PORT OF LOS ANGELES
GREEN BOND SERIES 2016C

FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS

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SUSTAINALYTICS

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1. PREFACE

The Port of Los Angeles has engaged Sustainalytics to provide a second opinion on its Green Bond Series 2016C (Green Bond) issuance and the bond's environmental credentials. As part of this engagement, Sustainalytics held conversations with various members of the Port of Los Angeles management team to understand the sustainability impact of their business processes and planned use of proceeds for the bond issuance. Sustainalytics also reviewed relevant public and internal documents. This document contains two sections: Framework Overview – a summary of the Port of Los Angeles green bond framework; and Sustainalytics' Opinion – an opinion on the framework.

2. INTRODUCTION

The Port of Los Angeles is located in San Pedro Bay in the San Pedro and Wilmington neighbourhoods of Los Angeles. In terms of physical size, the Port covers approximately 7,500 acres (4,300 acres of land and 3,200 acres of water). The Port generally encompasses approximately 43 miles of waterfront berthing and 27 terminal facilities, including eight major container cargo terminals, four break-bulk facilities, three dry bulk facilities, seven liquid bulk cargo terminals, two passenger cruise terminals, one vehicle handling facility, and two multi-use facilities. The Port of Los Angeles's main imports include furniture, footwear, electronics, automobile parts, and apparel, and exports span wastepaper, cotton, resins, animal feed, and scrap metal. During the fiscal year ending June 30, 2016, the Port of Los Angeles handled 8,390,513 20-foot-equivalent units (TEUs), and based on container volumes, was the busiest container port in the United States in calendar year 2015.

This high level of activity inevitably has environmental consequences; however, the Port of Los Angeles is committed to environmental stewardship and is working to reduce air emissions, improve water quality, modernize facilities and cultivate the development of new technologies. In line with these sustainability objectives, the Port of Los Angeles is planning to issue a Green Bond to refund earlier issued bonds to finance expenditures related to a number of selected green projects, including the Harry Bridges Blvd. Buffer and Cabrillo Shallow Water Habitat, as well as the design and construction of the LEED-certified Port of Los Angeles Police Headquarters.

3. FRAMEWORK OVERVIEW

For this sustainability bond issued by the Port of Los Angeles, a framework has been created that follows the four key pillars of the Green Bond Principles ("GBP"):

- Use of Proceeds;
- Selection Process;
- Management of Proceeds; and
- Reporting.

3.1 Use of Proceeds

Eligibility Criteria

To be eligible for the Green Bond proceeds, the projects funded must meet criteria in one or more of the following areas:

1. Sustainable water management;
2. Pollution prevention and control;
3. Green buildings; and/or
4. Terrestrial and aquatic biodiversity conservation.

The context: The Port of Los Angeles and the Port of Long Beach voted to approve the landmark San Pedro Bay Ports Clean Air Action Plan (CAAP) in November 2006, and this plan was subsequently updated in November 2010. As part of the various iterations of CAAP as well as in compliance with the Port of Los Angeles' second Strategic Plan objective to maintain an efficient, secure and environmentally sustainable supply chain, the Port of Los Angeles implemented various programs and projects to improve environmental quality of life in and around the Port area.

Use of proceeds: The Port of Los Angeles has identified numerous projects aimed at "greening" its infrastructure. The projects involve one or more of the following activities:

Sustainable water management

- Construction of new sewer, storm drain and recycled water supply systems;
- Installation of sand filtration chambers to remove oil and sediment from runoff to prevent it from draining into the ocean; and
- Installation of a computerized irrigation system.

Pollution prevention and control

- Brownfield clean-up;
- Soil remediation;
- Importing clean soil; and
- Landscaping with dense trees and rolling hills/berms/retaining walls.

Green buildings

- Using construction materials manufactured from recycled content;
- Construction waste diversion from landfill;
- Installation of high-efficiency irrigation equipment and controllers;
- Installation of high-efficiency domestic water fixtures;
- Construction of high-reflectance paving;
- Use of cool roof materials;
- Installation of photovoltaic arrays; and
- Installation of high-efficiency heating, ventilating and air conditioning units[1].

[1] https://portoflosangeles.org/newsroom/2012_releases/news_032712_Port_Police_HQ_LEED_Certification.asp

Terrestrial and aquatic biodiversity conservation

- Designing and constructing an expansion of a shallow water habitat for fish and foraging space for birds[2]; and
- Use of dredged material for environmental enhancement of a shallow water habitat.

Projects focused on the activities above are eligible to be refunded in whole or in part by an allocation of the Green Bond proceeds. The Port of Los Angeles has selected the projects listed in Appendix A for the allocation of Green Bond proceeds.

3.2 Project Evaluation and Selection Process

Projects refinanced through the Green Bond proceeds were evaluated and selected based on (i) commercial feasibility (locational ease, land use, availability of resources); (ii) alignment with the eligibility criteria; and (iii) alignment with the Port of Los Angeles' internal environmental management program.

The Port of Los Angeles has developed and maintained an environmental management program that will:

1. Ensure this environmental policy is communicated to Port staff, its customers, and the community;
2. Ensure compliance with all applicable environmental laws and regulations;
3. Ensure environmental considerations include feasible and cost effective options for exceeding applicable regulatory requirements;
4. Define and establish environmental objectives, targets, and best management practices and monitor performance;
5. Ensure the Port maintains a Customer Outreach Program to address common environmental issues; and
6. Fulfill the responsibilities of each generation as trustee of the environment for succeeding generations through environmental awareness and communication with employees, customers, regulatory agencies, and neighboring communities.

The Port states that it is committed to the spirit and intent of this policy and the laws, rules and regulations, which give it foundation. All projects refinanced through Green Bond proceeds are selected based on their adherence to the above stated requirements of the Port's environmental management program.

In addition, the Port of Los Angeles has confirmed to Sustainalytics that all selected projects have undergone an Environmental Impact Review (EIR), and a stakeholder consultation process. Port of Los Angeles has also confirmed that for all selected projects, the relevant EIR and stakeholder consultation must conclude negligible environmental disruption.

[2] https://www.portoflosangeles.org/environment/wildlife_habitat.asp

3.3 Management of Proceeds

As previously indicated, the Port of Los Angeles Green Bond proceeds will be held in a trust account and used to advance refund a portion of the Series 2009B Bonds and pay a portion of the costs of issuance of the Series 2016 Bonds. The portion of the Series 2009B Bonds which would be refunded using the Port of Los Angeles Green Bond proceeds was determined by reviewing Series 2009B Bond drawdown statements and identifying proceeds that were drawn down for the following three projects (the Green Bond Projects):

1. Harry Bridges Boulevard Buffer – Project #: 2482300;
2. Port of Los Angeles Police Headquarters – Project #:2458300; and
3. Cabrillo Shallow Water Habitat – Project #:2503900.

Following an examination of Series 2009B Bond drawdown statements spanning August 2009 through May 2011, the following amount of proceeds were drawn down from the Series 2009B Construction Fund related to the Green Bond Projects:

Harry Bridges Boulevard Buffer	18,757,771
Port of Los Angeles Police Headquarters	13,978,247
Cabrillo Shallow Water Habitat	3,588,970
Total	**36,324,987**

Therefore, all the funds will be allocated immediately, as no bond proceeds will be used to initiate new projects.

3.4 Reporting

Allocation Reporting

Given that the Port of Los Angeles Green Bond proceeds will primarily be used to refund prior borrowings, and given that the Port of Los Angeles Green Bond proceeds will not be utilized to fund any new development projects, no ongoing reporting requirements are envisioned at this time.

Impact Reporting

The Port of Los Angeles commits to provide reporting on the following KPIs for the three projects within the “Sustainability” section of the Port of Los Angeles website.

Harry Bridges Boulevard Buffer:

- Tons of degraded soil removed

Port of Los Angeles Police Headquarters:

- Percentage of energy cost savings;
- Amount of HCFC and Halons emitted;
- Number of bicycle racks installed;
- Number of parking spaces for low-emitting fuel efficient vehicles constructed;
- Percentage of post development total suspended solids treated;
- Percentage of on-site parking stalls located underground to avoid “heat islands”;
- Percentage of potable irrigation water reduced;
- Percentage of potable water reduced;
- Tons of construction waste diverted from landfills;
- Percentage of building materials manufactured using recycled content; and
- Percentage of wood-based building materials harvested from FSC-certified forests.

Cabrillo Shallow Water Habitat:

- Number of biological mitigation credits generated

For an example of this KPI reporting for each project, please see Appendix B.

4. SUSTAINALYTICS' OPINION

Sustainability performance of the issuer: a strong environmental commitment

The Port of Los Angeles is a global leader in sustainable port management and has demonstrated a commitment to mitigating environmental and social risks associated with its operations, as evidenced by its policy, Strategic Plan Update, and its ambitious targets under the San Pedro Bay Ports Clean Air Action Plan. The Port of Los Angeles has already achieved significant milestones in reducing port-related diesel particulate matter, nitrogen oxide and sulfur oxide emissions under the two stages of CAAP. Additionally, the Port introduced various innovative solutions, such as the Clean Truck Program. The Port of Los Angeles has received and maintained external certification for its environmental management system (ISO 14001:2004) and conducts robust environmental impact reviews and comprehensive stakeholder consultation process for all its projects. Given its strong environmental policy and past performance, Sustainalytics is of the opinion that the Port of Los Angeles is well positioned to issue a green bond.

The importance of improving the sustainability of shipping and port lands development

Although shipping and ports play an important role in driving global economic growth, they nonetheless cause a number of negative environmental impacts, including significant amounts of air pollution, water quality and habitat degradation, among others. According to the International Maritime Organization, the shipping industry is responsible for 3.3% of global GHG emissions.[3] Shipping-specific emissions – primarily sulfur oxides, nitrogen oxides and particulates – endanger biological diversity, natural resources and human health. Although a fraction of pollution associated with shipping occurs far from land, an estimated 70-80% of it is released within 400 km of land[4]. Another concern is storm water runoff at ports which poses a threat to local water quality due to high paved-to-unpaved surface ratio and site pollution.

As a result, there has been increasing societal pressure on port authorities to actively work to reduce their pollution levels and environmental damage, as well as increase sustainability of the industry and port infrastructure. Stronger international regulations have also been introduced, including the International Maritime Organization's Marpol Annex VI regulation, which obliges the shipping industry to reduce sulphur emissions in key Emission Control Areas (ECAs). Many of the world's largest ports have responded by introducing strategic plans to reduce GHG emissions and other environmental impacts. Numerous global initiatives have been created, such as the World Ports Climate Change Initiative launched at the symposium hosted by the Port of Los Angeles in 2008, where 55 of the world's largest ports committed to significantly cut their GHG emissions.

Although the Port of Los Angeles' participation in the Clean Air Action Plan has resulted in a significant reduction in harmful air emissions within the San Pedro Bay, it should be noted that although the projects refunded by this bond may have contributed in part to this reduction of harmful air emissions over the last ten years, they were not the primary drivers of these results.

[3] United Nations Conference on Trade and Development. 2015 Review of Maritime Transport. Available at: http://unctad.org/en/PublicationsLibrary/rmt2015_en.pdf

[4] http://www.uncrd.or.jp/content/documents/5EST-P4-BGP2.pdf

Furthermore, the U.S. Environmental Protection Agency states that climate change will likely affect marine transportation infrastructure and logistics in many ways, both positive and negative. Sustainalytics is therefore of the opinion that climate change adaptation in environmental project planning should be an area to consider for the Port of Los Angeles, as like other coastal infrastructure "Harbor facilities, including docks and bridges, may have to be raised to accommodate higher tides and storm surges, as sea levels rise". [5]

Nevertheless, Sustainalytics is of the opinion that the Port of Los Angeles green infrastructure projects are a step in the right direction towards increasing sustainability of ports and the shipping industry in general.

Clear environmental benefits offered by green bond projects

1) Development of natural features on port lands offers numerous environmental and community benefits. They can increase the amount of impervious surface at port facilities and thereby reduce storm water runoff and improve local water quality. Soil remediation provides additional benefits for preserving water quality and preserving natural environment. Additionally, such projects can help mitigate negative environmental impacts on residential neighborhoods in close proximity to ports.
2) Energy efficient buildings are explicitly recognized by the ICMA Green Bond Principles as offering clear environmental benefits. Buildings are a significant contributor to GHG and carbon emissions. Improving their energy efficiency is a robust way to mitigate the effects of climate change. LEED certification is an independent verification of a building's energy and resource efficiency; for example, LEED Gold certified buildings can generate up to 34% less GHG emissions than the average commercial building.
3) Shallow water habitats contribute to aquatic biodiversity conservation, which is one of the broad categories recognized by the GBP as eligible projects. They provide important feeding and nursery grounds for numerous fish species and encourage bird foraging. Additionally, the use of the dredged material can greatly enhance the environmental value of shallow water habitats[6]. Given the shipping industry's overall negative impact on aquatic biodiversity, the Port of Los Angeles's initiative to expand shallow water habitats is a good way to mitigate these impacts.

Alignment with ICMA Green Bond Principles 2016

Sustainalytics has determined that the Port of Los Angeles's Green Bond aligns to the four pillars of the ICMA Green Bond Principles 2016. For detailed information please refer to Appendix C: Green Bond Principles Green Bond/Green Bond Programme External Review Form

[5] https://www3.epa.gov/climatechange/impacts/transportation.html
[6] http://www.nan.usace.army.mil/Missions/Navigation/Dredged-Material-Management-Plan/Beneficial-Uses-of-Dredged-Material/

Conclusion

By refunding bonds that financed projects that actively aim to reduce the levels of pollution and environmental damage caused by port activities through soil and water management, constructing energy efficient buildings, and preserving aquatic biodiversity, the Port of Los Angeles is making important strides towards improving the sustainability of their port infrastructure.

The Port of Los Angeles's approach to selecting projects and managing green bond proceeds is robust, and its reporting on the use of proceeds, with KPIs that capture soil, energy and water impacts, is transparent. The Green Bond follows the guidance provided by the Green Bond Principles 2016 and is in alignment with its four pillars – the use of proceeds, process of project evaluation and selection, management of proceeds and reporting. Based on the above considerations, Sustainalytics is of the view that the Port of Los Angeles's Green Bond is robust and credible.

APPENDICES

Appendix A: Eligible Projects

The following table provides a project description, amount, and indicates the ICMA Green Bond Principles 2016 category for each eligible project refunded by the Green Bond.

Project name	Project description	Amount (USD)	Renewable Energy	Energy Efficiency	Pollution prevention /control	Sustainable management of living natural resources	Terrestrial and aquatic biodiversity conservation	Clean transportation	Sustainable water management	Climate change adaptation	Eco-efficient products, production technologies and processes
Harry Bridges Boulevard Buffer	A brownfield site was developed into a 30-acre park that serves as a natural buffer for the residential community from the industrial port facilities. The soil on the site was cleaned up from hazardous substances and petroleum products, and clean fill material was imported to construct the berm. Work also included passive-use landscaping, restrooms, water features, play areas, and hardscaped areas with dense trees and rolling hills/berms/retaining walls providing a buffering effect. The park contributes to preserving local water quality through better storm water infiltration and reduced soil contamination.	$18,757,771			✓				✓		
Port of Los Angeles Police Headquarters	The Port of Los Angeles Police Headquarters was designed and built to energy- and environmentally efficient LEED™ "Gold" standards. Sustainable elements include: pervious paving and landscaped bio-filtration/storm water retention areas; high-reflectance paving and cool roof materials to reduce heat island impacts; native landscape materials and reduction of installed turf; high efficiency irrigation equipment and controllers; high-efficiency	$13,978,247	✓	✓					✓		

	domestic water fixtures; overall energy performance in excess of Title-24 2001 energy standards; a 4.08 kW photovoltaic array estimated to generate 5,990 kWh of electricity annually; reduced lighting power density by 25% from baseline Titel-24 standards; high-efficiency HVAC units with variable speed fans; 95% construction waste diversion from landfill; and more than 50% of the total construction materials (by value) were manufactured using recycled content.										
Cabrillo Shallow Water Habitat	A 50-acre expansion of the Cabrillo Shallow Water Habitat (CSWH) was designed and constructed in the Outer Los Angeles Harbor. The purpose of shallow water habitats is to provide enhanced biological value for various fish species and encourage bird foraging. Dredge material from the Channel Deepening Project was used for environmental enhancement of the CSWH.[7]Improved habitat value created 24.3 biological mitigation credits in the Outer Harbor Mitigation Bank used to offset impacts from port landfills in future development projects.	$3,588,970				✓	✓				

[7] http://www.nan.usace.army.mil/Missions/Navigation/Dredged-Material-Management-Plan/Beneficial-Uses-of-Dredged-Material/

Appendix B: Project KPI Reporting Examples

Project	Category	KPI	Example
Harry Bridges Boulevard Buffer	Degraded Soil	Tons of degraded soil removed	Removed 10,008 tons of chemically-impacted soil from the site upon which the Harry Bridges Boulevard Buffer was constructed
Port of Los Angeles Police Headquarters	Energy and Atmosphere	Percentage of energy cost savings	Relative to baseline buildings, the Port of Los Angeles Police Headquarters achieves energy cost savings of 28.1%.
		Amount of HCFC and Halons emitted	The building's heating, ventilation and air conditioning systems do not use HCFC's and Halons.
	Sustainability	Number of bicycle racks installed	14 bicycle racks have been provided to serve more than 203 full-time equivalents
		Number of parking spaces for low-emitting fuel efficient vehicles constructed	Out of 73 parking spaces, 4 preferred spaces (more than 5% of total) have been provided for low-emitting fuel efficient vehicles.
		Percentage of post development total suspended solids treated	Landscape planters, porous pavement, bio-retention basins, trench drain filters and downspout filters effectively treat 100% of the average annual post-development Total Suspended Solids
		Percentage of on-site parking stalls located underground to avoid "heat islands"	In an effort to reduce "heat island" impacts, 51% of the on-site parking stalls are located underground or under cover. Furthermore, the building's roof has been constructed with area takeoffs and roof sloping to further reduce "heat island" impacts
	Water Efficiency	Percentage of potable irrigation water reduced	Potable irrigation water consumption has been reduced by at least 50% through the use of high efficiency irrigation technology
		Percentage of potable water reduced	Potable water use has been reduced by 40% through use of dual-flush water closets, and low-flow urinals, lavatories, showerheads and kitchen sinks.
	Materials and Resources	Tons of construction waste diverted from landfills	The overall building project ultimately diverted 7,195.99 tons (96.6%) of on-site generated construction waste from landfill.
		Percentage of building materials manufactured using recycled content	26.03% of the total building materials content has been manufactured using recycled materials.
		Percentage of wood-based building materials harvested from FSC-certified forests	73% of the total wood-based building materials are harvested from FSC-certified forests.
Cabrillo Shallow Water Habitat	Biodiversity	Number of biological mitigation credits generated	Utilizing dredged material, the Port of Los Angeles created a habitat for birds, fish, and various invertebrates which generated 24.3 biological mitigation credits

Appendix C: Documents reviewed

Sustainalytics reviewed the following documents for the purposes of writing this report.

No.	Document Name
1	Final Environmental Impact Statement/ Final Environmental Impact Report – Channel Deepening
2	Fact sheet - Los Angeles Port Police Headquarters
3	Harry Bridges Boulevard Buffer PICS Report
4	Final Environmental Impact Statement/ Final Environmental Impact Report (FEIS/EIR) for the Berths 136-147 [TraPac] Container Terminal Project
5	Final Environmental Impact Report (Final EIR) for the Port Police Headquarters

Appendix D: Green Bond/Green Bond Program External Review Form

Green Bond / Green Bond Program External Review Form

Section 1. Basic Information

Issuer name: Port of Los Angeles

Green Bond ISIN or Issuer Green Bond Framework Name*:* Port of Los Angeles

Green Bond Series 2016C

Review provider's name: Sustainalytics

Completion date of this form: August 31st, 2016

Section 2. Review overview

SCOPE OF REVIEW

The review assessed the following elements and confirmed their alignment with the GBPs:

- ☒ Use of Proceeds
- ☒ Process for Project Evaluation and Selection
- ☒ Management of Proceeds
- ☒ Reporting

ROLE(S) OF REVIEW PROVIDER

- ☒ Consultancy (incl. 2nd opinion)
- ☐ Certification
- ☐ Verification
- ☐ Rating
- ☐ Other *(please specify)*:

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to the Green Bond Framework and Second Opinion Document above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section:

The Use of Proceeds of this bond is clearly described in the Official Statement associated with the Port of Los Angeles Series 2016 Bond Issuance. Furthermore, renewable energy, energy efficiency, pollution prevention and control, sustainable management of living natural resources, terrestrial and aquatic biodiversity conservation, and sustainable water management are broad categories recognized by the GBP as offering clear environmental benefits.

Based on Sustainalytics' review, the Harry Bridges Boulevard Buffer, the Port of Los Angeles Police Headquarters, Cabrillo Shallow Water Habitat projects help in reducing negative environmental impacts.

Use of proceeds categories as per GBP:

☒	Renewable energy	☒	Energy efficiency
☒	Pollution prevention and control	☒	Sustainable management of living natural resources
☒	Terrestrial and aquatic biodiversity conservation	☐	Clean transportation
☒	Sustainable water management	☐	Climate change adaptation
☐	Eco-efficient products, production technologies and processes	☐	Other *(please specify)*:
☐	Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs		

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section:

The projects selected for the bond have undergone a comprehensive review by Port of Los Angeles's management team which took into account the port's environmental management program, the bond's eligibility criteria and the port's environmental sustainability objectives**.**

Evaluation and selection

- ☐ Defined and transparent criteria for projects eligible for Green Bond proceeds
- ☒ Summary criteria for project evaluation and selection publicly available
- ☐ Documented process to determine that projects fit within defined categories
- ☐ Other *(please specify):*

Information on Responsibilities and Accountability

- ☐ Evaluation / Selection criteria subject to external advice or verification
- ☐ Other *(please specify)*:
- ☒ In-house assessment

3. MANAGEMENT OF PROCEEDS

Overall comment on section: The Port of Los Angeles Green Bond proceeds will be held in a trust account and primarily used to advance refund a portion of the Series 2009B Bonds and pay a portion of the costs of issuance of the Series 2016 Bonds. The portion of the Series 2009B Bonds which would be refunded using the Port of Los Angeles Green Bond proceeds was determined by reviewing Series 2009B Bond drawdown statements and identifying proceeds that were drawn down for three projects (the Green Bond Projects): the Harry Bridges Boulevard Buffer, the Port of Los Angeles Police Headquarters, and the Cabrillo Shallow Water Habitat.

Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in a systematic manner
- ☐ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other *(please specify)*:

Additional disclosure:

- ☐ Allocations to future investments only
- ☐ Allocations to both existing and future investments
- ☒ Allocation to individual disbursements
- ☐ Allocation to a portfolio of disbursements
- ☐ Disclosure of portfolio balance of unallocated proceeds
- ☐ Other *(please specify)*:

4. REPORTING

Overall comment on section:
The Port of Los Angeles Green Bond use of proceeds will be immediately allocated to refund a portion of the Port of Los Angeles's outstanding 2009 Series B Revenue Bonds (Series 2009B Bonds) and pay a portion of the costs of issuance of the Series 2016 Bonds. Therefore, no additional use of proceeds reporting will be provided.

The Port of Los Angeles will publish environmental data for the three projects within the Sustainability page of the Port of the Port of Los Angeles website.

Impact reporting:

☒ Project-by-project
☐ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other *(please specify):*

Frequency:

☐ Annual
☐ Semi-annual

☒ Other *(please specify): As the projects associated with the Port of Los Angeles Green Bonds have already been completed, and all KPIs have been realized, any KPIs associated with the Port of Los Angeles Green Bonds will be reported in the Sustainability section of the Port of Los Angeles website within one year of the closing of the Green Bond transaction.*

Information reported (expected or ex-post):

☐ GHG Emissions / Savings
☒ Energy Savings

☒ Other ESG indicators*:*

- Tons of degraded soil removed
- Amount of HCFC and Halons emitted
- Number of bicycle racks installed
- Number of parking spaces for low-emitting fuel efficient vehicles constructed
- Percentage of post development total suspended solids treated
- Percentage of on-site parking stalls located underground to avoid "heat islands"
- Percentage of potable irrigation water reduced
- Percentage of potable water reduced
- Tons of construction waste diverted from landfills
- Percentage of building materials manufactured using recycled content

- Percentage of wood-based building materials harvested from FSC-certified forests
- Number of biological mitigation credits generated

Means of Disclosure

☐ Information published in financial report

☐ Information published in sustainability report

☐ Information published in ad hoc documents

☒ Other *(please specify): The project KPIs associated with the Port of Los Angeles Green Bonds will be posted within the Sustainability section of the Port of Los Angeles website.*

☐ Reporting reviewed *(if yes, please specify which parts of the reporting are subject to external review):*

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS *(e.g. to review provider methodology or credentials, to issuer's documentation, etc.)*

The link to the Sustainability section of the Port of Los Angeles website is:
https://www.portoflosangeles.org/environment/sustainability.asp

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

(i) Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second opinions" may fall into this category.

(ii) Verification: An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.

(iii) Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.

(iv) Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

Disclaimer

The Opinion was drawn up with the aim to explain why the analyzed bond is considered sustainable and responsible. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

As the Opinion is based on information made available by the client, Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date.

Nothing contained in this Opinion shall be construed as to make a representation or warranty, express or implied, regarding the advisability to invest in or include companies in investable universes and/or portfolios. Furthermore, this Opinion shall in no event be interpreted and construed as an assessment of the economic performance and credit worthiness of the bond, nor to have focused on the effective allocation of the funds' use of proceeds.

The client is fully responsible for certifying and ensuring its commitments` compliance, implementation and monitoring.

SUSTAINALYTICS

Sustainalytics is the largest independent provider of sustainability research, analysis, and services to investors. We serve over 250 institutional investors which include some of the world's largest asset owners and asset managers. Through over 20 years of experience serving the responsible investment (RI) market, we have gained a reputation for providing high-quality ESG research solutions and excellent client service.

Sustainalytics is headed by seasoned professionals in the field of business, finance, and sustainability, with a wealth of experience in the Responsible Investment area. After more than 20 years of local experience and expertise in the Responsible Investment (RI) market Sustainalytics has developed a comprehensive understanding of trends and best practices and a solid process to assist organisations in integrating ESG considerations into their policies and strategies. We have worked with some of the world's financial institutions including pension plans, investment managers and banks providing customised support to help them achieve their RI objectives. Clients include ABN AMRO, APG, BBVA, BNP Paribas, Deutsche Bank, ING Bank, Lombard Odier, Lloyds Bank, Triodos Bank, UBS and over 250 other financial institutions and organisations.

Sustainalytics now has a staff of 250 employees globally, including over 120 analysts, with operations in Amsterdam, Boston, Bucharest, Frankfurt, New York, Paris, London, Singapore, Sydney, Timisoara, and Toronto, and representation in Brussels and Washington DC.

In 2015, Sustainalytics was named the Best SRI or Green Bond Research Firm by GlobalCapital. In December 2014, for the third year in a row, Sustainalytics was named best sustainable and responsible investment research firm in the Independent Research in Responsible Investment (IRRI) Survey, conducted by Thomson Reuters and SRI-CONNECT.