED AT SHARE



9.0 million square feet
CERTIFIED AT SHARE



Washington Business Journal
AMAZON HQ2
DEAL OF THE DECADE
Best Real Estate Deals



GOLD AWARD
Green Lease Leader

Better Buildings CHALLENGE
U.S. DEPARTMENT OF ENERGY
2.9% Annual Average Reduction
In Energy Intensity Since 2014

NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION

NAIOP DC/MD
AWARDS OF EXCELLENCE
BEST CORPORATE RESPONSIBILITY PROGRAM
Washington Housing Initiative

ENVIRONMENTAL

Sustainability

The creation of our assets is natural resource intensive. As climate change impacts access to natural resources, efficient management and regenerative activities become business imperatives. Our strategies focus on responsible use of resources, ecosystem biodiversity protection and durability of our assets. The impact of our business on the environment is expressed through key performance metrics covering resource consumption and waste diversion.



West Half

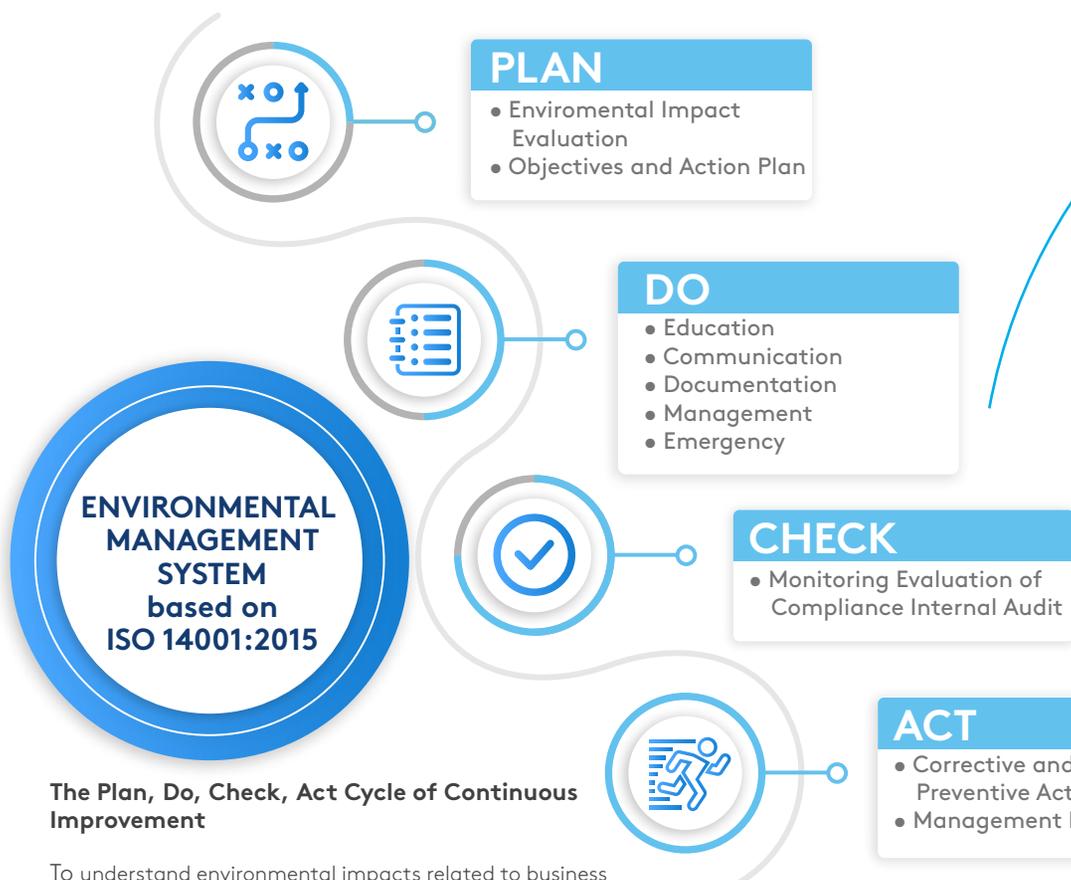
ENVIRONMENTAL Program Management

At JBG SMITH, we take a holistic approach to environmental sustainability. We actively measure and manage both opportunities and risks to our business associated with environmental issues and trends. By aligning our business practices with the principles of sustainable growth, responsible project development,

and high-performance operations, we demonstrate our commitment to the long-term sustainability of our portfolio and our region.

Our resource management approach is grounded in an iterative four-step Environmental Management System (EMS) model, based on ISO 14001:2015.

This EMS is applied to environmental policy and defines our approach to decision-making and goal setting, which includes piloting new programs before rolling them out across the full portfolio. Our policies are reviewed and updated annually against applicable ISO standard guidance.



The Plan, Do, Check, Act Cycle of Continuous Improvement

To understand environmental impacts related to business and continuously develop improvement activities.

Environmental Policies *

Each environmental policy provides goals, performance metrics, processes, and resources for ensuring the successful implementation and enforcement of the policy at the asset level.

- Biodiversity and Habitat – Aligned to Eco-Management and Audit Scheme
- Climate Adaptation – Aligned to ISO 14090
- Energy Management – Aligned to ISO 50001
- GHG Emissions – Aligned to Science Based Targets
- Health, Safety, and Wellness – Aligned to ISO 45001
- Waste Management – Aligned to ISO 14001
- Water Management – Aligned to ISO 14046

* Each of these policies can be found on our website at www.jbgsmith.com/about/sustainability/policies-programs

MANAGING Resources

Our long-term strategy to manage energy and water resources includes operational and capital improvements that align with our business plan and contribute to our sustainability goals. Asset teams review historical performance, conduct energy audits, and regularly assess opportunities to achieve efficiency targets. Capital investment planning considers the useful life of equipment, energy and water efficiency, occupant health impacts, and maintenance requirements. **We have committed to improve the energy efficiency of our commercial operating portfolio by at least 20% over the next 10 years through the Department of Energy Better Buildings Challenge. Our data demonstrates improved energy performance by an average of 2.9% each year since 2014, which is consistent with a cumulative improvement of 10%, and is on track to meet or exceed the improvement goal by 2024.** We achieve this through energy use monitoring managed by our tenant service center team.

We leverage our centralized Tenant Service Center (TSC) as the watchdog to identify energy efficiency opportunities. The TSC monitors building energy management and control systems across our portfolio 24/7. A team of nine individuals track life safety and energy use in real time. Our Director of Energy Management has developed a system that visualizes normalized energy data for each building. This allows us to look at each building's energy usage and overall health, apply best practices across the portfolio, and make control modifications; thereby reducing overall operating costs and building staffing needs—all while preserving tenant comfort.

HVAC Equipment Replacement

Long-term capital planning including upgrades of key building equipment to more efficient systems

Automation Systems

Mechanical system, sensors, and automation technologies upgrades

Lighting Retrofits

JBG SMITH is retrofitting lighting throughout the portfolio to LED fixtures

Lighting Controls

Occupancy and vacancy lighting controls are being installed in common areas and tenant space

Monitoring and Tracking

Implementation of Real-Time Energy Data and Analysis Platforms

Low-Flow Fixtures

Installation of low-flow bathroom and kitchen fixtures

HIGHLIGHTS FOR 2019

that were implemented across the portfolio.

- Automation Systems
- HVAC Equipment Replacement
- HVAC System Retrofits
- Efficiency capital projects are those that have reasonable paybacks some of which may be passed through to tenants via our green lease cost recovery clause:
 - LED Lighting Retrofits
 - Lighting Controls
 - Low Flow Water Fixtures
- Monitoring and tracking helps us to measure the impact of efficiency investment and to better plan for future improvements:
 - Real-Time Energy Data and Analysis Platforms
 - Metering of Subsystems prior to replacement

CASE STUDY

Energy Audits



Potential ECM's represent a **\$750,000** dollar investment in the asset with a projected annual cost savings of **\$146,000** - a **19%** yield on cost, reducing the building EUI from 56 to 37.



12100 Sunset Hills

In order to achieve deep energy savings, energy audits were conducted strategically across several assets.

In collaboration with the Tenant Service Center (TSC), the JBG SMITH Sustainability team facilitated an energy audit at 12100 Sunset Hills:

- Mapped buildings with insight from asset management, engineering, and Energy Star scores

- Evaluated asset business plans
- Mapped building systems - HVAC and distribution
- Looked for commonalities across the portfolio

We then focused on buildings where capital improvements could be combined with sustainability initiatives to maximize energy efficiency gains.

Two buildings with different HVAC and distribution systems were identified to conduct ASHRAE Level 2 and 3 investment grade audits. The engineering and sustainability teams worked to get buy-in across the key asset managers and property management teams.

The audit process took five months and produced over 25 recommended Energy Conservation Measures

(ECM), representing a \$750,000 dollar investment in the asset with a projected annual cost savings of \$146,000 - a 19% yield on cost, reducing the building EUI from a 56 to 37.

This audit process has helped us identify where and when to deploy building energy audits to maximize outcomes, and we intend to continue to apply this process across the portfolio.

ENVIRONMENTAL

Performance Results

Energy

	2019 Absolute		Like-for-Like Consumption		
	Total 2019 (MWh)	Data Coverage (SF)	2018 (MWh)	2019 (MWh)	Like-for-Like Change %
Commercial <small>(includes hotel and industrial)</small>	259,056	12,736,069	278,664	255,228	-8.4%
Multifamily	117,735	6,225,125	104,091	112,001	7.6%
Total <small>(inclusive of ALL property types)</small>	376,790	18,961,194	382,755	367,229	- 4.1%

Energy use Reduction

kBtu/SF



Water use Reduction

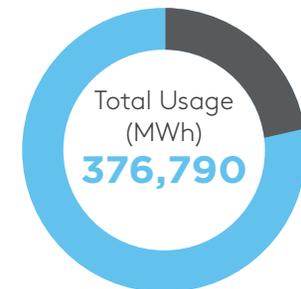
kGal/SF



Water

	2019 Absolute		Like-for-Like Consumption		
	Total 2019 kGal	Data Coverage (SF)	2018 kGal	2019 kGal	Like-for-Like Change %
Commercial <small>(includes hotel and industrial)</small>	204,097	11,924,344	189,803	195,106	2.8%
Multifamily	245,452	5,648,994	227,216	242,829	6.9%
Total <small>(inclusive of ALL property types)</small>	449,549	17,573,338	417,019	437,935	5.0%

2019 ABSOLUTE ENERGY USAGE BREAKDOWN (MWH)



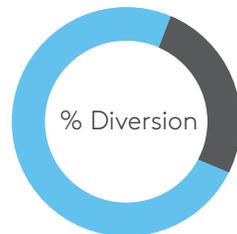
Electricity (MWh)
294,792

Natural Gas (MWh)
81,998



Waste

Total Waste Weight:
8,994 Metric Tons



Landfilled Waste
63 %

Diverted from Landfill
37%

SUSTAINABILITY

Certifications

Buildings have extensive direct and indirect impacts on the environment. During construction, occupancy, renovation, repurposing, and demolition, buildings use energy, water, and raw materials, generate waste, and emit potentially harmful atmospheric emissions. These facts have prompted the creation of green building standards, certifications, and rating systems aimed at mitigating the impact of buildings on the natural environment through sustainable design practice. Throughout the world, certifications are used to demonstrate compliance with a standard that has an environmental benefit. **JBG SMITH uses green building rating systems as a verification tool.** We believe that assets following Green Building Certifications are higher quality, more resilient, and consume less natural resources over their lifetimes. Certifications are more than just a seal of approval. They signify to our investors and stakeholders that we value the benefits that green building certification programs offer people and the planet.

VERIFICATIONS



LEED for New Construction

LEED for Core and Shell

LEED for Commercial Interiors

LEED for Existing Buildings Operations and Maintenance

Energy Star Certification

BOMA 360

LEED for Neighborhood Development



LEED Certified
7.3 million

square feet of LEED Certified Commercial Space



1.6 million

square feet of LEED Certified Multifamily Space



ENERGY STAR Certified

4.4 million square feet of ENERGY STAR Certified Commercial Space

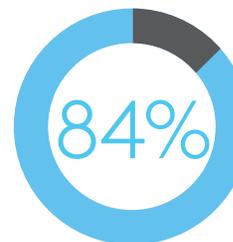


1.9 million

square feet of ENERGY STAR Certified Multifamily Space



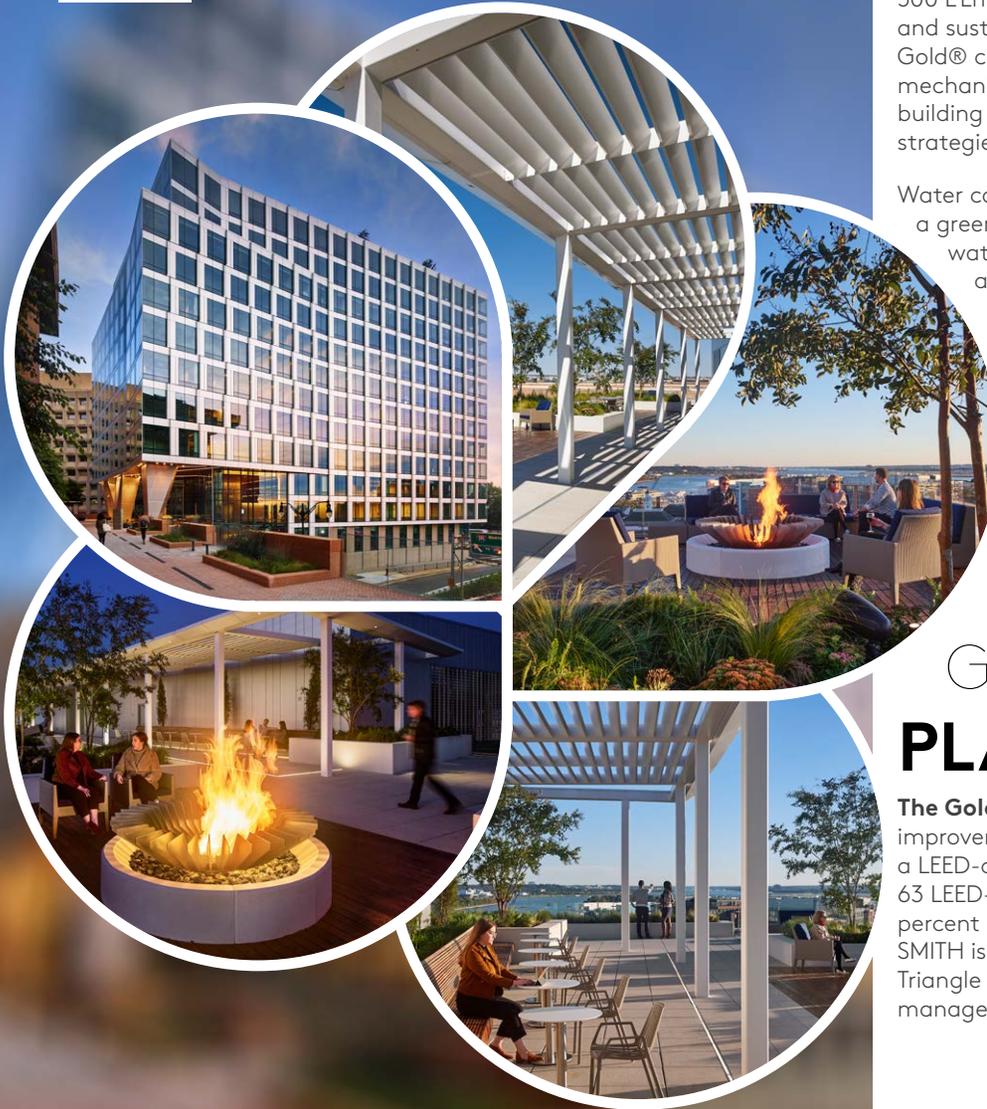
BOMA 360
58 Certified Projects



of our operational assets' energy and water use are benchmarked using Energy Star Portfolio Manager

We currently commit to LEED Silver certification for all of our new development with emphasis on lower than energy consumption than local codes dictate.

SPOTLIGHT on Certifications



500 L'Enfant Plaza

500 L'Enfant Plaza is a shining example of smart and sustainable building practices. Targeting LEED Gold® certification, it features energy-efficient mechanical systems and high-performance building envelope with glazing and sunshade strategies for maximizing daylight.

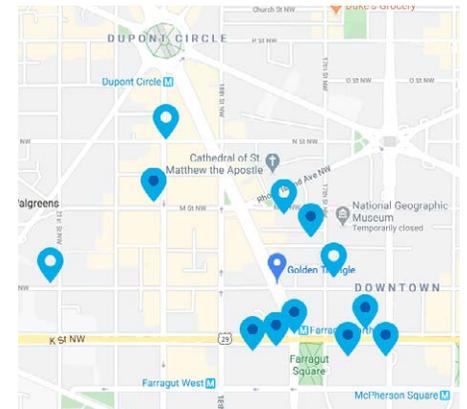
Water conservation capabilities are enhanced by a green roof designed to filter and retain storm water, in addition to water-efficient irrigation and plumbing fixtures.

While 500 L'Enfant Plaza creates an impactful presence on the Washington, DC skyline, its environmental impact has been greatly reduced through the use of recycled and regional materials as well as low-VOC paints and adhesives during construction. The building also features electric vehicle charging stations and a unique green housekeeping program.



Golden Triangle LEED PLATINUM COMMUNITY

The Golden Triangle is the first business improvement district in the world to be named a LEED-certified community. There are currently 63 LEED-certified buildings — representing 42% percent of the total built area in the BID. JBG SMITH is proud to be a partner of the Golden Triangle BID. We own and operate 4 assets and manage 8 properties in this LEED community.



SUPPORTING Local Biodiversity

STORMWATER MANAGEMENT

We are committed to minimizing our impact on local biodiversity and improving natural habitats through our community engagement programs. Through our JBG SMITH Cares initiative, we connect our employees to local environmental organizations throughout the year to participate in volunteer opportunities. In 2019, our employees and community members worked side-by-side with local organizations, including EcoAction Arlington, Anacostia Watershed Society, and DC Greens.

JBG SMITH continues to partner with Potomac Conservancy, the region's leading group for protecting clean water and safe access to the river. In 2019, we held a **Meet the Potomac Tenant Event** for our National Landing tenants. During this walk and learn event, tenants met at 200 12th Street South, our property overlooking the river, to hear the Potomac Conservancy team share a historical look back at the activity on the Potomac River.

The group transitioned to walk around Long Bridge Park with views of the nearby Waterfowl Sanctuary, pausing to learn about the challenges and successes of activity on the Potomac River in recent years.

Many of the attendees shared they were not aware that such a great walking path was located near the office buildings in National Landing. The group expressed excitement about bringing co-workers to share the new facts they had learned from the knowledgeable Potomac Conservancy team.

Managing the stormwater runoff from the impervious surfaces surrounding our properties during rain events is a local priority, and it is essential to protecting our region's freshwater sources. We deploy green roofs on our new developments and collect rainwater for use in irrigation or cooling towers. These strategies work to mitigate the impact of storm water runoff from our buildings on local infrastructure and waterways.



View from 200
12th Street South"

IMPACTS OF CLIMATE Change on our Business

We take climate change, and the associated risks, seriously.

We are committed to aligning our investment strategy with science and the Task Force on Climate Related Financial Disclosures. We stand with our communities, tenants, and fellow shareholders in supporting meaningful solutions that address this global challenge. To develop a more informed view of future climate conditions and further our understanding of the direct physical risks to our properties, we have conducted a climate risk assessment, which includes our operating assets and land holdings in our future development pipeline. The results of this assessment will inform our asset management planning and the design of our new developments moving forward.

Illustrative Metropolitan
Park and Pen Place

Physical climate-related risks and opportunities over the short, medium, and long term

To better understand these risks, we engaged Four Twenty Seven, a provider of market intelligence on the economic risk of climate change. Four Twenty Seven completed an analysis of our portfolio to measure direction and magnitude of climate change impacts estimated at a mid-term projection period (2030-2040) using a historical baseline of 1975-2005 as a benchmark. Four Twenty Seven's analysis compared our entire portfolio including future development against their database of over one million sites globally.

Climate-related Risk	Potential Climate Impact	Potential Business Impact
 Flooding	The Washington, DC region is expected to see an increase of around seven "very wet days" ⁽¹⁾ per year along with a 10% increase in total maximum volume of rainfall during intense rainfall periods	Vulnerability to flooding is dependent on elevation and flood infrastructure; we will continue to monitor and evaluate flood risk at six sites with potential risk due to these factors
 Sea Level Rise	Sea level rise risk is assessed based on coastal location ⁽²⁾ and elevation, as well as changes in the frequency of coastal flooding in 2040	While nine of our assets near tidal rivers are considered to be in a coastal elevation less than 10 meters, there is no change expected in the frequency of coastal flooding between now and 2040.
 Heat stress	The DC Metro Area is expected to see an increase of around 30 additional extreme heat days per year	Possible impacts from heat stress include higher energy costs, reduced grid reliability and human labor productivity, particularly outdoor labor, such as construction and outdoor building maintenance activities

- 1) Days where rainfall volume exceeds the 95th percentile of the historical baseline.
- 2) Within 10 kilometers of the coastline.

We do not currently have any assets located within a FEMA Special Flood Hazard Area in our portfolio.

Climate-related risk Oversight and Management

Our Board of Trustees oversees climate related risk. Our sustainability team is responsible for engaging third-party advisors and recommending strategies for assessing climate risk, as well as identifying next steps for adaptation strategies based on identified risks.

Transitioning to a Low-Carbon Economy

We operate in four major jurisdictions: the District of Columbia, Arlington County, VA, Fairfax County, VA, and Montgomery County, MD. Each of these jurisdictions has made formal public commitments to carbon reduction aligned with the goal of keeping global warming under two degrees Celsius, consistent with the Paris Agreement, which is the United Nations framework convention on climate change.

In December 2018, the Washington, DC City Council passed the DC Clean Energy Omnibus bill. The bill requires that all electricity purchased in the District be renewable by 2032 and sets a building energy performance standard (BEPS) requiring certain buildings to meet minimum energy efficiency standards or demonstrate significant energy reductions by 2026.

Complying with the BEPS and future regulation of energy and carbon may require unplanned capital improvements, increased development costs, and further engagement to manage occupant energy use, which is a large driver of building performance. Properties that cannot meet performance standards within our investment thresholds risk fines for non-compliance, as well as a decrease in demand and a decline in value.

Local jurisdictions have programs in place that provide opportunities for financial incentives for improving energy efficiency. Arlington County offers bonus density for achieving higher levels of energy performance and reducing carbon emissions, and Montgomery County offers significant discounts on property tax bills for advanced efficiency measures.

Our initiatives are designed to manage resources efficiently and drive down energy and water consumption in our portfolio to address climate change, compliance with laws, and contribute to electrification. These initiatives are described throughout various sections of this report.

Climate Change Resilience in the DC Region

We believe that the DC region will remain resilient in the face of climate change. Forward-thinking local climate legislation and significant investment in infrastructure improvements are helping to further prepare our region, which is already well positioned relative to other gateway markets.



CARBON Accounting

Disclosing carbon emissions is a critical component for measuring progress toward climate change related goals. We measure and monitor carbon emissions through benchmarking and tracking performance over time.

1900 N Street

CARBON Accounting

2019 Absolute*

	2018 CO2e (MT)	2019 CO2e (MT)	Data Coverage SF
Scope 1	14,087	14,116	14,122,594
Scope 2	96,770	90,915	14,122,594
Scope 3	10,651	15,949	3,476,429
Total	121,508	120,981	17,599,024

* 2019 absolute totals and intensity calculations based on data from 17,599,024 SF

Like-for-Like Carbon Emissions*

	2018 CO2e (MT)	2019 CO2e (MT)	Like-for-Like %
Scope 1	13,910	14,107	1.4%
Scope 2	92,162	89,189	-3.2%
Scope 3	13,928	14,442	3.6%
Total	120,001	117,738	-1.8%

* Like-for-Like Emissions calculations based on data from 17,192,126 SF

6.87 kgCO2e

Carbon Emissions Per Square Foot
(Scope 1, 2, and 3)



3.67% REDUCTION

in Carbon Emissions
(Scope 1 and 2)

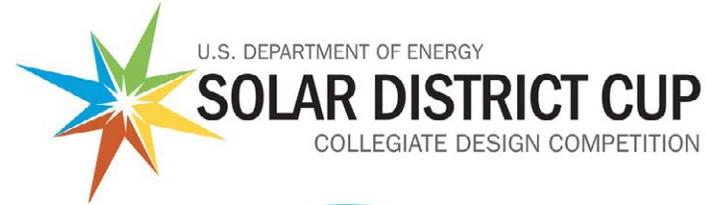
Defining Emissions

- Scope 1** - Emissions from fuel burned on-site (e.g. natural gas, diesel fuel oil)
- Scope 2** - Emissions from energy generated off-site and used by base building and master metered systems
- Scope 3** - Emissions generated by producing energy controlled by others (e.g. multi-family and retail tenants that pay their own utility bills)

Commercial tenant submeters are uncommon in our operating region. Scope 3 emissions are identified in limited cases, primarily where multifamily and retail tenants have direct utility meters, and are not controlled by JBG SMITH. Scope 1 and Scope 2 emissions reported reflect both master metered tenant usage, as well as the company's own usage.

CASE STUDY

Renewable Energy



The [Solar District Cup](#) is a new National Renewable Energy Laboratory (NREL) led competition that challenges multidisciplinary student teams to design and model optimized distributed solar energy systems for a campus or urban district by integrating solar, storage, and other technologies. The goal of the competition is to inspire and engage students by developing their skills and connecting them with industry partners to create real-world solutions that will shape the future of solar energy.

In 2019, JBG SMITH was asked to be a district use case partner. A district use case was created and contains a description, data, and reference links for the Solar District Cup 2020 district use case of the Crystal Parks* block in Arlington, Virginia. Student teams will design a utility-scale solar system and calculate a virtual PPA rate to examine this option for JBG SMITH. Student teams may select a parcel of land anywhere in Virginia that, based on their evaluation, looks suitable to host a system large enough to offset 100% of the annual usage of the five buildings located in the Crystal Parks block.

*Crystal Parks block includes 2011, 2121, 2231, 2345, and 2451 Crystal Drive



View of the Crystal Parks buildings looking north from Crystal Drive in Arlington, Virginia.

//
JBG SMITH is excited to work along-side NREL and the students participating in the Solar District Cup. This is an important step in the development of our renewable energy strategy.
//

Kim Pexton
Vice President of Sustainability

SOCIAL Responsibility

We believe the strength of our entire community is central to sustaining the long-term value of our portfolio. We are committed to the economic development of the Washington region through continued investment in our projects and local communities. We recognize, however, that new development also fosters challenging growth dynamics, with issues of social equity at the forefront. We strive to work alongside community members, leaders, and local and federal governments to appropriately respond to these challenges.



INVESTING IN Our People

At JBG SMITH, we believe that our talent is our competitive advantage. We seek to hire the best and brightest, and in turn provide compelling and interesting opportunities for our people to grow and develop. To achieve our mission of making and operating incredible places for people to work, live, and shop in the DC Metro area, we strive to hire the best talent to bring forth a variety of diverse experiences and perspectives. We believe in curiosity and working together to find a better way to approach challenges and solve problems.

To ensure that our employee experience supports the culture and desired outcomes, we solicit employee opinions and perspectives to ensure we provide, and continually improve upon delivering an engaging, satisfying, and fulfilling work experience. The organization conducted its first employee engagement survey in 2019 with excellent outcomes.

 ✓ **84%** total engagement

 ✓ **89%** proclaiming they are proud to work at JBGS

 ✓ **83%** would recommend JBGS as a place to work to others



While the following comment came from one employee, it was highly representative of the feedback that was received:

//
JBG SMITH is an outstanding place to work as it provides employees the opportunity to work in an innovative, collaborative, and rewarding work environment with peers who are extremely passionate about what they do and truly strive to make a difference.
//

EMPLOYEE BENEFITS

	MEDICAL An industry-leading medical and prescription plan at low employee cost
	DENTAL A dental plan at minimal cost
	LIFE INSURANCE Life insurance for employee, spouse, and children at no cost
	SALARY CONTINUATION PLANS Short and Long-term salary continuation plans at no cost
	FSA Flexible spending accounts (FSAs) for medical and dependent care expenses
	401K A tax-deferred 401(k) plan with company match
	EAP Company paid Employee Assistance Program
	PAID TIME OFF Paid time off for vacation, sick, and personal holidays
	MATERNITY & PATERNITY LEAVE PROGRAM Generous paid time off to enjoy time with the newest addition to your family
	ADOPTION Financial assistance towards the adoption process
	TUITION REIMBURSEMENT Professional Development and Tuition Reimbursement Plan
	TRAINING AND DEVELOPMENT In-house programs engage, challenge, and prepare employees for advancement
	EMPLOYEE REFERRAL BONUS Cash incentive when your referrals are hired

Professional Development

JBG SMITH University provides support, education and simple, accessible resources to engage employees and further their commitment to the organization. Our Training Department partners with our leaders to enhance departmental operations, collaboration, and customer experience.

The Sustainability Team worked with JBG SMITH University to host several training opportunities throughout the year, including:

- Innovative Technology Solutions Presentations
- LEED Green Associate Exam Prep Classes

Through JBG SMITH's national membership and local partnership with US Green Building Council, employees have unlimited access to online web training and free passes to many in-person trainings, seminars, and tools, which are available through the local USGBC-National Capital Region chapter.

Green Fair and Education Program

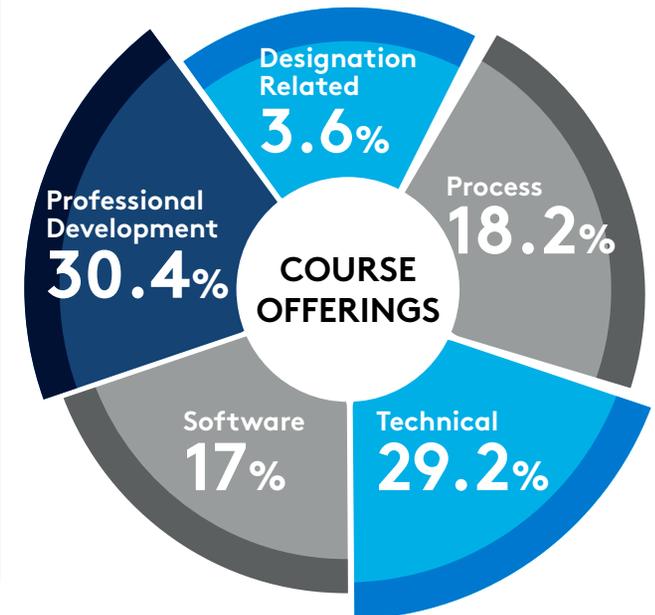
To ensure all employees have access to sustainability and energy efficiency educational resources, JBG SMITH hosts an annual Green Fair and Education Program. This event includes education sessions on new building technology and environmental sustainability, as well as features a tradeshow with various technology and sustainability focused companies.

Performance Evaluations

JBG SMITH believes that performance evaluations contribute to organizational goals and the professional growth of employees. JBG SMITH's employees receive formal evaluations of their performance on an annual basis. Performance evaluations recognize achievement and identify areas where improvement is needed. Employees begin the evaluation process with a self assessment. The performance evaluation typically consists of an assessment prepared by the employee's supervisor and a verbal discussion between the employee and their supervisor employees begin the evaluation process with a self assessment. Additionally, peer reviews are conducted and are made available to supervisors to include in the assessment process. Although formal written evaluations generally take place once a year, JBG SMITH has an ongoing culture of feedback whereby employees and their manager discuss performance against goals throughout the year.

In **2019** we offered **82** different courses and a total of **346** training sessions,

- 67% of which were Environmental, Social or Governance related.
- Employees logged **4,628** training activities,
- 88.5% of employees attended training in **2019**.



DIVERSITY and Inclusion



We recognize that a diverse workforce promotes diverse ideas and perspectives. We pride ourselves in fostering a strong, collaborative culture and an inclusive, healthy work environment for all of our employees. This allows us to stay innovative, attract top talent, and remain competitive in the marketplace. To reinforce our commitment, we added a Vice President of Diversity and Inclusion to our team in 2019.

Our workforce comprises



Our Board of Trustees has made a long-term commitment to evolve in a direction that reflects the strength and diversity of our national labor force and to establish an equal balance between men and women.

In 2019, our Board of Trustees comprised



DIVERSITY and Inclusion

ABOUT D&I

As a leading investor, owner, developer, and manager of real estate properties in the Washington, DC Metropolitan Area, we understand the importance of fostering a diverse and inclusive workplace where everyone can prosper. At JBG SMITH, we know that prioritizing diversity and inclusion is not only the right thing to do, but the smart thing to do. As such, we are committed to building an organization reflective of the tenants, residents, stakeholders, and communities we serve.

DEFINING D&I

We define diversity as the many dimensions that make each of us unique, including (but not limited to) age, education, socio-economic class, race, ethnicity, gender, nationality, language, religion, sexual orientation, and physical and mental ability.

Inclusion, on the other hand, is about enabling an environment where diversity can not only live but thrive.

//
Diversity is the
structure, and
inclusion is the
foundation.
//

Dawnita Wilson
JBG SMITH's, Vice President of Diversity
and Inclusion

OUR PHILOSOPHY

We strive to achieve excellence in all aspects of our business. As a leading investor, owner, developer and manager of real estate properties in the Washington, DC Metropolitan Area, our goal is to build and sustain a diverse and inclusive workplace, reflective of our tenants, residents, stakeholders and the communities where we do business.

We see diversity and inclusion not only as a competitive advantage, but as an opportunity for us to better meet the needs of those we serve, both internally and externally. Our vision is to be considered a great place to work for employees, an employer of choice for top talent, a good corporate citizen in the community, and a role model in the real estate industry.

OUR 5 STRATEGIC PILLARS

Our diversity and inclusion efforts are strategically aligned to our corporate mission – driving a culture of excellence. We know that diversity and inclusion sparks innovation, collaboration and teamwork. It is also essential to attracting, developing and retaining the best talent. For these reasons and more, our diversity and inclusion strategy is guided by these 5 strategic pillars:



Metrics and Accountability

Establish effective systems, processes and measures to drive accountability and track progress.



Workplace and Culture

Build and promote an inclusive environment that fosters collaboration, teamwork and innovation.



Industry and Branding

Position ourselves as an employer of choice, good corporate citizen and leader in the real estate industry.



Workforce and Talent

Attract, develop, engage, advance and retain a high performing workforce that reflects the communities we serve.



Business Integration

Ensure that diversity and inclusion are embedded into the way we do business.

COMPANY

Demographics

JBG SMITH Employees

	Total 2018	2018%	Total 2019	2019%
FEMALE EMPLOYEES	343	37%	386	38%
MALE EMPLOYEES	571	63%	619	62%
TOTAL EMPLOYEES	914		1,005	

Senior Leadership *

	Total 2018	2018%	Total 2019	2019%
FEMALE EMPLOYEES	20	33%	26	41%
MALE EMPLOYEES	40	67%	38	59%
TOTAL	60		64	

*Senior Vice President and above

Ethnicity

	Total 2018	2018%	Total 2019	2019%
MINORITY	477	52%	556	55%
WHITE	437	48%	449	45%
TOTAL	914		1,005	

JBG SMITH Employees

	Total 2018	2018 %	Total 2019	2019 %
WHITE	437	48%	449	45%
BLACK OR AFRICAN AMERICAN	272	29%	330	32%
HISPANIC OR LATINO	124	13%	132	13%
ASIAN	63	6%	66	6%
NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	2	0.2%	3	0.3%
TWO OR MORE RACES	14	2%	23	2%
AMERICAN INDIAN/ALASKAN NATIVE	1	0.1%	1	0.1%
NOT SPECIFIED	1	0.1%	1	0.1%
TOTAL	914		1,005	

Employees Ages

	Total 2018	2018%	Total 2019	2019%
55+	161	18%	171	17%
45-54	188	21%	213	21%
35-44	225	25%	252	25%
25-34	296	32%	315	31%
Under 25	44	4%	54	6%
TOTAL	914		1,005	

WASHINGTON

Housing Initiative

Across the Washington region, many working people are caught in an affordability gap – earning too much to qualify for housing assistance, but not enough to keep up with rising rents. A two-bedroom apartment in DC rents at an average of nearly \$2,900/month^[1]. At that rate, more than 600,000 area households^[2] would pay more than a third of their income for housing – falling into the “affordability gap”.

The Washington Housing Initiative is a transformational, market-driven approach to preserve and create

affordable workforce housing in rapidly changing communities in the DC Metro Region through its two primary vehicles: the Impact Pool and the Washington Housing Conservancy.

The Impact Pool is an investment vehicle that targets after-tax returns equivalent to many traditional investment funds, while at the same time delivering significant social impact. It seeks to provide private investors a total 7% internal rate of return over the life of the investment, inclusive of the current return and after all expenses. Most of

the return is expected to be tax-exempt. The Impact Pool is managed by JBG SMITH Impact Manager, a subsidiary of JBG SMITH Properties.

The Washington Housing Conservancy is an independent 501(c)(3) non-profit that purchases properties in high-impact locations. Their mission is to keep residents living close to their jobs by offering multi-family housing at affordable rental rates. Capital from the Impact Pool helps to finance the properties purchased by the Washington Housing Conservancy.

IN 2019, THE WASHINGTON HOUSING INITIATIVE TEAM HAS ACCOMPLISHED THE FOLLOWING:

- Closed more than \$104 million in investor commitments to the Impact Pool, including significant investments from some of the country’s largest banking institutions, as well as investments from local businesses and foundations.
- Received 501(c)3 approval for the Washington Housing Conservancy and raised nearly \$15 million in philanthropy, including Program Related Investments (PRI), local government funding and charitable donations.
- Assisted in the recruitment and hiring of Kimberly Driggins as the inaugural Executive Director of the Washington Housing Conservancy.
- Hired a Vice President of Investments, David Maggio, to focus on acquisitions for the Initiative.

The Impact Pool, an investment vehicle managed by JBG SMITH, provided a \$15.1MM loan to the non-profit Alexandria Housing Development Corporation (AHDC) to support the acquisition of Parkstone, a recently renovated 326-unit, high-rise building in Alexandria Virginia. Most of the units at Parkstone are naturally occurring affordable housing, with rents affordable to middle-income renters, but the property had previously been marketed as an opportunity to renovate and raise rents due to its proximity to National Landing and the lack of affordability protections in place. The property will offer 245 units of committed affordable housing for households earning \$85,000 or less per year.

[1] Rentjungle.com as of March 2020, Washington, DC

[2] Source: US Census Bureau

Washington Housing Initiative properties will all report on a series of social and environmental measures selected from the IRIS database and align with UN SDG's:

- Rent savings vs market (PI1748)
- # households served below 60%/80% AMI (PD5833)
- Energy Purchased/Produced: Total (OI8825), Renewable (OI3324)
- Waste Recycled – annually (OI2535)
- Greenhouse Gas Emissions (PD9427) – by building, Scope 1 and Scope 2 only



3 GOOD HEALTH AND WELL-BEING

- SDG Target 3.9



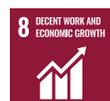
6 CLEAN WATER AND SANITATION

- SDG Target 6.3



7 AFFORDABLE AND CLEAN ENERGY

- SDG Target 7.1
- SDG Target 7.2
- SDG Target 7.3



8 DECENT WORK AND ECONOMIC GROWTH

- SDG Target 8.4



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- SDG Target 9.4



11 SUSTAINABLE CITIES AND COMMUNITIES

- SDG Target 11.1
- SDG Target 11.2
- SDG Target 11.3
- SDG Target 11.5
- SDG Target 11.6



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- SDG Target 12.3
- SDG Target 12.4
- SDG Target 12.5
- SDG Target 12.6

CASE STUDY:

Impact Investing



Alignment with established verification structures is critical to ensuring that our strategies are directionally correct. Our Impact Pool investment strategy follows a diligence outline that aligns with the Global Impact Investing Network (GIIN).

The GIIN defines impact investments as investments made with the intention to generate positive, measurable social and environmental impact, alongside a financial return.

The GIIN has established four core characteristics of impact investing which define the growing approach of impact investing, and offer the financial markets greater clarity on what constitutes credible impact investing.



INTENTIONALITY

Impact investments intentionally contribute to social and environmental solutions. This differentiates them from other strategies such as ESG investing, responsible investing, and screening strategies.



FINANCIAL RETURNS

Impact investments seek a financial return on capital that can range from below market rate to risk-adjusted market rate. This distinguishes them from philanthropy.



RANGE OF ASSET CLASSES

Impact investments can be made across asset classes.



IMPACT MEASUREMENT

A hallmark of impact investing is the commitment of the investor to measure and report the social and environmental performance of underlying investments.

The GIIN provides guidance documents and tools to proactively build and manage an impact investing practice. JBG SMITH uses the IRIS+ catalogue of generally accepted performance metrics to inform our diligence review and reporting activities.

IRIS+ is the generally accepted system for measuring, managing, and optimizing impact.
From <https://iris.thegiin.org/>

Our recent acquisition of Parkstone in Jan 2020 analyzed the following impact elements and memorialized the information in the due diligence record:

- ✓ New and preserved housing
- ✓ Rent savings versus Market
- ✓ Support for services and amenities
- ✓ Climate Risks
- ✓ Greenhouse Gas emissions
- ✓ Energy Use Intensity
- ✓ Water Use Intensity
- ✓ Energy and water efficiency potential
- ✓ Renewable energy potential
- ✓ Sustainable practices and programs



OCCUPANT Engagement



We believe that improved building performance requires enabling our tenants and resident to engage in activities that work to achieve more sustainable outcomes. Actual energy consumption of our assets is benchmarked through Energy Star Portfolio Manager and the Arc building performance dashboard. Our occupants are empowered to help meet the sustainability goals set for the building using our JBG SMITH Green website. Using this website, we are able to provide each tenant and resident with information on how their actions contribute to energy and water use. We also communicate specific actions they can take to engage in energy and water use management and reduction.



OCCUPANT Engagement

Sustainability Tenant Roundtables

We are committed to meeting with our tenants to provide education on the sustainability features of the buildings they occupy, as well as supporting tenant-driven sustainability initiatives. In 2019, our Sustainability team along with the Property Management teams conducted several tenant roundtable presentations at our properties.

These presentations focused on topics requested by the tenants, including education related to energy consumption, waste management best practices, and promoting alternative transportation to employees. Our team provided resources to assist tenants who are interested in forming an internal committee to align with their own corporate sustainability initiatives. We are focused on collaboration with our tenants to promote sustainability best practices in their leased space.



Tenant Roundtable

Slides used for tenant roundtables



JBG SMITH Sustainability Engagement

JBG SMITH works to integrate sustainability into our regular tenant communication process we can ensure that we are working with tenants to meet our common goals for environmental sustainability, occupant wellness, and corporate responsibility.

Agenda for Today



JBG SMITH

Transportation

JBG SMITH recognizes that reducing carbon emissions from transportation is a significant factor in achieving sustainability.

We are committed to supporting our tenants with programming to support the many alternatives to traditional "one-person, one-car" commuting such as: public transit, biking and walking, carpooling, alternative-fuel vehicles.



JBG SMITH

13

CUSTOMER Service



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Our goal as an organization is to be known for delivering best-in-class customer service. In all our communities, we strive to deliver that level of service excellence to our customers every day. In 2019, we focused on deepening our customer service mindset and making it an important part of our culture.

// TiffanyButcher, EVP
Residential and Retail Asset
Management

To make sure we are all moving forward as one team, all residential employees participated in a three-hour workshop dedicated to Customer Service Excellence. We conducted a total of 11 workshops throughout 2019 for all current employees and new hires. The workshops provided the tools and perspectives needed to deliver exceptional customer service and ensure that our customers' needs continue to be our highest priority.



CUSTOMER SERVICE PHILOSOPHY

At **JBG SMITH**, our team of caring, enthusiastic professionals is passionate about providing exceptional customer service. We strive to create tailored customer experiences in all of our communities so that our customers know their needs are our highest priority.

FIVE ELEMENTS OF CUSTOMER SERVICE

CARING

I am passionate about caring for customers and coworkers alike.

I always warmly greet our customers by name.
I actively listen and connect with our customers to build meaningful rapport.

PROFESSIONALISM

I am intentional about creating a positive, welcoming environment.

I proudly represent JBG SMITH through professional attire, communication and conduct.
I focus on attention to detail to ensure that our community always look its best.

EMPOWERMENT

I am empowered to act.

I take ownership of customer concerns and provide timely responses and resolutions.
I proactively seek opportunities to anticipate needs and exceed customer expectations.

LEADERSHIP

I am a leader who inspires others to achieve excellence.

I motivate others through teamwork and celebrate individual and team successes. I am accessible and always follow through on commitments.

INNOVATION

I am creative and forward-thinking.

I embrace change, and personally develop and share best practices and lessons learned. I solicit and act on customer feedback to ensure our team delivers service excellence.



JBG SMITH

CUSTOMER Service

We engage our tenants by providing performance data, resources, and strategies for improvements around the following areas*:

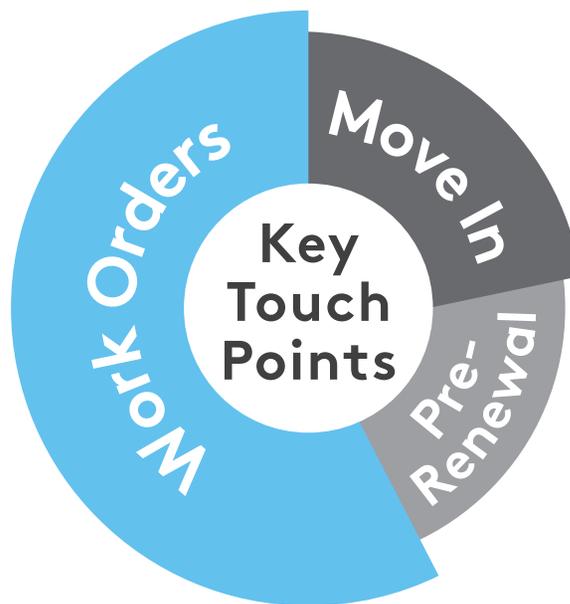
Sustainability Topic	Area of Interest	Engagement
 Waste	Organic Waste Removal (Composting); recycling education and resources	Providing organic waste removal services and custom labeled bins; educational events and signage
 Energy	Reducing utility costs and "carbon footprint"	LED lighting retrofits; occupancy sensors
 Transportation	Access to public and alternative transportation options	Bicycle storage and changing facilities; EV charging stations; up to date transit schedule information; bike share locations
 Health and Wellness	Support for healthy lifestyles and improved productivity	Fitness centers; access to healthy food choices; daylight and views to nature
 Emergency Preparedness	Life safety during various emergency scenarios, which include extreme weather situations	Created reference materials: Emergency Response Guide Floor Warden Training Program Fire Safety Plan Emergency Response Pocket Guide

Multifamily Resident Feedback

We value feedback from our residents and send surveys at key touchpoints, including after move-in, mid-way through the lease term (pre-renewal), and after each service request is completed, which guarantees we reach all of our multifamily residents at least once per year.

We benchmark our performance compared to the SatisFacts Index. Surveys include questions on overall satisfaction, as well as satisfaction with communication, responsiveness, and property management.

A total of 5,090 survey responses were completed in 2019, representing the following touch points:



JBG SMITH's average survey score for 2019 exceeded SatisFacts national average of 4.24 (out of a possible 5.0). In addition, JBG SMITH received the 2019 National SatisFacts Resident Satisfaction Company Award.

Office Tenant Feedback

Facilitated by our industry partner, Kingsley Associates, our office tenants are surveyed annually. Using a customized, best in class office tenant questionnaire, feedback is collected across eleven factors that directly connect to JBG SMITH's overall customer service philosophy. Key performance indicators include sustainability factors that ask tenants about the importance of green building certifications to their businesses and satisfaction with our sustainability initiatives.

Question	Important/Very Important*
How important are sustainable building operations to your company?	76%
How important are green certifications to your company (e.g. LEED, ENERGY STAR)	71%
Rate your satisfaction with energy conservation initiatives (% responding 4 or 5 on a scale of 1 to 5)	80%
Rate your satisfaction with recycling initiatives (% responding 4 or 5 on scale of 1 to 5)	75%

*Response average for 2019 was 60%

BUILDING OCCUPANT HEALTH

Safety and Well-being

Indoor Environmental Quality (IEQ) Management Program

The IEQ program is based on the United States EPA I-BEAM system, integrating indoor air quality, energy efficiency, and building economics into one management tool to help buildings run at peak performance, including:



Legionella Testing on all water-containing building equipment on a semi-annual basis to ensure that equipment is free of harmful bacteria



Volatile Organic Compounds - JBG SMITH specifies products with low or no VOCs to reduce harmful gases emitted from many products



HVAC Systems Maintenance, Monitoring, and Inspections to ensure systems provide adequate ventilation and fresh air, and are continually maintained to ensure efficient performance



Environmental Tobacco Smoke Control - All commercial buildings and indoor public spaces are smoke free



Air Filters are installed on all units and, where available, building automation systems are used to monitor temperature, humidity, carbon dioxide, and other air quality determinants



Green Cleaning - Janitorial vendors use environmentally friendly practices and low-toxicity cleaning products



Chemical Water Treatment and Preventive Maintenance - Rigorous care is taken to greatly minimize bacteria growth



Air Quality Testing - Air quality tests are performed annually with mitigation measures taken if particulate quantities in the air are higher than acceptable limits



Reston Town Center West

JBG SMITH

Cares

Committed to Our Communities

Supporting communities is an inherent part of the JBG SMITH approach of being a good partner. JBG SMITH is committed to giving back to the communities where we do business focused on five specific areas – Affordable Housing, Advancing the Arts, Education, Environmental Responsibility, and Health and Wellbeing. Whether it is through monetary, in-kind donations or hours of volunteer work, JBG SMITH cares — and we are working to make a difference.



EcoAction Arlington 2019

JBG SMITH CARES

Focused Giving

JBG SMITH has identified core social responsibility areas of focus and allocates internal resources and corporate giving based on the relevance and impact to our business, as well as community needs.



Housing Affordability: We are committed to working with the community, area non-profits, and the local government to answer the urgent call for increased affordable workforce housing. In addition to partnering with more than 20 local organizations that support those in need, we launched the Washington Housing Initiative to leverage market forces and external investment capital to improve housing equity.



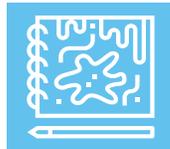
Diversity and Inclusion: We believe diversity is one of our strongest assets and we are committed to developing a workforce that reflects the vibrancy of the communities in which we operate. JBG SMITH professionals hold themselves to the highest standards of service, integrity, and creativity while engaging in projects in a high-energy environment.



Health and Wellness: We partner with organizations that facilitate sustainable urban farms, provide nutrition education and assistance, and support policy-making efforts focused on structural inequalities in our food systems.



Education: We work with organizations focused on literacy and early education in the Washington, DC region, including Esperanza, which provides local immigrant students with college scholarships.



Advancing the Arts: We seek to integrate a diverse range of public art into our new development projects and existing properties through strategic partnerships with organizations that educate, enrich, and facilitate the cultural life of the Washington, DC region.



JBG SMITH CARES

Focused Giving

Days of Giving hours volunteered

2,330
in 2019

Total Giving

\$2,170,602

includes over

80 organizations
and business to business
sponsorships

\$1 million was contributed to the Washington
Housing Conservancy

Toy Drive: JBG SMITH partnered with
A Wider Circle we collected

700 toys

which was based on a range of

20-70 toys

per building across

20 buildings

Per A Wider Circle, JBG Smith was the
largest contributor to their drive.

Food Drive: JBG SMITH partnered with
Capital Area Food Bank

60 office building

12,000 pounds of food for Capital
Area Food Bank

Recognition:

Washington Business Journal Philanthropic Awards:



#8 Corporate Philanthropy - Midsize
Companies by Volunteer Hours
in Greater D.C.

#6 Corporate Philanthropy -
Midsize Companies by Giving
in Greater D.C.

We were given the Esperanza Award for advancing
hope in the immigrant community - June 7, 2019



//

For the past four years, JBG SMITH
has supported at least one full
scholarship for an Esperanza scholar.
They have opened their doors to our
organization, and their JBG SMITH
Cares committee has provided us
with invaluable direct support from
their employees.

//

The Esperanza Education Fund



TRANSIT ORIENTED Development

Our portfolio reflects our longstanding strategy of owning and operating assets within Metro-served submarkets in the Washington, D.C. metropolitan area that have high barriers to entry and key urban amenities, including being within walking distance of a Metro station. Through our development efforts we work to realize our vision of sustainable development by using the principles of transit oriented development.

JBG SMITH promotes the use of mass transit by its tenants through on-site events for tenant employees, newsletters, and one-on-one meetings with tenant contacts. Our employees support alternative transportation programs by working with local transportation management authorities and supporting the use of car-pooling. We encourage our employees to use alternatives to single occupancy vehicles by subsidizing the purchase of transit passes and enabling employees to fund many of their additional commuting expenses, such as vanpools and parking at public transportation stations, by using pre-tax dollars through our Commuter Benefits program.

//
Designing a dream city is easy,
but rebuilding a living one takes
imagination.
//

Jane Jacobs
Urban planning activist



Institute for Transportation and Development Policy

MODES of Travel

At JBG SMITH, we are focused on cultivating a modal collaborative ecosystem, and through framework and future-proofing we can actively shape how we travel from point A to point B in an urban environment and beyond.

Approaching from a future-proof mindset, we are looking at how to create smart cities and linking vehicles, ride-share, EV infrastructure, micromobility (scooters/bikes) and parking guidance in totality. The battle for the curb has been a hot topic as cities are pulling away parking and adding loading zones & ride share pick up and drop off points. We are considering changing our loading areas at RTC West to pick-up and drop-off points for Uber/Lyft. In addition, we have teamed up with Spin for supplying scooters in National Landing with charging docks as a “sandbox”.

For EV Charging –

- We’ve implemented over 130 EV chargers across our portfolio from Bosch, Blink, ChargePoint, Leviton, and Tesla.
- We are on schedule to install 4 EV stations with Volta at the Parks in National Landing by mid-2020.



COMMUNITY Projects



Crystal City Metro entrance and plaza at Crystal Drive



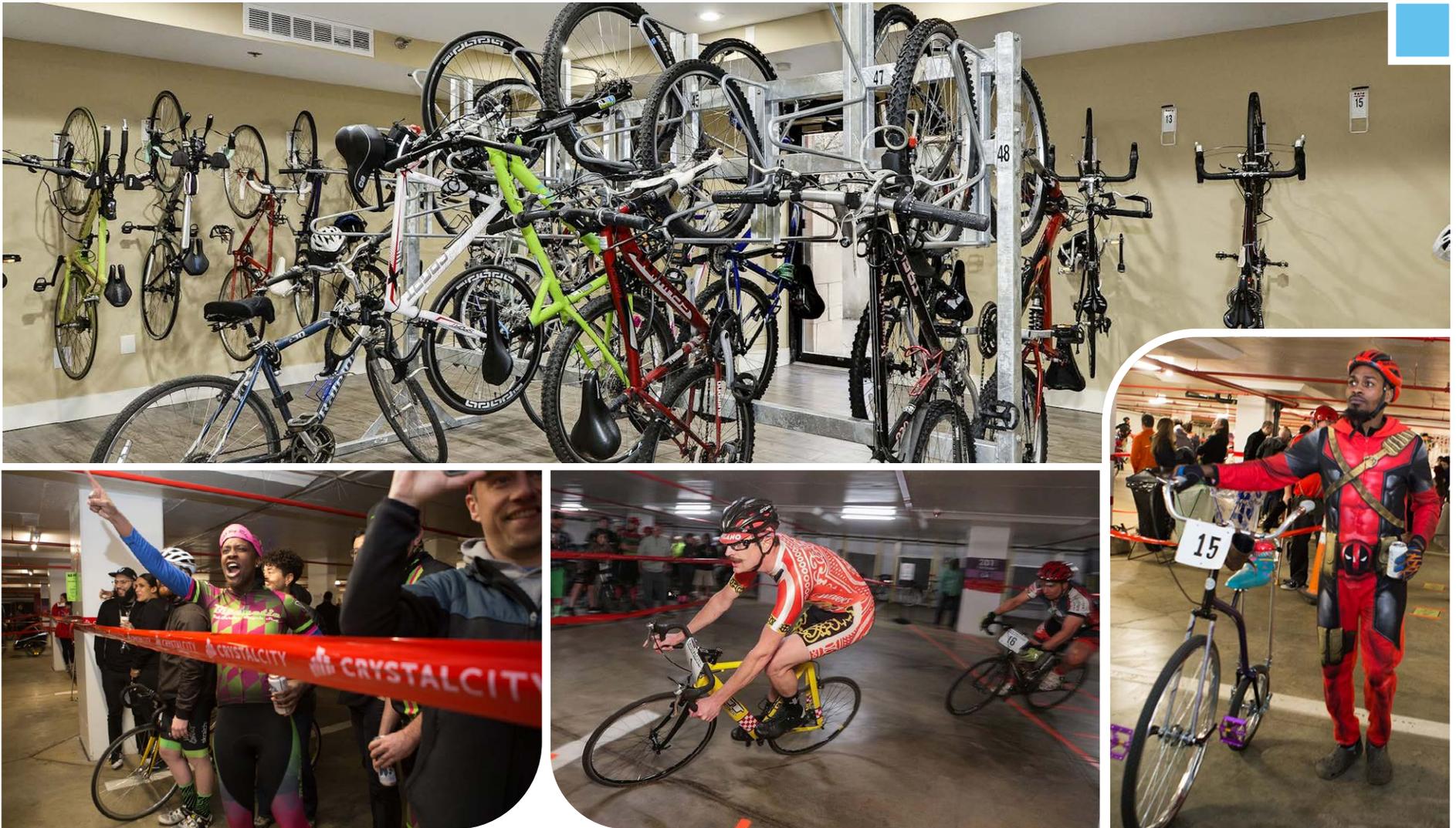
DCA Pedestrian Bridge

Transit Public Private Partnership

In July 2019 JBG SMITH submitted a proposal to Arlington County to construct the planned second entrance to the Crystal City metro station on the County's behalf. The proposal was made under a Virginia law that allows for private companies to make unsolicited proposals to public entities for the delivery of public infrastructure that is in the best interest of the public. Arlington County has accepted JBG SMITH's proposal for review and a final decision is expected in July of 2020.

Regional Transit Initiative

In an effort to encourage more transit ridership and improve access to and from National Landing, JBG SMITH worked with Maryland state delegate Jared Solomon to propose a pilot program to run MARC commuter trains to National Landing. The proposal calls for adding two trains from Maryland to National Landing during the morning rush and two trains from National Landing to Virginia during the evening rush. Delegate Solomon introduced a bill requiring the Maryland Department of Transportation to study the proposal and make a recommendation to the legislature for how it could be implemented. JBG SMITH worked with its consultants to develop the proposal, and partnered with other groups like the Greater Washington Partnership to support the legislation.



Community Events

In conjunction with the Crystal City Business Improvement District and Crosshairs Cycling, JBG SMITH hosts an annual “underground bike race” in its parking garages in Crystal City called Crosshairs Garage Race. It is a great example of creative use of existing infrastructure during off hours, and of promoting bike culture in National Landing. It is also very popular and has garnered positive press for JBG SMITH and National Landing.



CORPORATE Governance

The Board of Trustees of JBG SMITH operates in accordance with our Corporate Governance Guidelines, which are subject to periodic review by our Board. Among the Board's priorities are strategic oversight of operations, review of executive compensation structure, conflict avoidance, and administration of the Code of Business Conduct and Ethics, which can be found on the JBG SMITH corporate website at www.jbgsmith.com.



2525 Crystal Drive
Illustrative Rendering

BOARD ESG Oversight

Board Composition

During 2019, the JBG SMITH Board comprised 12 members, including seven independent trustees. Our Board will de-stagger starting with the 2020 Annual Meeting of Shareholders on April 30, 2020, after which each of our trustees will be subject to re-election annually. The Board is committed to diversity, in terms of the individuals involved, their demographics, their industry experiences, and their areas of expertise. As a demonstration of our commitment to gender pay equity within our governing body, all board members are compensated equally, with independent trustees receiving additional compensation for committee positions.

Board trustees sit on three standing committees: Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee. The Board met four times in 2019, and each trustee attended at least 75% of the meetings of the Board, and all committees thereof on which such trustee served during 2019. The committees are composed exclusively of independent trustees, in accordance with NYSE rules and met an aggregate of 12 times in 2019.



Our Board maintains a strong focus on enhancing shareholder value, including alignment of ESG priorities with our long-term business plans. As institutional investors continue to become more proactive about integrating environmental, social, and governance principles into their investment process, we continue to expand our disclosures and internal controls around ESG data.

We include ESG strategy, climate change risks and performance data in the following locations:

- [Annual Report](#)
- [Proxy Statement](#)
- [Annual ESG Report](#)
- [Corporate Website](#)
- [Investor Presentations](#)
- [Quarterly Investor Packages](#)

Committee	Committee Chair
Audit Committee	Scott A. Estes
Compensation Committee	Carol A. Melton
Corporate Governance and Nominating Committee	Alan S. Forman

OUR TEAM & Integrated ESG Strategy

To ensure that our ESG principles are fully integrated into our business practices, Steering Committees, including members of our management team, provide top-down support for the implementation of ESG initiatives. The ESG team provides our Board of Trustees' Corporate Governance and Nominating Committee with periodic updates on ESG strategy. Our Board of Trustees Corporate Governance and Nominating Committee is responsible for oversight of environmental and social matters, demonstrating top-down leadership of the organization.

Our sustainability team works directly with our business units to integrate our ESG principles throughout our operations and investment process. The sustainability team includes our Vice President of Sustainability and a Sustainability Associate. The Vice President reports directly to our Chief Operating Officer. The team is responsible for annual ESG reporting, maintaining building certifications, improving program design, and implementing and coordinating with industry and community partners.



Illustrative Typical Rooftop Terrace at Metropolitan 6/7/8

OUR ESG Investment Strategy

JBG SMITH's business model prioritizes long-term growth and sustained value. Our investments in urban infill and transit-oriented development enhances responsible urbanization, reduce vehicles on the road, and help revitalize local communities. By improving the efficiency of our existing buildings and replacing certain out of service assets with new developments, we are working to redefine neighborhoods in a sustainable and resilient manner.

Our investment strategy focuses on key environmental and social objectives integrated into our business.



Fostering a sense of place for the health and resilience of our communities



Addressing issues related to housing affordability in our neighborhoods



Enabling communities to reduce dependence on fossil fuels via the use of alternative transportation options



Developing a future-proof portfolio that minimizes environmental impacts and mitigates climate change-related financial risks



Building deep relationships with our customers and supply chain



Creating a thriving work force by engaging and developing our employees



Prioritizing local environmental objectives to meet aggressive carbon and energy reduction goals, reduce waste, and manage storm water volume and run-off



ESG Materiality

ESG has become an integral part of our business operations. Understanding the priorities and business values of all our stakeholders allows us to better align management strategies that contribute to shared value for all. Our reporting has been built on a foundation of transparency and disclosure. We plan to build on this foundation while striving for a higher level of demonstrated positive, equitable and climate responsive impacts.

Using the Global Reporting Initiative (GRI) framework as guidance, our high-level summary of how our ESG strategy permeates the organization and our activities is below, and specific elements are found in various locations throughout this report. **The 2019 GRI Standards Content Alignment matrix is found in the Appendix.**



RISK ASSESSMENT

and Ethical Practices



Risk Assessment Process

Our senior management team, with assistance from our internal auditors at PwC, conduct an annual risk assessment designed to identify the material risks our business faces and the potential impact of those risks on our strategy and operations.

Our risk assessment process uses a top-down approach, beginning with management’s strategic objectives and focuses on issues that could impact shareholder value including ESG factors. To identify the most significant risks facing the Company and the industry, our assessment process starts with interviews with our executive

management team and includes consideration of our risk mitigation strategies.

We utilize a risk disclosure approach that focuses on issues that could materially impact achievement of our strategic objectives. The risk factors disclosed in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission are reviewed by our outside counsel, Hogan Lovells.

Ethical Practices

Using the Ten Principles of the United National Global Compact, we incorporate responsible business practices and ethics into our Code

of Conduct, policies and procedures. Our company handbook outlines our responsible business practices and includes facets of human rights, labor and anti-corruption. Responsible business practices surrounding the environment are a part of our operational policies and procedures located in the environmental programs management portion of this report.

Collective Bargaining

Some property-level JBG SMITH employees are covered by a Collective Bargaining Agreement. In the event that the terms of the JBG SMITH Handbook differ from the terms of the Collective Bargaining Agreement, the Collective Bargaining Agreement will take precedence.



Anti-Corruption

As part of our annual risk assessment process, our anti-corruption policy is reviewed and operational controls for specific areas of our business are updated. Those areas include:



Parking operations



Residential leasing



Interaction with public officials

RISK ASSESSMENT and Ethical Practices

WHISTLEBLOWER HOTLINE

JBG SMITH is committed to fostering an open and trusting environment, and we encourage employees to report concerns regarding potential ethics violations without fear of retaliation. In addition to speaking with managers and supervisors, employees can report concerns through an anonymous, third-party hotline provider, Ethicspoint. Any reports to this hotline are reported directly to the Board of Trustees.



JBG SMITH Workplace Safety and Health Policies:

1. Workplace Safety
2. Workers' Compensation
3. Inclement Weather
4. Corporate Office Status
5. Smoke-Free Workplace
6. Drug-Free Workplace
7. Fire and Safety
8. Office Security and Workplace Violence



JBG SMITH: A Tradition of Integrity Ethical Practices Policies:

1. JBG SMITH Code of Business Conduct and Ethics
 - Honest and Ethical Conduct
 - Fair Dealing
 - Compliance with Applicable Governmental Laws, Rules and Regulations

- Conflicts of Interest
- Corporate Opportunities
- Compliance Procedures; Reporting Violations
- Accounting Complaints
- Public Disclosure
- Confidential Information
- Insider Trading
- Protection and Proper Use of the Company's Assets
- Waivers of or Changes to the Code of Business Conduct and Ethics
- Administration and Implementation
- Website Disclosure

2. Business and Entertainment Gifts
3. Confidentiality and Trade Secrets
4. Employee-Whistleblower Immunity
5. Equal Employment Opportunity and Discrimination or Harassment in Any Form
 - Sexual and Other Harassment
 - Discrimination and Harassment Reporting Procedures

- Americans with Disabilities Act
- Accommodation of Conditions Related to Pregnancy and Child Birth
- Genetic Information Policy (GINA)

6. Equality in Housing/Tenancy Opportunities



ESG Report

JBG SMITH is pleased to present this report, containing information on environmental sustainability, social responsibility, and corporate governance. Unless otherwise stated, quantitative and qualitative reporting covers the 2019 calendar year. All financial information is presented in U.S. dollars. Square footages are at JBG SMITH share.

This report references disclosures from the Global Reporting Initiative (GRI) Standards guidelines (See GRI Index section), the United Nations Sustainable Development Guidelines (See UN SDG Index), Sustainable Accounting Standards Board (See SASB Index) and Task Force on Climate-Related Financial (See TCFD Index). For more information about our sustainability programs and business performance, please visit the Sustainability and Investor Relations portions of our website at www.jbgsmith.com. To provide feedback, please email Kim Pexton, Vice President of Sustainability at kpexton@jbgsmith.com or Jaime Marcus, SVP of Investor Relations and Corporate Communications at jmarcus@jbgsmith.com.

DATA VERIFICATION

Codegreen Solutions conducted a third-party, limited assurance review of energy, water, waste, and greenhouse gas emissions calculations. Greenhouse gas verification followed the methodology of ISO 14064-3, and a parallel methodology was used for energy, water, and waste data. Under this methodology, Codegreen Solutions found nothing causing it to believe that the values reported are not presented fairly, and in accordance with the relevant criteria.

4747 Bethesda Avenue

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INDUSTRY

Memberships

JBG SMITH is actively engaged in several industry associations focused on advancing industry standards and advocacy efforts that are aligned with our priorities.

- District of Columbia Building Industry Association
- NAIOP National and Local Chapters (Washington, DC, Maryland, and Northern Virginia)
- Urban Land Institute
Urban Land Institute Greenprint Member
- Coalition for Smarter Growth
- DC Preservation League
- Congress for the New Urbanism
- Associated Builders and Contractors – Metro Washington and Virginia chapters
- AIA – Washington, DC
- Corenet
- NAREIT
- Washington Building Congress
- GRESB
- USGBC National and National Capital Region Chapter
- National Multifamily Housing Council
- Commercial Real Estate Women
- Institute of Real Estate Management
- International Council of Shopping Centers
- DC Metro Business Leadership Network
- Commercial Real Estate Brokerage Association
- Federal City Council
- Better Buildings Initiative
- DC Policy Center
- Diversity Best Practices
- Building Owners and Managers Association International
- Association for Talent Development

UNITED NATIONS SUSTAINABLE

Development Goal Index

UN SUSTAINABLE DEVELOPMENT GOAL	JBG SMITH OBJECTIVE	PROGRESS TOWARD OBJECTIVE
 <p>2 ZERO HUNGER</p>	Contribute to quality food access in urban communities	<ul style="list-style-type: none"> • Prioritizing retail leasing to bring local retailers into communities • Supporting urban gardening and farmers market assistance programs
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Provide quality living and working environments	<ul style="list-style-type: none"> • Conduct annual air quality testing • Limit toxic chemicals in buildings through green cleaning program and procurement standards • Providing amenity spaces and services that promote healthy lifestyles
 <p>4 QUALITY EDUCATION</p>	Promote literacy and early education in our community	<ul style="list-style-type: none"> • Supporting organizations that provide educational support services to underserved communities • Participating in lunchtime reading program at local elementary school
 <p>5 GENDER EQUALITY</p>	Achieve diversity and equality at all levels of organization	<ul style="list-style-type: none"> • Committed to diversity on the Board of Trustees that reflects our workforce and our nation • Employee-based diversity and inclusion leadership initiatives • Focusing on recruitment and talent retention
 <p>6 CLEAN WATER AND SANITATION</p>	Manage storm water runoff and preserve fresh water sources	<ul style="list-style-type: none"> • Installing of green roofs that absorb rainwater and relieve overstressed storm water sewers during heavy precipitation events • Reusing captured rainwater for irrigation • Integrating pest management strategies to reduce the need for hazardous pesticides • Supporting organizations that preserve and protect local waterways
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Generate and procure renewable energy	<ul style="list-style-type: none"> • Task force for implementing renewables strategy, including formal relationship with renewables consultant • Analyzing renewable energy opportunities across the portfolio • Demand limiting and curtailment to reduce demand for power from the grid during peak demand periods
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Community investment and quality working conditions	<ul style="list-style-type: none"> • Development strategy focusing on revitalizing communities and the creation of mixed-use urban environment • Providing employees safety training, health and wellness programs, and promote work-life balance strategies • Thoughtful negotiation of collective bargaining agreement for engineering staff
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Employ smart growth principles and green building strategies	<ul style="list-style-type: none"> • Developing transit-oriented, urban infill communities • Obtaining green building certifications for design, operations, or energy performance and collaborate to advance local sustainability goals
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Responsible procurement and disposal of materials	<ul style="list-style-type: none"> • Providing support for building occupants to responsibly dispose of waste, diverting waste streams from landfills • Specifying of products that meet sustainability standards for recycled content, VOC levels, and regional production
 <p>13 CLIMATE ACTION</p>	Reduce greenhouse gas emission and address regional and asset-specific risks	<ul style="list-style-type: none"> • Reducing energy through investing in efficiency measures with proven paybacks • Assessing regional and asset-specific risks associated with climate change, which include sea-level rise, increased chances of flooding, and more extreme weather events • Emergency response planning and occupant training, as well as communication regarding potential catastrophic events

GLOBAL REPORTING INITIATIVE

Index

GRI 100: Universal Standards

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
102-1	Name of the organization	JBG SMITH
102-2	Activities, brands, products, and services	Our Company
102-3	Location of headquarters	Bethesda, MD
102-4	Location of operations	Our Company
102-5	Ownership and legal form	Our Company
102-6	Markets served	Company Composition
102-7	Scale of the organization	Company Composition
102-8	Information on employees and other workers	Diversity and Inclusion, Company Demographics
102-13	Membership of associations	Industry Memberships
102-14	Statement from senior decision maker	The Decade Ahead
102-15	Key impacts, risks, and opportunities	Our ESG Investment Strategy
102-16	Values, principles, standards, and norms of behavior	Our ESG Investment Strategy
102-17	Mechanisms for advice and concerns about ethics	Risk Assessment and Ethical Practices
102-18	Governance structure	Corporate Governance
102-19	Delegating authority	Board ESG Oversight
102-20	Executive-level responsibility for economic, environmental, and social topics	Integrated ESG Strategy
102-21	Consulting stakeholders on economic, environmental, and social topics	ESG Materiality
102-22	Composition of the highest governance body and its committees	Board ESG Oversight, Integrated ESG Strategy
102-23	Chair of the highest governance body	Board ESG Oversight
102-24	Nominating and selecting the highest governance body	Board ESG Oversight
102-25	Conflicts of interest	Risk Assessment and Ethical Practices
102-26	Role of highest governance body in setting purpose, values, and strategy	Integrated ESG Strategy
102-28	Evaluating the highest governance body's performance	ESG Materiality
102-29	Identifying and managing economic, environmental, and social impacts	Environmental Sustainability, Social Responsibility
102-30	Effectiveness of risk management processes	Risk Assessment and Ethical Practices
102-31	Review of economic, environmental, and social topics	Environmental Sustainability, Social Responsibility

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
102-32	Highest governance body's role in sustainability reporting	Board ESG Oversight
102-40	List of stakeholder groups	ESG Materiality
102-41	Collective bargaining agreements	Risk Assessment and Ethical Practices
102-42	Identifying and selecting stakeholders	ESG Materiality
102-43	Approach to stakeholder engagement	ESG Materiality
102-46	Defining report content and topic Boundaries	ESG Materiality
102-47	List of material topics	ESG Materiality
102-49	Changes in reporting	ESG Report
102-50	Reporting period	ESG Report
102-51	Date of most recent report	ESG Report
102-52	Reporting cycle	ESG Report
102-53	Contact point for questions regarding the report	ESG Report
102-55	GRI content index	GRI Standards Content Index
102-56	External assurance	ESG Report

GRI 103: Management Approach

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
103-1	Explanation of the material topic and its Boundary	Our ESG Investment Strategy, ESG Materiality
103-2	The management approach and its components	Our ESG Investment Strategy, ESG Materiality
103-3	Evaluation of the management approach	Our ESG Investment Strategy, ESG Materiality

GRI 200: Economic Standards

GRI 201: Economic Performance

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
201-3	Defined benefit plan obligations and other retirement plans	Investing in Our People

GRI 203: Indirect Economic Impacts

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
203-2	Significant indirect economic impacts	Economic Impacts

GRI 205: Anti-corruption

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
205-1	Operations assessed for risks related to corruption	Risk Assessment and Ethical Practices
205-2	Communication and training about anti-corruption policies and procedures	Risk Assessment and Ethical Practices

GRI 300: Environmental Standards

GRI 302: Energy

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
302-1	Energy consumption within the organization	Environmental Performance Results
302-3	Energy intensity	Environmental Performance Results
302-4	Reduction of energy consumption	Environmental Performance Results

GRI 303: Water

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
303-1	Water withdrawal by source	Environmental Performance Results

GRI 305: Emissions

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
305-1	Direct (Scope 1) GHG emissions	Environmental Performance Results
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance Results
305-3	Other indirect (Scope 3) GHG emissions	Environmental Performance Results
305-4	GHG emissions intensity	Environmental Performance Results
305-5	Reduction of GHG emissions	Environmental Performance Results

GRI 306: Effluents and Waste

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
306-2	Waste by type and disposal method	Environmental Performance Results

GRI 400: Social Standards

GRI 401: Employment

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Investing in Our People
401-3	Parental leave	Investing in Our People

GRI 404: Training and Education

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
404-1	Average hours of training per year per employee	Investing in Our People
404-2	Programs for upgrading employee skills and transition assistance programs	Investing in Our People
404-3	Percentage of employees receiving regular performance and career development reviews	Investing in Our People

GRI 405: Diversity and Equal Opportunity

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
405-1	Diversity of governance bodies and employees	Diversity and Inclusion

GRI G4 SECTOR SUPPLEMENT: Construction and Real Estate

GRI STANDARD TITLE	DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE / LOCATION
Energy	G4 CRE1	Building energy intensity	Environmental Performance Results
Water	G4 CRE2	Building water intensity	Environmental Performance Results
Emissions	G4 CRE3	Greenhouse gas emissions intensity from buildings	Carbon Accounting
Product and Service Labeling	G4 CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Sustainability Certifications

SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB) Index

Table 1. Summary of Quantitative Accounting Metrics

DISCLOSURE TOPIC		2018	2019
Energy Management	Energy consumption data coverage: Commercial Assets	13,678,315	12,736,069
	Energy consumption data coverage: Multifamily Assets	6,285,646	6,225,125
	Total energy consumed: Commercial Assets (kWh)	288,539,000	259,056,000
	Total energy consumed: Multifamily Assets (kWh)	108,610,000	117,735,000
	Percentage grid electricity: Commercial Assets	87%	86%
	Percentage grid electricity: Multifamily Assets	59%	61%
	Percentage grid natural gas: Commercial Assets	41%	39%
	Percentage grid natural gas: Multifamily Assets	13%	14%
	Like-for-like change in energy consumption of portfolio area with data coverage: Commercial Assets	1.63%	-8.40%
	Like-for-like change in energy consumption of portfolio area with data coverage: Multifamily Assets	-1.95%	7.60%
	Percentage of eligible portfolio certified to ENERGY STAR: Commercial Assets	65%	41.0%
	Percentage of eligible portfolio certified to ENERGY STAR: Multifamily Assets	48%	42.0%
Water Management	Water withdrawal data coverage: Commercial Assets	94%	93.6%
	Percentage in regions with High or Extremely High Baseline Water Stress	0%	0.0%
	Water withdrawal data coverage: Multifamily Assets	85%	90.3%
	Percentage in regions with High or Extremely High Baseline Water Stress	0%	0%
	Total water withdrawn: Commercial Assets (in thousands of cubic meters)	990,746	772,511
	Percentage in regions with High or Extremely High Baseline Water Stress	0%	0%
	Total water withdrawn: Multifamily Assets (in thousands of cubic meters)	860,015	923,446
	Percentage in regions with High or Extremely High Baseline Water Stress	0%	0%
Management of Tenant Sustainability Impacts	Like-for-like change in water withdrawn of portfolio area with data coverage: Commercial Assets	5.41%	2.8%
	Like-for-like change in water withdrawn of portfolio area with data coverage: Multifamily Assets	1.81%	6.9%
Climate Change Adaptation	Percentage of new leases that contain a cost-recovery clause for resource efficiency related capital improvements: Commercial Assets	100%	100%
	"Area of properties located in FEMA SFHA or foreign equivalent (in thousands of ft2): Commercial Assets"	0	0
	"Area of properties located in FEMA SFHA or foreign equivalent (in thousands of ft2): Multifamily Assets"	0	0

Table 2. Activity Metrics

METRICS	2018	2019
Number of assets: Commercial Assets	46	44
Number of assets: Multifamily Assets	16	18
Leasable floor area (in thousands of ft2): Commercial Assets	12,934,467	12,736,069
Leasable floor area (in thousands of ft2): Multifamily Assets	5,559,307	6,225,125
Average occupancy rate: Commercial Assets	85.50%	88.2%
Average occupancy rate: Multifamily Assets	93.90%	93.3%

TASK FORCE ON CLIMATE RELATED Financial Disclosures

THEMATIC AREA	RECOMMENDED DISCLOSURE	DISCLOSURE COMPONENTS	LOCATION IN THIS REPORT
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Guidance for All Sectors In describing the board's oversight of climate-related issues, organizations should consider including a discussion of the following: • processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues, • whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures, and • how the board monitors and oversees progress against goals and targets for addressing climate-related issues.	Page 20
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Guidance for All Sectors In describing management's role related to the assessment and management of climate-related issues, organizations should consider including the following information: • whether the organization has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues, • a description of the associated organizational structure(s), • processes by which management is informed about climate-related issues, and • how management (through specific positions and/or management committees) monitors climate-related issues.	Pages 19 - 20
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Guidance for All Sectors Organizations should provide the following information: • a description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms, • a description of the specific climate-related issues for each time horizon (short, medium, and long term) that could have a material financial impact on the organization, and • a description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization. Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate.	Pages 19 - 20
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Guidance for All Sectors Building on recommended disclosure (a), organizations should discuss how identified climate-related issues have affected their businesses, strategy, and financial planning. Organizations should consider including the impact on their businesses and strategy in the following areas: • Products and services • Supply chain and/or value chain • Adaptation and mitigation activities • Investment in research and development • Operations (including types of operations and location of facilities) Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time. Organizations should also consider including in their disclosures the impact on financial planning in the following areas: • Operating costs and revenues • Capital expenditures and capital allocation • Acquisitions or divestments • Access to capital If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.	Pages 19 - 20
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Guidance for All Sectors Organizations should describe how resilient their strategies are to climate related risks and opportunities, taking into consideration a transition to a lower-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks. Organizations should consider discussing: • where they believe their strategies may be affected by climate-related risks and opportunities; • how their strategies might change to address such potential risks and opportunities; and • the climate-related scenarios and associated time horizon(s) considered. Refer to Section D for information on applying scenarios to forward-looking analysis.	Pages 19 - 20

TASK FORCE ON CLIMATE RELATED Financial Disclosures

THEMATIC AREA	RECOMMENDED DISCLOSURE	DISCLOSURE COMPONENTS	LOCATION IN THIS REPORT
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	Guidance for All Sectors Organizations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organizations determine the relative significance of climate-related risks in relation to other risks. Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g., limits on emissions) as well as other relevant factors considered. Organizations should also consider disclosing the following: <ul style="list-style-type: none"> • processes for assessing the potential size and scope of identified climate related risks and • definitions of risk terminology used or references to existing risk classification frameworks used. 	Pages 19 - 20
	b) Describe the organization's processes for managing climate-related risks.	Guidance for All Sectors Organizations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations. In describing their processes for managing climate-related risks, organizations should address the risks included in Tables 1 and 2 (pp. 10-11), as appropriate.	Pages 19 - 20
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Guidance for All Sectors Organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.	Pages 19 - 20
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Guidance for All Sectors Organizations should provide the key metrics used to measure and manage climate-related risks and opportunities, as described in Tables 1 and 2 (pp. 10- 11). Organizations should consider including metrics on climate-related risks associated with water, energy, land use, and waste management where relevant and applicable. Where climate-related issues are material, organizations should consider describing whether and how related performance metrics are incorporated into remuneration policies. Where relevant, organizations should provide their internal carbon prices as well as climate-related opportunity metrics such as revenue from products and services designed for a lower-carbon economy. Metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate climate-related metrics	Page 15
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Guidance for All Sectors Organizations should provide their Scope 1 and Scope 2 GHG emissions and, if appropriate, Scope 3 GHG emissions and the related risks. ³⁹ GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions. ⁴⁰ As appropriate, organizations should consider providing related, generally accepted industry-specific GHG efficiency ratios. ⁴¹ GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.	Page 22
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Guidance for All Sectors Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy. In describing their targets, organizations should consider including the following: <ul style="list-style-type: none"> • whether the target is absolute or intensity based, • time frames over which the target applies, • base year from which progress is measured, and • key performance indicators used to assess progress against targets. Where not apparent, organizations should provide a description of the methodologies used to calculate targets and measures.	Pages 19 - 20



JBG SMITH SUSTAINABILITY

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