2018 PERFORMANCE UPDATE

Annual Environmental, Social, and Governance Report
We understand that our core business has profound effects on our neighbors, our communities, our customers’ businesses...our world.

Liberty prides itself on certain cultural attributes. One is to recognize that we have been given opportunity, and that opportunity begets responsibility. Our founder, Bill Rouse, often told the story of asking a philanthropic friend how he was able to dedicate himself so generously to others. To which the friend replied, “The more I give, the harder it is to catch up with what has been given to me.” Bill took that to heart, and I’d like to think it is embedded in Liberty’s DNA.

Another embedded cultural attribute is a dedication to real estate as a creative, forward-thinking, transformative exercise. We understand that our core business has profound effects on our neighbors, our communities, our customers’ businesses...our world. There is an inherent responsibility to always do better, and this responsibility is embraced by our people.

It is one thing to embrace the responsibility, it is another to have the power to act on it. At Liberty, our people are empowered to ask questions, seek out new ways to do our business better, and make that change happen. Employee advocacy is why we decided, in 2006, to join the USGBC®, begin “building green,” and start a dialogue with the marketplace – a dialogue of education on a topic that was new, unproven, and somewhat disruptive. Our people engaged in that dialogue with enthusiasm, first in green development, then green management, first with fellow colleagues, then with tenants, brokers, investors, and the public. I am thrilled at how that dialogue took hold in our organization and continues today with all of our stakeholders.

We continue to challenge ourselves to view sustainability not as a means to an end, but as an integral component of our long-term value creation strategies, always seeking the most meaningful efforts that will enhance our portfolio, our company, and our communities. We hope our stakeholders find this report a valuable addition to our ongoing dialogue on these efforts.

Sincerely yours,

William P. Hankowsky
Chairman and Chief Executive Officer
Liberty Property Trust views sustainability as an integral part of our culture of care and engaging our employees, our investors, our tenants, our communities, and our assets. Our focus on sustainability and environmental, social, and governance (ESG) principles is an extension of our long-standing mission to enhance people’s lives through extraordinary work environments. To Liberty, sustainability means state-of-the-art properties that consume resources efficiently and operate in a manner that enhances the productivity, health, and well-being of occupants.

**OUR COMMITMENT**

*High-quality, sustainable industrial real estate solutions*

Liberty is committed to the sustainable design, development, and operation of our real estate portfolio. As a leader in our industry, we strive to create work environments that are more efficient with resource consumption, improve building performance, and promote human health and productivity. We recognize that every business decision has a potential impact on our environment, and we are committed to understanding and reducing these effects.

*We know from experience that high-performance buildings and environmentally responsible business operations are not only good for the planet, they create value for our tenants, shareholders, and employees.*
OUR GOALS

At Liberty, our sustainability goals are to support our tenants, communities, and investors with better real estate solutions, services, and results. Specifically, we strive to:

**REDUCE COST, IMPROVE COMFORT**

We strive to support our tenants’ needs for lower operating costs and greater comfort through construction and operation of sustainable, high-performance buildings to a LEED® standard.

**EXPLORE INNOVATIVE TECHNOLOGIES**

We continuously evaluate, pilot, and integrate next generation building technologies that further drive performance for our tenants as part of the development process.

**STAND OUT WITH SUSTAINABILITY**

We leverage the benefits of sustainability as a competitive differentiator in the marketing and communication of new developments.

Liberty’s sustainability goals are intrinsically tied into our company’s purpose of creating exceptional work environments by developing and managing sustainable, more efficient buildings. These goals are also tied into key financial metrics, and are expected to increase top-line revenue, reduce operating expenses, and help grow core Net Operating Income (NOI).
We are guided by three key sustainability objectives...

**ENVIRONMENTAL**

We build all new buildings to LEED® standards, carefully evaluating and addressing site selection, building commissioning, resource efficiency, indoor air quality, and other environmental provisions. We also benchmark all buildings in ENERGY STAR® where we have access to data, and work to earn ENERGY STAR certification. Our tenant improvement and capital programs use sustainable materials that improve energy efficiency, reduce life-cycle costs, or deliver enhanced resiliency.

**SOCIAL**

We work in harmony with and give back to the communities in which we operate. Local market leaders collaborate closely with neighbors and community leaders during planning and construction, and are encouraged to tailor ongoing community dialogue, participation, and community engagement based on local needs. Our company-wide Bill Rouse Day of Caring mobilizes our people nationally to support local needs. We also have objectives for employee health and wellness, safety, and diversity integrated into the company’s strategic plan for human resources and property management.

**GOVERNANCE**

From a sustainability program perspective, our governance objective is to reduce risk, leverage opportunities, and provide appropriate checks and balances. It is our priority to deliver productive work environments while considering the interests of our tenants, shareholders, employees, vendors, local communities, and the public at large. Good governance starts with transparency and engagement with all stakeholders and is core to Liberty’s culture.

**OUR PARTNERSHIPS AND COLLABORATIONS**

At Liberty, we work collaboratively with the industry and form strategic partnerships to advance our ESG initiatives. In the past year, our team has participated in and supported efforts led by these organizations:
**Sustainability by the Numbers**

Putting Our Performance in Perspective

### Saving Money & Resources

- **1.7%** reduced energy use*
- **4.5%** reduced energy costs
- **2.9%** reduced water use
- **10%** waste diversion

### Demonstrating Value

- **115** current green certifications
- **300** all-time green certifications
- **35M SF** covering over
- **50M SF**

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### Reducing Impact on Our Communities

- **1.1%** lower green house gas emissions from 2017 to 2018*

**Equivalent To**

- **301,956** miles driven by average passenger vehicle
- **14.8** homes’ energy use for one year
- **135,013** pounds of coal burned

*Reductions achieved in 2018. Calculated excluding one asset that experienced a significant rise in occupancy.

**100%** LEED® Certified U.S. industrial development starts in 2018
Great upgrade to the facility! Especially on those late nights. It’s comforting to know that our drivers will return to a well-lit facility due to the fact that several of the panels are always on providing visibility throughout the facility.

— Marcos Florit
PDC MANAGER, BMC MATTRESS LLC

8591 W. WASHINGTON — TOLLESON, AZ

Liberty replaced all office and warehouse lighting in this 219,225 square foot industrial building with energy-efficient LED fixtures. The new LED fixtures have a 10-year life expectancy, providing existing and future tenants with efficient, cost-effective lighting for years. Engineering the installation allowed us to use fewer fixtures that produce higher quality lighting throughout with no disruption to tenant operations. In addition, the team worked throughout 2017 and 2018 to replace all of the building’s evaporative coolers with new, more efficient units. These units provide better cooling and lower operating costs. These upgrades have been well-received by the existing tenant and have positioned the newly vacant space in this building to attract future tenants by providing a modern, efficient workplace and lower operating costs.

REBATES TOTALING $21K
ANNUAL COST SAVINGS $30K
RETURN ON INVESTMENT 12%
Liberty Property Trust is continuously identifying technologies and strategies that reduce costs, improve comfort, and extend our culture of care for our tenants. We partner with our tenants and leading national programs to guide our initiatives, highlight our successes, and deliver high-performing buildings.

**LIBERTY AND TENANTS**

Our proactive, industry leading Liberty Green Guide positions Liberty as a trusted partner in the creation of extraordinary work environments that reduce resource consumption, improve building performance, and promote a healthier and more productive work environment. We also utilize a green lease that encourages constructive collaboration with our tenants to enhance building efficiency and productivity, reduce waste, and improve indoor air quality. Our lease agreements support our commitment to sustainability and ensure that our properties are operated in a manner that minimizes environmental impacts, maximizes efficiency, and supports tenant sustainability goals.

In 2018, Kingsley Associates, a leading real estate research and consulting firm, conducted a tenant satisfaction survey and the results speak for themselves. A vast majority of our customers, over 90%, considered Liberty a top landlord. Our commitment to sustainable buildings and high-performance tenant improvements were rated above the national average by customers. The Liberty management team closely reviewed the results of the survey to recognize top performers and identify best practices that can be implemented throughout our portfolio.
LIBERTY AND ENERGY STAR®

Over a decade ago, we began benchmarking 100% of our managed portfolio in ENERGY STAR Portfolio Manager®. Since that time, we have worked to improve the energy efficiency of our portfolio year over year and saved millions of dollars in energy costs for our tenants.

LIBERTY AND LEED®

As one of the nation’s leaders in sustainable, high-performance development, we have a longstanding commitment to LEED buildings. The choice to pursue certification reflects Liberty Property Trust’s commitment to the environment, energy efficiency, and overall sustainability of our buildings and the communities we serve. We are also able to provide great value to our tenants, by helping to reduce energy and water consumption by 30% or more. In partnership with our consultant Design Management Services and USGBC, we developed the industry’s first process-based LEED Volume Program, which ensures that every Liberty industrial development achieves LEED certification. With our innovative, industry-leading LEED Volume Program, we have dramatically driven down the time and cost of achieving third-party validated LEED certification – which drives value for our tenants, investors, and communities.

LIBERTY AND BREEAM®

As part of our commitment to identifying and utilizing certifications and standards for sustainable buildings that drive value for our tenants, we have pursued BREEAM for our United Kingdom assets where it makes sense in our portfolio. BREEAM, the most dominant building certification program in the U.K., encourages continuous improvement in environmental, social, and economic sustainability performance throughout the real estate life cycle, which aligns well with Liberty’s commitment to providing ongoing care to its tenants and shareholders.
8014 INDUSTRIAL — BREINIGSVILLE, PA

This property is a 407,000 square foot distribution center serving three tenants. The Liberty team assisted in the upgrade to LED lighting, delivering better quality lighting and reduced operating costs for the tenants. Additionally, new heating units were installed to help with indoor air quality and air changes to improve occupant comfort levels. Collaborating with the local utility company, the Liberty team was able to identify and secure rebates to offset the cost of the improvements.
Through proactive governance, Liberty Property Trust seeks to provide first-class investment care to its stakeholders. Our governance guidelines provide a flexible framework for the CEO and Board of Trustees to meet the needs of stakeholders and ensure that care and consideration are given to other interested parties including tenants, employees, and local communities. As part of our commitment to our investments and care for our shareholders, Liberty believes that good governance includes transparent disclosure of performance over time.

**2019 GRESB PERFORMANCE**

Liberty reports annual performance of ESG data to the GRESB® Real Estate Assessment, the industry leader in providing ESG benchmarks for portfolios of real assets. By responding, Liberty is able to assess and improve performance over time and proactively engage with investors to create and foster a better, higher-performance portfolio and company.

In 2019, Liberty Property Trust earned an overall GRESB score of 69 and ranked third in its peer group. The company is recognized with the Green Star, indicating exemplary ESG performance that continues to support and drive market transformation.

**ABOUT GRESB**

GRESB conducts an annual survey that covers more than $4 trillion in real estate and infrastructure value to assess performance across a range of environmental, social, and governance factors. Survey respondents are scored against their peers to provide a relative benchmark for ESG performance.
CONTINUING OUR LEGACY OF CARE

OUR EMPLOYEES
Doing what’s right has never been negotiable at Liberty. Through the United Way Campaign, Bill Rouse Day of Caring, Volunteer Time Off program, and more, Liberty gives employees opportunities to help their communities beyond the walls of our offices and assets. It’s about our deep-rooted commitment to our communities and our people, an obligation to the environment, and a responsibility to our stakeholders.

UNITED WAY CAMPAIGN
Liberty Property Trust has a strong partnership with United Way, organizing major annual campaigns and individual giving.

The 2018 Campaign was coined “Just Give.” Liberty employees participated in a donate-to-play trivia event that incorporated online pledging and raffles and allowed teams to have fun in the process.

This week-long campaign highlights the generosity of Liberty’s employees and our vendors (who contributed more than $5,000 in raffle items). Approximately 56% of employees pledged a grand total of more than $103,000 to their communities.
BILL ROUSE DAY OF CARING

Each year on the Friday closest to June 19, the birthday of our founder Bill Rouse, our employees gather to volunteer at local community organizations across the U.S. and U.K. The annual Bill Rouse Day of Caring was established by Liberty employees in 2004 to commemorate Bill’s vision, spirit, and commitment to volunteerism and community engagement.

In 2018, the Greater Philadelphia team assembled volunteers at Cradles to Crayons to help with the collection and donation processing of children’s clothes and toys benefiting those living in low-income households. In addition to volunteering, Liberty employees brought items to donate to local children in need and give back to our local community.

The local team was joined by caring volunteers in all Liberty markets dedicating time in community kitchens, cleaning up local parks, building homes for those in need, and many other worthwhile projects.

Bill would be proud of his legacy. The Bill Rouse Day of Caring acts as the cornerstone of Liberty’s community outreach, bringing our employees together and providing focus to our volunteer efforts. Yet, its influence goes much deeper – instilling our company with a culture of caring, generosity, and humanity.
VOLUNTEER TIME OFF BENEFITS

Our Volunteer Time Off (VTO) program gives Liberty Property Trust staff paid leave for time spent volunteering in meaningful, purposeful community engagement activities. We recognize that participating in these activities can enrich and inspire the lives of our employees.

DEPARTMENT SPOTLIGHT

The Tax Department took a half day and volunteered at the Chester County Food Bank.

VOLUNTEERING IN ACTION

In 2018, Liberty employees committed over 650 volunteer hours to support local charities, schools, and organizations, including:

- Big Brothers Big Sisters
- American Cancer Society
- Chester County Food Bank
- Cradles to Crayons
- Daily Bread Community Food Pantry
- Doing The Most Good
- Habitat for Humanity
- Philabundance
- Tredyffrin & Easttown Care
- U.S. Marine Corps

EMPLOYEES COMMITTED OVER 650 hours of volunteer support
Liberty Lives Well

Liberty Property Trust’s holistic approach to support our team members **professionally, physically, financially,** and **personally.**

In 2018, to assess the success of Liberty Lives Well and our employee satisfaction, we conducted an employee survey. Approximately 80% of Liberty employees participated and in aggregate provided a favorability score of 76%. The top items driving employee satisfaction at Liberty include personal development, growth, and sense of accomplishment, a great work-life balance, and creating an atmosphere of openness and trust.
Professionally

We are committed to helping our team members grow in their careers.

- Learning @ Liberty
- Leadership Development
- Professional Development
- Performance Reviews
- Knowledge Sharing
- Tuition Reimbursement
- Continuing Education
- Job Openings
- Liberty Library

Physically

The physical health and well-being of our employees is paramount to our success.

- Medical Insurance
- Vision Insurance
- Dental Insurance
- Critical Illness & Accident Insurance
- Prescriptions
- Worker’s Comp
- Navigating Healthcare

Personally

We encourage a healthy work-life balance and offer employees a productive and creative work environment.

- Time Off
- Life Events
- Scholarships
- Discounts & Perks
- Travel Assistance
- Employee Assistance
- Leaves of Absence
- Recognition Program

Financially

Our employees are our partners and seek to provide opportunities to help our team reach their financial goals.

- 401(k)
- Profit Sharing
- Disability
- Life Insurance
- Flexible Spending
- Healthcare Spending
- Stock Purchase Plan
- Commuter Assistance
- Compensation & Taxes
HOME OFFICE — WAYNE, PA

At Liberty Property Trust, we are focused on creating the best working environment for our employees. In 2018, our new Home Office was a game-changer in actively promoting the mission and success of what the company was founded on. Focused on health and wellness, Liberty’s new Home Office offers a balanced, productive, and healthy environment for our employees, which includes an on-site fitness center, stand up desks, and plenty of access to natural daylight. Using LEED-CI (Commercial Interior) rating system, this project was the first for Liberty under the LEED-CI version 4 guidelines and designed for daylight harvesting controls and an open floor plan to increase employee interaction, collaborations, and dynamics. The space is inspired by a popular board game, with each huddle and conference room named after an element of the game. Liberty’s new home provides a fun and creative environment for all.
We look forward to continuing our culture of care in 2019 and 2020 to support our tenants, our investors, our employees, and our communities. Environmental, social, and governance principles permeate our organization, and we are committed to making additional strides and progress.

**BUILD**
Build better, more efficient, and more innovative buildings and certify all speculative development to a LEED® standard.

**IDENTIFY**
Identify new ways to support our tenants’ growing interests in business case approaches to sustainability.

**PROVIDE**
Provide transparency on our performance through sustainability metrics and reporting.

**EXTEND**
Extend the success of solar installations in the Liberty portfolio which generated more than 14 million kWh of electricity in 2018 by evaluating other sites for solar potential.

**ADVANCE**
Advance other opportunities for renewable and clean technologies to drive better resilience and reliability in our portfolio.

**SERVE**
Serve as the real estate provider of choice and trusted advisor for tenants and investors.

**CULTIVATE**
Cultivate a legacy of care in our communities by promoting charitable giving, volunteerism, and engagement.
accomplish more