



JBG SMITH
SUSTAINABILITY

2018 SUSTAINABILITY REPORT

1900 N Street Rendering



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OUR ESG PERSPECTIVE

We are pleased to share our Sustainability Report, which details our 2017 performance metrics, recent accomplishments, strategies, and goals, all of which are focused on creating long-term value.

We believe that the efficient use of resources will result in sustainable long-term growth. For JBG SMITH, this means the strategic management of environmental and social capital, as well as reporting on non-financial metrics with the same attention to detail as our financial performance.

By fully integrating environmental sustainability, social responsibility, and strong governance practices throughout our organization, we believe we can enhance our communities and conserve resources while growing shareholder value. We remain committed to transparency in our investment strategy with a focus on operating efficiency, responding to evolving trends, and addressing the needs of our tenants and communities.

Our portfolio of LEED and ENERGY STAR certified properties demonstrates our commitment to sustainable design and performance. Our emphasis on placemaking and development of high-quality, urban, Metro-served real estate is a core aspect of reducing our collective environmental footprint. We take our responsibility to contribute to the long-term sustainability of our tenants, our region, and our planet seriously.

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. The most recent example of our commitment is the Washington Housing Initiative (WHI), which we launched in partnership with the Federal City Council. The WHI is a transformational approach to producing affordable workforce housing and creating sustainable, mixed-income communities. The goal of the WHI is to preserve or build between 2,000 and 3,000 units of affordable workforce housing in our region over the next decade. We believe the strength of our entire community is central to sustaining the long-term value of our portfolio.

Earlier this year our board approved a series of proactive, shareholder-aligned corporate governance changes, and we made a long-term commitment to diversity, including parity between men and women on our board, as a reflection of the diversity of our workforce. We pride ourselves on our strong, collaborative culture, and we strive to create an inclusive and healthy work environment for our employees, which allows us to continue to attract innovative thinkers to our organization.

Our focus is on long-term value creation for our fellow shareholders, our tenants, our employees, and our communities. Our ability to create places that will sustain long-term growth throughout our region is part of what makes JBG SMITH unique.

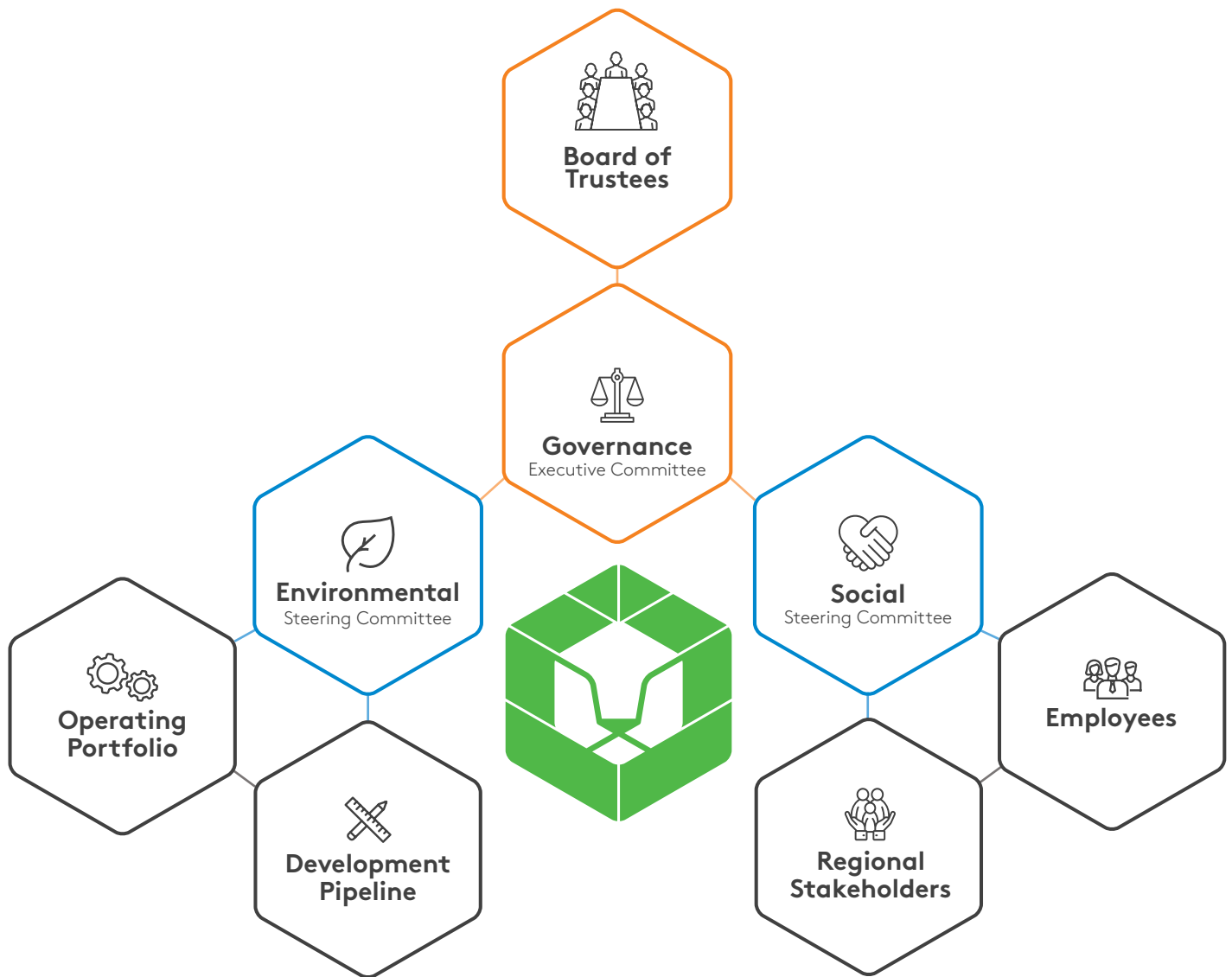


A handwritten signature in blue ink, reading "W. Kelly".

W. Matthew Kelly, CEO

OUR INTEGRATED ESG STRATEGY

Management of social and environmental capital is embedded in our investment strategy, corporate culture and stakeholder engagement process. Executive leadership is responsible for the development and execution of strategies to manage ESG opportunity and risk, reporting performance directly to the Board of Trustees.



HIGHLIGHTS & AWARDS



2018 Green
Lease Leader

GOLD



3.4%

average annual reduction
in energy intensity each
year since 2014



Arlington Transportation Partners

PLATINUM CHAMPIONS 2017

Crystal Gateways

**FIRM OF
THE YEAR**

NAIOP DC/MD

**LANDLORD OF
THE YEAR**

Commercial Real Estate Brokers'
Association of Greater
Washington, D.C.

American Subcontractors Association
of Metro Washington

**DEVELOPER/OWNER
OF THE YEAR**

The Washington Business Journal

GAME CHANGER AWARD

Launched

**WASHINGTON
HOUSING INITIATIVE**



G R E S B

GREEN STAR
Recognition

2ND
In Peer Group



In our first year as a GRESB participant and member (2018)

SUSTAINABILITY CERTIFICATIONS



9.2 million square feet

LEED certified



10.6 million square feet with

ENERGY STAR Labels



35 buildings actively benchmarking performance

LEED Performance Score



1221 Van Street

EARNs LEED GOLD



2101 L Street

**EARNs LEED GOLD
RECERTIFICATION**



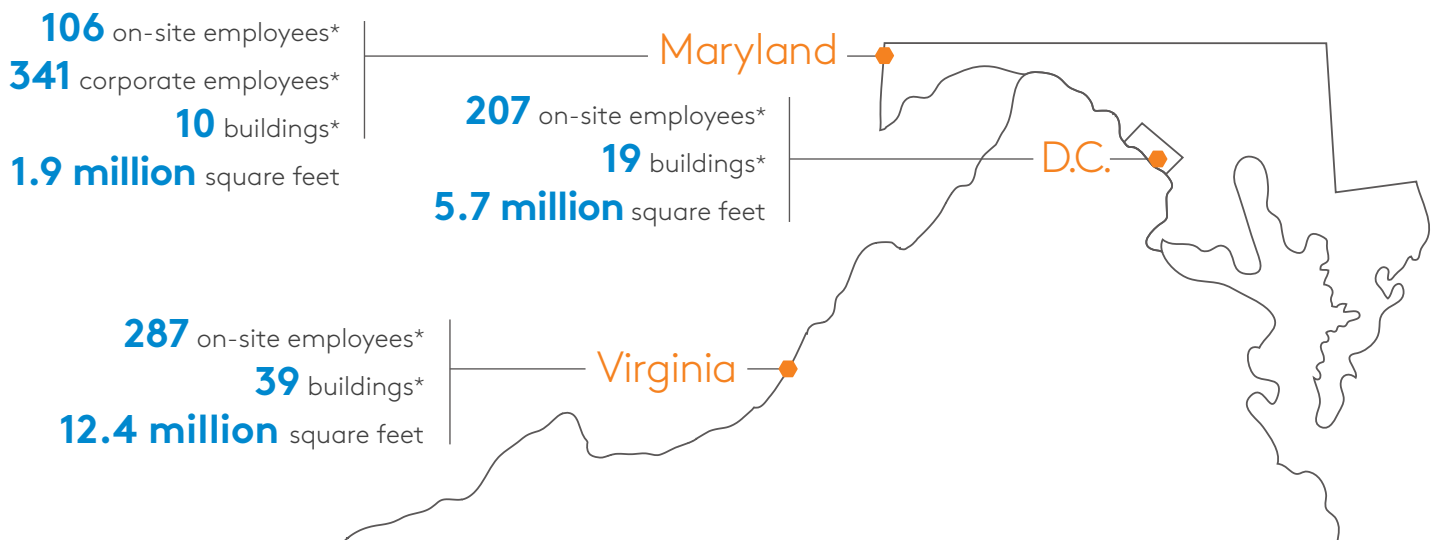
Riverhouse earns an

ENERGY STAR LABEL



OUR COMPANY

JBG SMITH is an S&P 400 company that owns, operates, invests in, and develops assets concentrated in leading urban infill submarkets in and around Washington, D.C. Our mixed-use operating portfolio comprises approximately 20 million square feet of high-quality office, multifamily, and retail assets, 98 percent of which are Metro-served. With a focus on placemaking, we drive synergies across the portfolio and create amenity-rich, walkable neighborhoods. JBG SMITH's future development pipeline includes 19 million square feet of potential development density as of Q-3 2018.



* As of December 31, 2017

OUR TEAM

Our sustainability team works directly with individual departments to integrate our environmental sustainability, social responsibility, and corporate governance (ESG) principles throughout JBG SMITH. The sustainability team includes our Director of Sustainability and Sustainability Analyst. The team is responsible for annual ESG reporting, maintaining building certifications, and coordinating with industry and community partners.

To ensure that our ESG principles are fully integrated into our business practices, Steering Committees composed of leadership from the executive management, business units, and sustainability departments provide top-down support for the implementation of ESG initiatives. Implementation tools, resources, and education are provided to teams across the company to aid in the execution of our ESG strategies.

COMMITMENTS TO OUR STAKEHOLDERS

JBG SMITH is committed to setting meaningful goals that create a sustainable and equitable future for employees and communities.

Our commitments are both to internal stakeholders and to outside partnerships, including:



EMPLOYEES – education and career advancement, connection to coworkers, healthy workplace



TENANTS – value for cost, location (access to transit and amenities), customer service



INVESTORS – transparency for integrating ESG data into business strategy



VENDORS – green standards, ethical business practices



LOCAL JURISDICTIONS – net zero, carbon neutral, data access (e.g. benchmarking), green codes, resilience

CLIMATE CHANGE

At JBG SMITH we take climate change and the risks associated with climate change seriously, and we are committed to aligning our investment strategy with science. We stand with our communities, tenants, and fellow shareholders in supporting meaningful solutions that address this global challenge.

DIVERSITY

We have an outstanding Board with deep experience in the public markets and strong capital allocation credentials. While maintaining these strengths, we believe our Board should evolve in a direction that reflects the strength and diversity of our national labor force. JBG SMITH has made a long-term commitment to establish an equal balance between men and women and a board that reflects the diversity of our country.

– W. Matthew Kelly, CEO

TRANSPARENCY

We are committed to incorporating non-financial performance in our annual disclosure to provide investors a more complete picture of our long-term value proposition.

OUR INVESTMENT STRATEGY

JBG SMITH's business model prioritizes long-term growth. Our investments in urban infill and transit-oriented development enhance urbanization, reduce vehicles on the road, and help to revitalize local communities. By strategically mixing high-quality multifamily and commercial buildings with public areas, retail spaces, and walkable streets, we are working to define neighborhoods that are inherently green.

A key aspect of our strategy is stakeholder engagement. We work to address the needs of our investors and tenants by:



Partnering with local jurisdictions to achieve environmental priorities such as carbon reduction, infrastructure improvements, and storm water management



Creating a sense of place for the health and resilience of the communities where we operate



Working with the local community to provide diverse and unique retail and service options



Encouraging the use of alternative transportation options

BOARD ESG OVERSIGHT

In May 2018, oversight of environmental and social matters was added to the Board of Trustees Corporate Governance & Nominating Committee's charter, demonstrating top down leadership from the highest-levels of the organization.

“Investors are requiring companies to proactively manage environmental and social capital. Oversight of these matters at the board level and disclosure of material impacts demonstrates that these issues are being considered with the same diligence as other business decisions.”

— Alan Forman, Chair, Corporate Governance & Nominating Committee of the Board of Trustees

REGIONAL FOCUS, GLOBAL PERSPECTIVE

At JBG SMITH we understand that meaningful change happens at the local level, and we are committed to aligning our regional investment strategy with global objectives. Our core business and strategies contribute directly to several of the goals adopted in the United Nations 2030 Agenda for Sustainable Development which provides a blueprint to address global challenges.

SUSTAINABLE DEVELOPMENT GOAL	JBG SMITH OBJECTIVE	PROGRESS
	Contribute to quality food access in urban communities	<ul style="list-style-type: none"> • Prioritize retail leasing to bring local retailers into communities • Support urban gardening and farmers market assistance programs
	Provide quality living and working environments	<ul style="list-style-type: none"> • Conduct annual air quality testing • Limit toxic chemicals through green cleaning program and procurement standards • Provide amenities, public open spaces, and services that promote healthy lifestyles
	Promote literacy and early education in our community	<ul style="list-style-type: none"> • Support organizations providing educational services to under-served communities • Employees participate in lunchtime reading program at area schools • Seek opportunities to add education services in Washington Housing Initiative developments
	Achieve diversity and equality at all levels of organization	<ul style="list-style-type: none"> • Commitment to diversity on Board of Trustees, reflecting our workforce and our nation • Employee-based diversity and inclusion leadership initiatives • Focus on recruitment and talent retention • Creating an inclusive environment fostering employees in a supportive and welcoming manner
	Manage storm water runoff and preserve fresh water sources	<ul style="list-style-type: none"> • Installation of green roofs that absorb rainwater and relieve overstressed storm water sewers • Reuse captured rainwater for irrigation • Employ integrated pest management strategies to reduce use of hazardous pesticides • Support organizations that preserve and protect local waterways
	Generate and procure renewable energy	<ul style="list-style-type: none"> • Achieve annual portfolio-wide energy use reductions • Established task force for renewables strategy, including external expert • Implementation of in-demand limiting and curtailment strategies
	Community investment and quality working conditions	<ul style="list-style-type: none"> • Development strategy focused on revitalizing communities and the creation of mixed-use urban environments • Provide employee safety, training and health and wellness programs • Promote of work-life balance strategies • Proactively address gender pay equity disparities • Thoughtful negotiation of collective bargaining agreement for engineering staff
	Employ smart growth principles and green building strategies	<ul style="list-style-type: none"> • Develop transit-oriented, urban infill communities • 71% of portfolio has earned green building certifications for building design, operations, or energy performance • Coordinating with local jurisdictions to advance sustainability goals
	Responsible procurement and disposal of materials	<ul style="list-style-type: none"> • Diversion of building waste streams from the landfill • Specification of products that meet sustainability standards for recycled content, VOC levels, and regional production • Provide support for tenants and occupants to responsibly dispose of waste at our buildings
	Reduce greenhouse gas emission and address regional and asset specific risks	<ul style="list-style-type: none"> • Reduce energy through investing in efficiency measures with proven paybacks • Consider energy efficiency in asset business plans and capital planning • Assess regional and asset specific risks associated with climate change which include sea-level rise, increased chances of flooding, more extreme weather events • Emergency response planning and occupant training and communication regarding potential catastrophic events

CASE STUDY

NATIONAL LANDING PHASE 0

Leading up to the development and repositioning of our properties in National Landing, Virginia, over the next several years, many of the neighborhood buildings have become the backdrop for large pieces of public art, enlivening the community. These large banners hang on the building exteriors bringing color, texture, and excitement to the neighborhood while providing the community a visual connection to the changes JBG SMITH has planned. JBG SMITH worked with Washington Project for the Arts executive director Peter Nesbett to commission artists Tim Doud (local to D.C.) and Adrienne Shishko, who designed fabric wraps for several buildings slated for redevelopment. In addition to exterior improvements, the project included a revitalization of National Landing parking garages with new murals and improved signage. Together with indoor and outdoor spaces for public use, JBG SMITH hopes to demonstrate its commitment to the future of National Landing.



NATIONAL LANDING PHASE 0 HIGHLIGHTS

SMALL AND LARGE SCALE
ART IN PUBLIC SPACES

FESTIVE LIGHTING

OUTDOOR
COMMUNITY PLAZA

LOBBY SEATING, ART,
AND COFFEE BARS

PARKING AND
WAYFINDING
ENHANCEMENTS

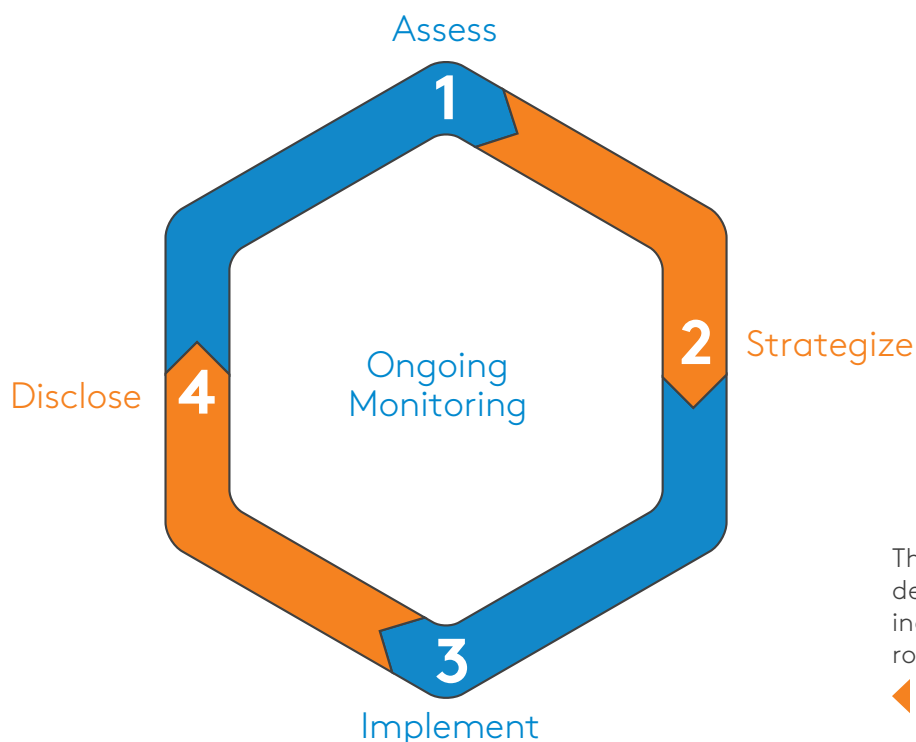
BRANDED IDENTITY
THROUGHOUT





ENVIRONMENTAL SUSTAINABILITY

At JBG SMITH, we take a holistic and well-rounded 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 sustainability program is grounded in a four-step Environmental Management System (EMS) model, based on ISO 14001:2015.



This EMS defines our approach to decision-making and goalsetting, which includes piloting new programs before rolling them across the full portfolio.

SUSTAINABILITY CERTIFICATIONS

Certification information as of September 2018.



32 LEED

Certified Projects

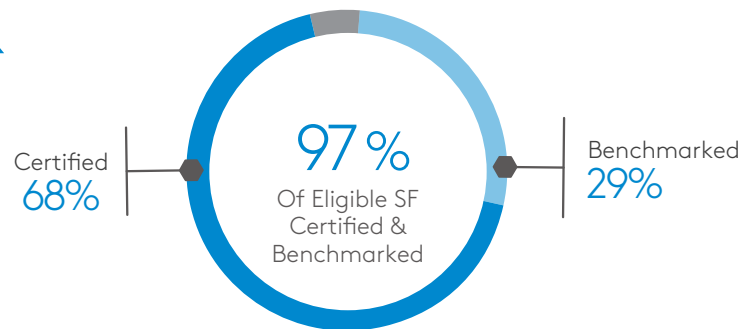
- 4** Certified
- 11** Gold
- 16** Silver
- 7** Actively pursuing certification



38 ENERGY STAR

Certified Projects

- 6** Multifamily
- 32** Office Buildings



**Eligible square footage excludes properties slated for redevelopment or that do not meet LEED and ENERGY STAR occupancy requirements.*

DATA MEASUREMENT & VERIFICATION

JBG SMITH utilizes automated utility bill payment and cloud-based dash board services to manage energy, water, and waste data, streamlining administration for employees overseeing utility usage. We confirm the accuracy of the collected data with third-party verification based on the ISO 14064-3 standard.

Programs like ENERGY STAR Portfolio Manager, Better Buildings Challenge, and LEED Performance Score bring further external verification to our environmental reporting. These tools allow us to benchmark performance against our own historical usage, and our usage compared to similar buildings nationwide.

In addition, by monitoring real-time usage at our Tenant Service Center (TSC), we utilize sophisticated software tools to employ demand-limiting strategies to conserve energy while meeting the needs of our customers and tenants. The TSC offers 24-hour building system monitoring, providing a high level of customer service and resilience for our assets and tenants. ►



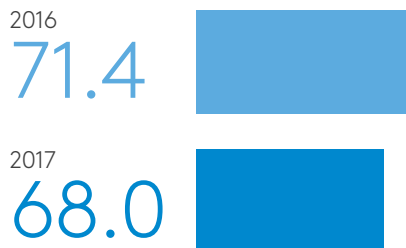
ENVIRONMENTAL PERFORMANCE METRICS

» ENERGY CONSUMPTION ¹

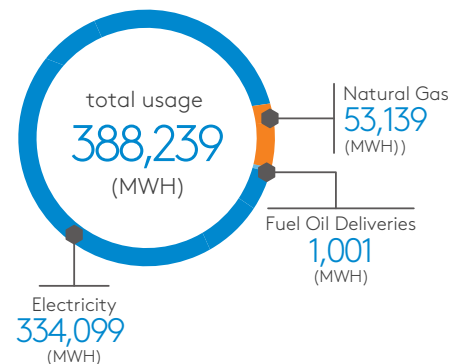
SAME STORE ENERGY CONSUMPTION



ENERGY USE INTENSITY (kBtu/square foot)

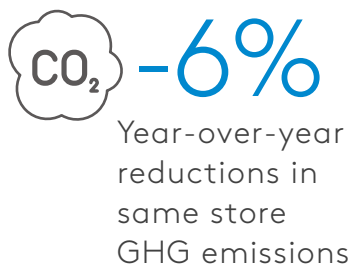


2017 ABSOLUTE ENERGY CONSUMPTION

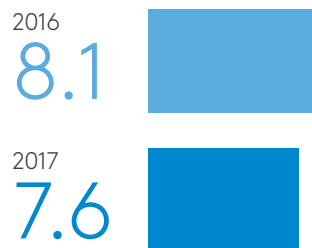


» GREENHOUSE GAS EMISSIONS (GHG)

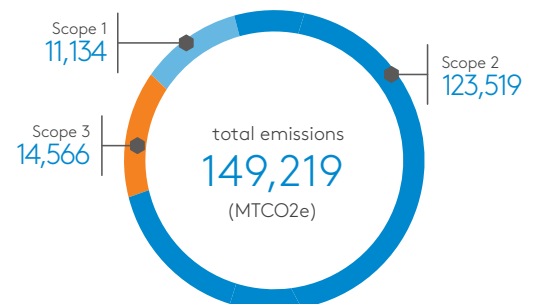
SAME STORE GHG ²



GHG EMISSIONS INTENSITY (kgCO2e/square foot)



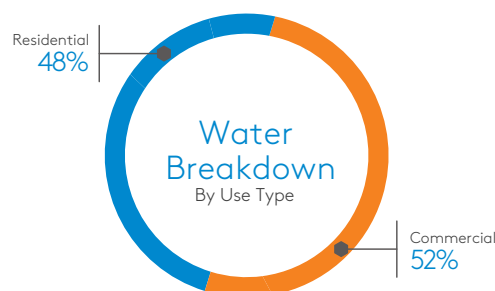
2017 ABSOLUTE GHG EMISSIONS ³



Since office tenant submeters are uncommon in our operating region, Scope 3 emissions are identified in limited cases, primarily where multi-family and retail tenants have direct utility meters. As a result, Scope 1 and Scope 2 emissions reported here reflect both master metered tenant usage as well as the company's own usage.

» WATER

2017 ABSOLUTE WATER CONSUMPTION (kgal)



¹ 2017 absolute totals and intensity calculations based on data from 72 projects 19,519,961 SF

² Same store and 2016 intensity calculations based on data from 66 projects; 18,112,717 SF

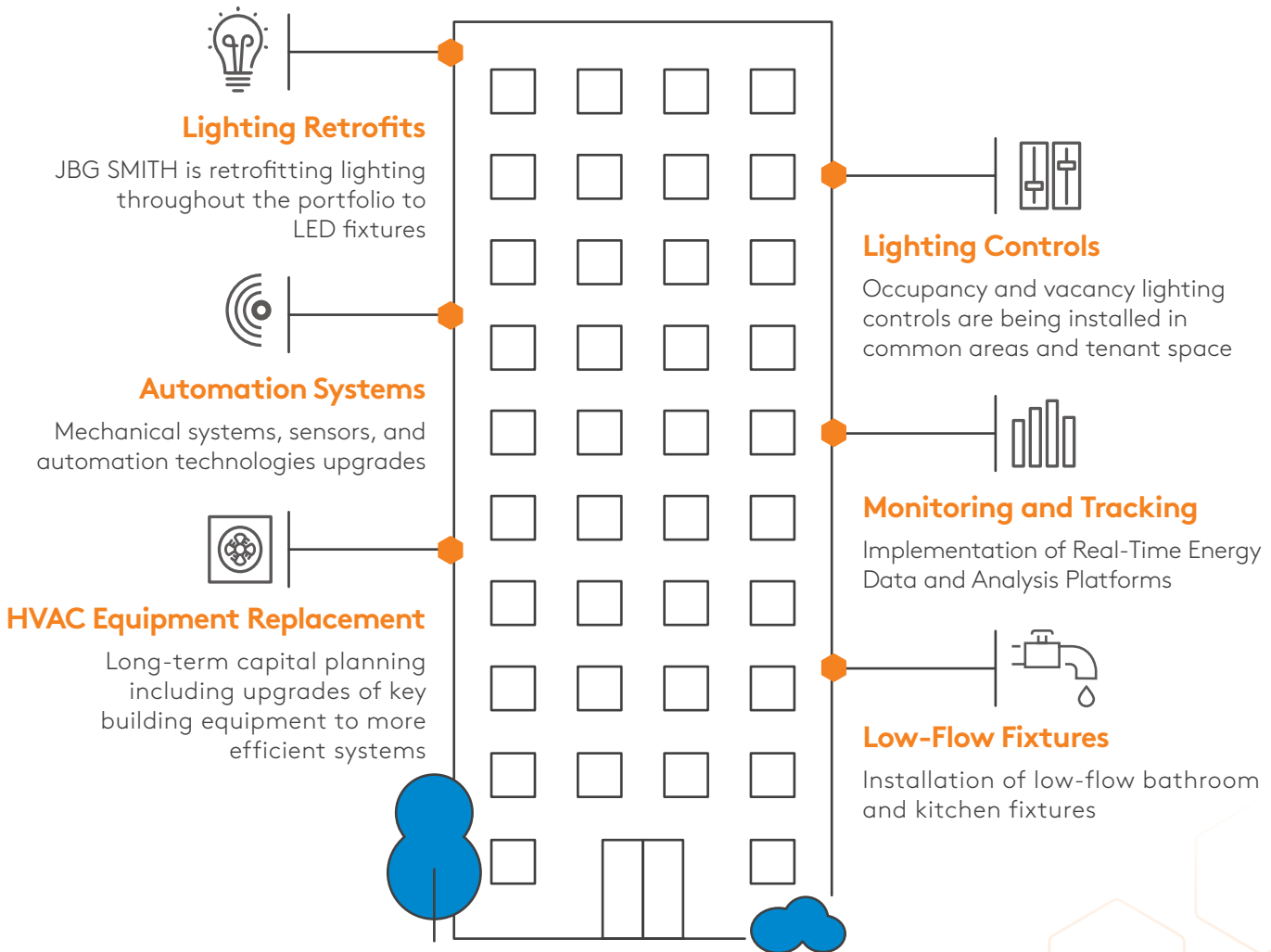
³ Scope 1 emissions are from natural gas and fuel oil burned on-site

Scope 2 emissions are from grid purchased electricity and includes both owner and tenant-controlled usage

Scope 3 emissions are tenant-controlled grid purchased electricity

INVESTING IN EFFICIENCY

JBG SMITH's long-term strategy to reduce energy and water consumption 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.



OCCUPANT ENGAGEMENT

» Customer Service Focus

Customer service is an integral component of real estate management. Our mission is to create a unique experience at all JBG SMITH properties where our tenants' needs are our highest priority.

Our Take 5 program provides customer service training to commercial employees and promotes the following five guidelines for customer service:

1. Maintain a service mindset.
2. Treat your properties like your home.
3. Practice effective communication.
4. Cultivate and maintain relationships with your tenants.
5. Effectively overcome challenges.

» Multi-family Resident Feedback

To ensure we are meeting the needs of our tenants, we send surveys to residents at key touchpoints. In 2017 we delivered 15,780 surveys to residential customers at the following times:

- When they visited a newly constructed community
- At time of move in
- 6 months into their lease term
- After the completion of all work orders

» Multi-family Lifestyle Services

VIA JBG SMITH is a unique offering of lifestyle services tailored exclusively for our residents. We have identified creative, service-driven companies throughout the DC Metro area. Companies with the goods to make our tenants days great.

- Handyman Services
- Dry Cleaning
- Dog Walkers and Pet Sitters
- Car Washing & Detailing
- Farm Fresh Delivery



BUILDING OCCUPANT HEALTH & SAFETY

JBG SMITH is committed to providing a healthy living and working environment for building occupants. We accomplish this through monitoring and improving indoor air quality, eliminating toxic chemicals, providing access to nature and daylight, and encouraging nutrition and fitness.



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.

Legionella Testing



All water-containing building equipment is tested semi-annually to ensure that equipment is free of harmful bacteria.



HVAC Systems Maintenance, Monitoring, and Inspections

HVAC systems provide adequate ventilation and fresh air and are continually maintained to ensure efficient performance.

Chemical Water Treatment and Preventive Maintenance



Rigorous care is taken to greatly minimize bacteria growth.



Air Filters

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.

Volatile Organic Compounds

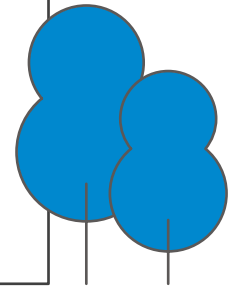


JBG SMITH specifies products with low or no VOCs to reduce harmful gases emitted from many products.



Environmental Tobacco Smoke Control

All commercial buildings and indoor public spaces are smoke free.



Annual Air Quality Testing



Air quality tests are performed regularly with mitigation measures taken if particulate quantities in the air are higher than acceptable limits.



Green Cleaning

Environmentally friendly and low-toxicity cleaning products reduce the amount of harmful chemicals used.

CASE STUDY

CEB TOWER AT CENTRAL PLACE

Rising 31 stories above the Rosslyn neighborhood of Arlington, Virginia, CEB Tower at Central Place brings a one-of-a-kind experience to the region. Beyer Blinder Belle Architects designed the 552,540 square-foot office building which boasts unparalleled views of Washington, D.C. and Northern Virginia, a 12,000-square-foot rooftop observation deck with educational exhibits open to the public, floor to ceiling windows, and an outdoor amenity space known as the Central Place Plaza. The Central Place Plaza features 16,000 square feet of landscaped public space with a variety of shopping and restaurants open to all community members. The Plaza hosts regular events such as yoga, farmers' markets, and concerts, making it a true hub in the neighborhood.

CEB Tower at Central Place was designed with environmental sustainability in mind. Throughout design and construction, engineers were consulted to ensure that the heating, ventilation, and air-conditioning systems were optimized for peak performance, the building envelope was designed to minimize heat gains from the sun, and mechanical systems in the building are controlled through a digital system for enhanced monitoring. In addition, CEB Tower is located in the heart of Rosslyn, Virginia with connections to over 200 Metro rides per day on public trains and buses and access to an extensive network of bike and walking trails.

"The CEB Tower Observation Deck is a great starting point for any trip to Washington, D.C. Someone who is unfamiliar with the area can get a layout of the Washington Monument and where it is compared to the Capitol Building, the Lincoln Memorial, and Georgetown."

— Graham Dunn, General Manager,
The Observation Deck at CEB Tower





CEB TOWER AT CENTRAL PLACE HIGHLIGHTS

31
stories

390
feet high

**ENERGY EFFICIENT
AND SUSTAINABLE DESIGN**

**FLOOR TO CEILING
GLASS WINDOWS**

**FITNESS CENTER,
LOCKER ROOMS AND
BIKE STORAGE**

**16,000 SQUARE-FOOT
OUTDOOR PLAZA**

**12,000 SQUARE-FOOT
PUBLIC ROOFTOP WITH
PANORAMIC VIEWS**



SOCIAL RESPONSIBILITY

At JBG SMITH we believe that when our communities thrive, we all thrive. We are committed to our role as a contributing partner across the Washington, D.C., Virginia, and Maryland region. By focusing on the communities in which we operate, we are able to give back to those who need it most and focus on projects with the biggest potential impact.

1,400 service hours volunteered by employees at 18 JBG SMITH Cares supported philanthropic organizations



“JBGS’ focus on creating value over the long term makes it a unique and invaluable community partner. JBG SMITH understands the importance of “Place” and how a truly vibrant neighborhood requires not only well-designed buildings, but also a commitment to building community through bold infrastructure investment, public art, events, and collaboration with residents, elected officials, and other owners.”

— Rob Mandle, Chief Operating Officer,
Crystal City BID

SOCIAL RESPONSIBILITY AREAS OF FOCUS

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

Environmental Responsibility:

We understand that development can impact local biodiversity and are committed to supporting efforts to preserve and improve the natural habitats of our region. Through our sustainability programs and community partnerships we help confront regional challenges such as the restoring the Anacostia River to a swimmable and fishable waterway.

Housing Affordability: We are committed to working with the community, area non-profits, and 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 & Inclusion: We believe our diversity is one of our strongest assets and that our workforce reflects the vibrancy of the communities in which we operate. JBG SMITH professionals hold themselves to the highest standards of service, integrity, and creativity and join in engaging projects in a high-energy environment, surrounded by the real estate industry's best and brightest.



Health & 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, D.C. 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, D.C. region.



DAYS OF GIVING

JBG SMITH is dedicated to giving back to our community through numerous partnerships across our core areas of focus providing financial support, in-kind donations and volunteer hours. Each year JBG SMITH employees participate in the Days of Giving program, volunteering across the Washington, D.C., Maryland, and Virginia region.

DREAMING OUT LOUD

The mission of Dreaming Out Loud is to build an equitable food system, grow economic opportunity, and create resilient communities. JBG SMITH volunteers tended to the Organic Garden in Southwest D.C. by watering, weeding, mulching, harvesting herbs and crops, and turning food scraps and leaves from compost bins into compost.



FOOD AND FRIENDS

Food and Friend's mission is to deliver specialized, nutritious meals and groceries along with nutrition counseling to men, women, and children facing HIV/AIDS, cancer, and other life-challenging illnesses. JBG SMITH volunteers helped prepare food for delivery by chopping vegetables and packing groceries.



SITAR ARTS CENTER

Sitar Arts Center's mission is to offer possibilities that transform the lives of children and teens born into a world of unequal access to opportunity by providing arts education to students lacking formal programs at school. JBG SMITH volunteers assisted with the aftercare reading program and helped beautify Sitar's education facility.



WIDER CIRCLE

The mission of Wider Circle is to help children and adults lift themselves out of poverty by providing basic need items to families transitioning out of shelters. JBG SMITH volunteers sorted through donated items, stocked showrooms, and assisted clients.

COMMUNITY PROJECTS

We work closely with local jurisdictions across our region to strategically invest in community improvement programs. These relationships allow us to maximize our investment dollars and minimize disruption to the community while helping create enhancements to the built environment, fostering meaningful change.

Vermont Avenue Gardens is an annual resident led event where volunteers work with local community members to weed, clean, plant, and mulch the median in a 4-block strip. JBG SMITH is a proud supporter of this initiative and encourages nearby residents to volunteer and get their hands dirty!



EMPLOYEE HEALTH & SAFETY

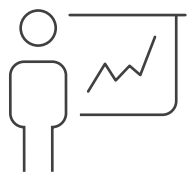
JBG SMITH properties have instituted a best practice safety program focused on the prevention of workplace injuries. Routine meetings are held on safety topics, including the use of power equipment and mandatory personal protective gear, among other topics.

Ensuring the health and well-being of our employees is a top priority. We provide comprehensive benefit packages and host an annual wellness week to provide free health screenings and wellness educational events. In addition, our corporate offices are well lit with natural light, and we offer standing desks, bicycle storage, and healthy snacks, including fresh fruit.

EMPLOYEE TRAINING

JBG SMITH offers a variety of training opportunities to employees throughout the year as part of the JBG SMITH University program. Through our partnerships with industry associations, our employees have access to numerous in-person trainings with experts on a variety of subjects. Monthly lunch-and-learns on relevant topics are offered to each department, and all employees have full access to the Education @USGBC Platform.

ANNUAL GREEN FAIR



Trainings on over **70 health and safety topics** given in 2017

To ensure all employees have access to sustainability resources, JBG SMITH hosts an annual Greenfair and Education Program. This event includes education sessions on new building technology and environmental sustainability and features a tradeshow with various technology and sustainability focused companies. This year's theme was big data and its applications for efficient and tenant-focused building management.

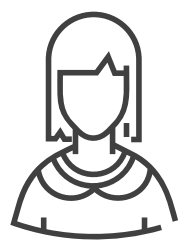
87%

of JBG SMITH engineers are unified under a collective bargaining agreement to ensure a fair and safe workplace.



DIVERSITY & INCLUSION

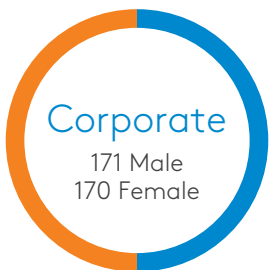
JBG SMITH strives to build a diverse workforce that reflects the communities in which we operate. We are committed to fostering a work environment where creativity and innovation thrive and recognize that this can only be achieved by nurturing an inclusionary and collaborative workplace. Through recruitment and talent retention, we are continuing to diversify our workplace.



362
Female Employees
38%
Female Employees



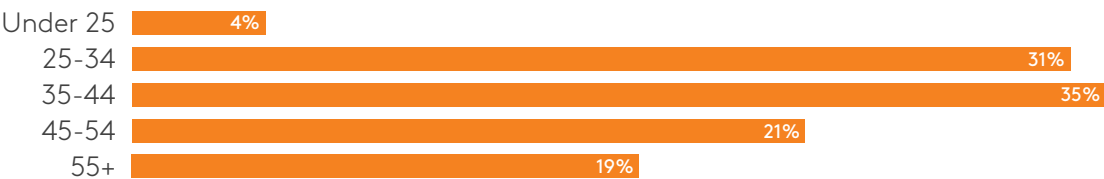
580
Male Employees
62%
Male Employees



Female Male



Employee Ages



¹ 52% of field staff are engineering/maintenance positions of which 99.4% are male
² Senior Vice President and above
³ Ethnic Diversity: 49% White, 28% Black or African American, 14% Hispanic or Latino, 7% Asian, and 2% other.

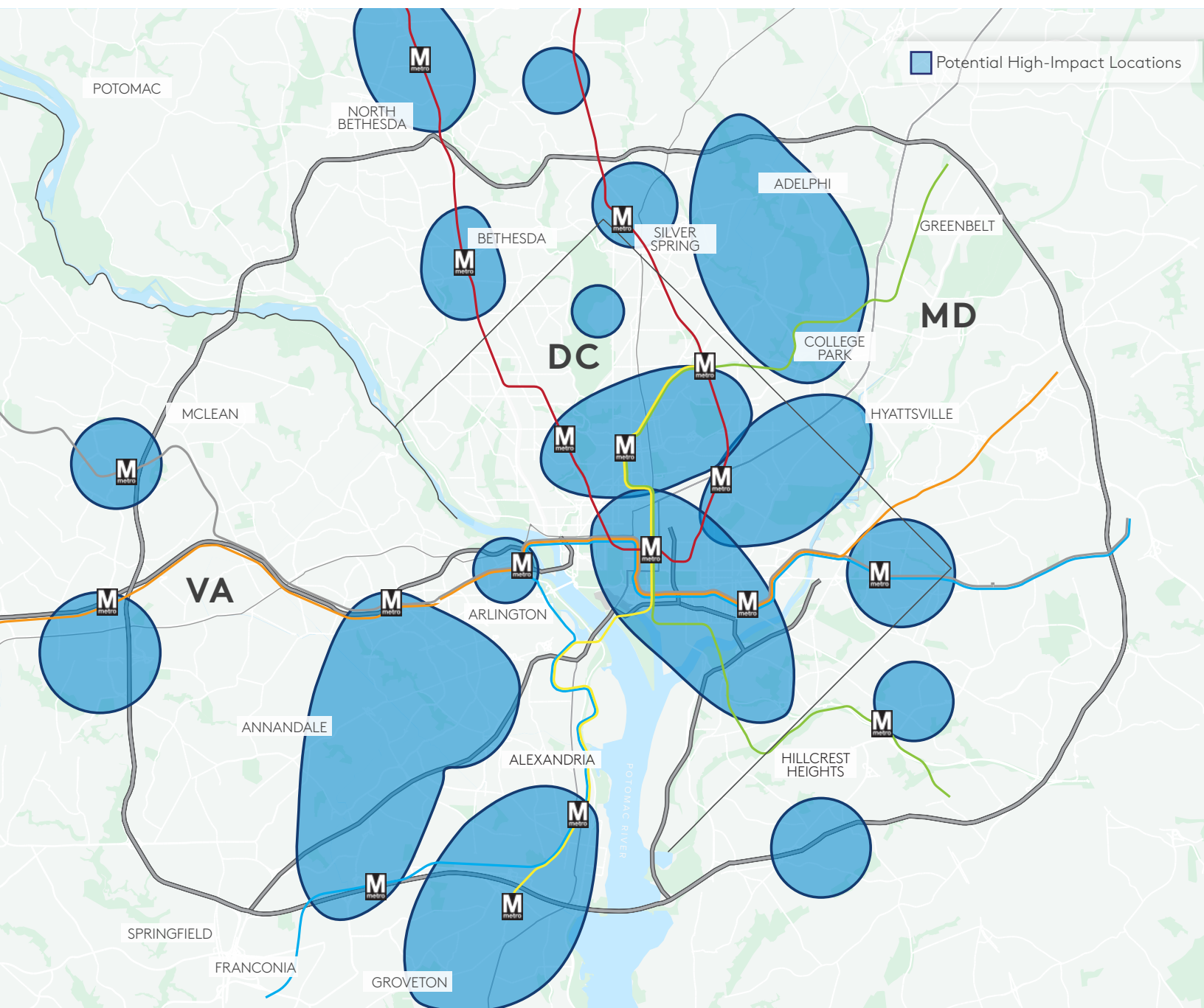
CASE STUDY

WASHINGTON HOUSING INITIATIVE

LOCAL-INNOVATIVE-IMPACTFUL

JBG SMITH is proud to partner with the Federal City Council, a nonprofit organization dedicated to the improvement of Washington, D.C., to establish the Washington Housing Initiative. The initiative was established to develop and preserve affordable, workforce housing in the Washington, D.C. area, where rising housing costs are placing a major burden on working families. The Washington Housing Initiative is working to preserve or build between 2,000 and 3,000 units of affordable workforce housing and to serve as a model for systematic change in the D.C. region and beyond. Using the IRIS Standard for reporting impact metrics will allow JBG SMITH and the Federal City Council to track the social and environmental impact the Initiative is having on community members.

The Washington Housing Initiative focuses investment in High-Impact locations, places that are relatively inexpensive today but growing rapidly. Major private investment will bring new amenities but increase pressure on affordability for working families in these locations. Studies have shown that growing up in high-opportunity neighborhoods, such as the ones the Initiative is targeting, improves a child's outcome, with a 27% higher likelihood of attending college and an average of 30% higher earnings over their lifetime.



The Washington Housing Initiative projects will focus on a triple bottom line approach to development, ensuring that the projects are financially, socially, and environmentally sustainable for the long term.

- **Financial Objective:** Create financially viable affordable workforce housing, deliver competitive risk-adjusted returns to investors
- **Social Impact Objective:** Reduce rent burden, protect long-term affordability, provide access to amenities and services
- **Environmental Objective:** Decrease environmental harm and contribute to healthy living

JBG SMITH has committed to invest up to **\$10MM** in Washington Housing Initiative projects. 

“ At JBG SMITH, we believe inclusive communities contribute to the sustained economic growth and the vibrancy of our region. We are committed to developing sustainable market-based solutions to create mixed-income communities in High-Impact Locations. ”



– AJ Jackson, EVP,
Social Impact Investing

WHI KEY PRINCIPLES



FOCUS ON HIGH-IMPACT LOCATIONS



COMMIT TO LONG-TERM AFFORDABILITY



INVEST AT SCALE WITH SPEED, CERTAINTY AND FLEXIBILITY



SUSTAIN AND STRENGTHEN INCLUSIVE COMMUNITIES



BUILD A REPLICABLE MODEL THAT CAN BE USED BY OTHER COMMUNITIES



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Board of Trustees of JBG SMITH operates according to our Corporate Governance Guidelines, which are subject to periodic review by our Board of Trustees. 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 jbgsmith.com.

Our Board maintains a strong focus on enhancing shareholder value, which means ensuring alignment of priorities. We are proud of the positive feedback we've received from our investors, with an approval rate greater than 85 percent on all proposals in our first round of proxy voting.

“Institutional investors are becoming more proactive about integrating environmental, social and governance principles into their investment process. Our ESG disclosures combined with our financial statements are aimed at providing a complete picture of the long-term sustainability of our portfolio.”

– Jaime Marcus, SVP, Investor Relations



RISK ASSESSMENT PROCESS

Our senior management team, with the assistance of our internal auditors at PricewaterhouseCoopers, conducts 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. 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.

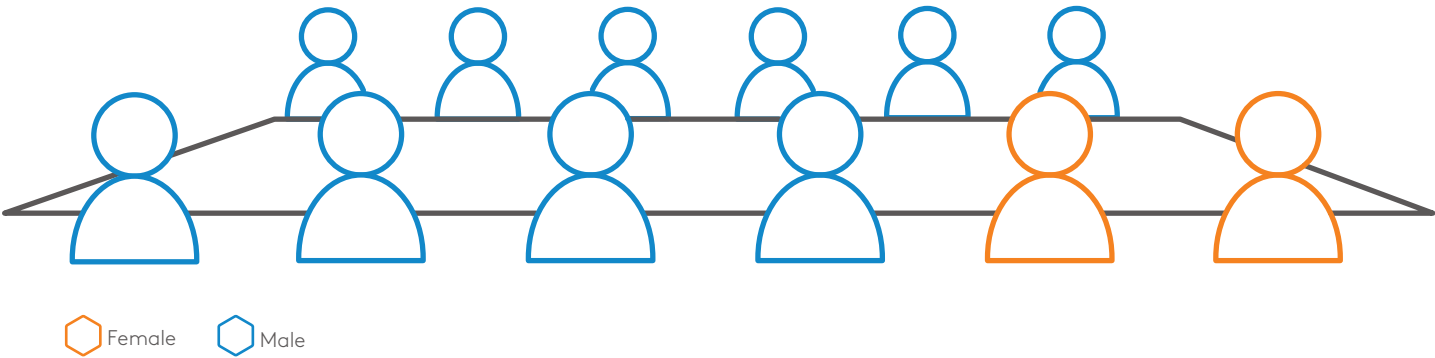
We utilize a risk disclosure approach that focuses on issues that could potentially impact our achievement of strategic objectives. The risk factors disclosed in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission are reviewed by outside counsel Hogan Lovells.

BOARD COMPOSITION

The JBG SMITH Board comprises 12 members, including seven independent trustees. Board trustees sit on three standing committees: Audit Committee, Compensation Committee, and Corporate Governance & Nominating Committee. Board member terms will be de-staggered starting with the 2020 Annual Meeting of Shareholders, after which each of our trustees will be subject to reelection annually. The Board is committed to a diversified membership, in terms of the individuals involved, their demographics, their industry experiences, and their areas of expertise.

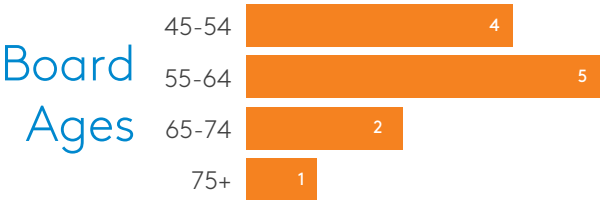
WHISTLEBLOWER HOTLINE

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.



Percent of Board Members with Competency/Attribute	
Operating	75%
Public company experience	67%
Real estate expertise	67%
Financial literacy	92%
Experience over several business cycles	100%
Executive Leadership	92%
Investment/capital allocation expertise	75%
Accounting expertise	17%
Government/business conduct/legal	50%

BOARD OF TRUSTEES WITH DEEP PUBLIC MARKETS EXPERIENCE AND STRONG CAPITAL ALLOCATION CREDENTIALS



LETTER FROM DIRECTOR OF SUSTAINABILITY

CORPORATE CITIZENSHIP

At JBG SMITH we embrace our role as corporate citizens by employing smart growth strategies and integrating sustainability into our core investment principles.

Our sustainable investment strategy focuses on aligning efficiency strategies with our long-term business plan, allowing us to position assets to meet the market demands for sustainability. By placing value on environmental and social capital and identifying opportunities for improving performance, we position our portfolio to achieve long-term portfolio-wide goals to conserve resources and reduce our carbon emissions.

Our sustainability program seeks to understand and meet the needs of our tenants and communities. We actively seek feedback from building occupants and tailor our efforts to provide resources that can improve the user experience, reduce costs, respond to evolving trends such as wellness, and integrate new technologies to reduce our environmental footprint.

With a large development pipeline, we are focused on the operating impacts of design decisions and we place an emphasis on sustainable construction practices. We utilize green building certifications to provide assurance that our approach is holistic and verify that our environmental policies are reflected in our practices.

In our first year we have reinforced long-standing environmental policies, solidified processes that integrate ESG throughout our organization, and demonstrated a commitment to transparency in our management and performance. As we continue to roll out initiatives, we seek to capitalize on opportunities to improve performance and mitigate risks presented by climate change and expectations for social responsibility.

Our sustainability team is focused on advancing our ESG programs, tracking performance, educating our teams, and evaluating emerging trends. Each year we look forward to sharing our progress and goals with our stakeholders in this Sustainability Report.

Jessica Long,
Director of Sustainability



INDUSTRY MEMBERSHIPS

JBG SMITH is actively engaged in several industry associations focused on advancing industry standards and advocacy efforts that better advance the priorities of our company and industry.

- District of Columbia Building Industry Association
- NAIOP National and Local Chapters (D.C./MD and Northern Virginia)
- Urban Land Institute
- Coalition for Smarter Growth
- D.C. Preservation League
- Congress for the New Urbanism
- Associated Builders and Contractors – Metro Washington and Virginia chapters
- AIA – D.C.
- Corenet
- NAREIT
- Washington Building Congress
- GRESB
- USGBC National and National Capital Region
- National Multifamily Housing Council
- Commercial Real Estate Women
- Institute of Real Estate Management
- International Council on Shopping Centers
- D.C. Metro Business Leadership Network
- Commercial Real Estate Brokerage Association
- Federal City Council
- Better Buildings Initiative
- D.C. Policy Center

ABOUT THIS REPORT

JBG SMITH is pleased to present our second sustainability report, containing information on environmental sustainability, social responsibility, and corporate governance throughout the company's operations. Unless otherwise stated, quantitative reporting covers the 2017 calendar year, qualitative information includes activities including September 2018. 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). For more information about our sustainability programs and business performance, please visit our Sustainability and Investor Relations webpages at www.jbgsmith.com. To provide feedback, please email Jessica Long, Director of Sustainability at JBG SMITH (jlong@jbgsmith.com) or our Investor Relations team (ir@jbgsmith.com).

jbgsmith.com/about/sustainability

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, in accordance with the relevant criteria.

GRI INDEX

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE/ LOCATION
GRI 100: Universal Standards		
102-1	Name of the organization	JBG SMITH Properties
102-2	Activities, brands, products, and services	Our Company
102-3	Location of headquarters	Chevy Chase, Maryland
102-4	Location of operations	Our Company
102-5	Ownership and legal form	http://investors.jbgsmith.com/
102-6	Markets served	About JBG SMITH
102-7	Scale of the organization	http://investors.jbgsmith.com/
102-8	Information on employees and other workers	Our People
102-10	Significant changes to the organization and its supply chain	About this Report
102-12	External initiatives	Sustainability at JBG SMITH/Environmental Sustainability/About this Report
102-13	Membership of associations	Industry Memberships
102-14	Statement from senior decision-maker	Our CEO's ESG Perspective
102-16	Values, principles, standards, and norms of behavior	Our Company
102-18	Governance structure	Organizational Structure
102-40	List of stakeholder groups	Our Company
102-42	Identifying and selecting stakeholders	Our Company
102-43	Approach to stakeholder engagement	Our Company
102-50	Reporting period	About this Report
102-51	Date of most recent report	About this Report
102-52	Reporting cycle	About this Report
102-53	Contact point for questions regarding the report	jlong@jbgsmith.com
102-54	Claims of reporting in accordance with the GRI Standards	About this Report
102-55	GRI content index	GRI Standards Content Index

GRI INDEX (continued)

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE/ LOCATION
GRI 200: Economic Standards		
203-2	Significant indirect economic impacts	Social Responsibility
GRI 300: Environmental Standards		
GRI 302: Energy 2017		
302-1	Energy consumption within the organization	Environmental Sustainability
302-2	Energy consumption outside of the organization	Environmental Sustainability
302-3	Energy intensity	Environmental Sustainability
302-4	Reduction of energy consumption	Environmental Sustainability
GRI 303: Water 2017		
303-1	Water withdrawal by source	Environmental Sustainability
GRI 305: Emissions 2017		
305-1	Direct (Scope 1) GHG emissions	Environmental Sustainability
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Sustainability
305-3	Other indirect (Scope 3) GHG emissions	Environmental Sustainability
305-4	GHG emissions intensity	Environmental Sustainability
305-5	Reduction of GHG emissions	Environmental Sustainability
GRI 306: Effluents and Waste 2017		
306-2	Waste by type and disposal method	Environmental Sustainability
GRI 400: Social Standards		
GRI 401: Employment 2017		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People
GRI 404: Training and Education 2017		
404-3	Percentage of employees receiving regular performance and career development reviews	Our People
GRI 405: Diversity and Equal Opportunity 2017		
405-1	Diversity of governance bodies and employees	Diversity and Equality
GRI 413: Local Communities 2017		
413-1	Operations with local community engagement, impact assessments, and development programs	Social Responsibility



**JBG SMITH
SUSTAINABILITY**

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