

Towers Business Park, Manchester, UK
'Meet the Towers bees' tenant community event

KENNEDY WILSON

RESPONSIBILITY REPORT 2018

FORWARD TOGETHER



WHO WE ARE

Kennedy Wilson (NYSE: KW) is a leading global real estate investment company. Headquartered in Beverly Hills, California, with 17 offices across the globe, we have a 30-year history of investing. We own, operate and invest in real estate through our balance sheet and through our investment management platform. We focus on multifamily and office properties located in the Western U.S., UK and Ireland.

GLOBAL STATISTICS

\$16B

Assets Under Management¹

17

Number of offices

28,600

Multifamily units²

18.9M

Sq ft of commercial space²

Kennedy Wilson's U.S. corporate headquarters
featuring public art display by Jacob Hashimoto

1. See **Page 29** for definition of Assets Under Management.

2. Includes development pipeline on sites already owned by KW: 3,660 multifamily units and 0.9m sq ft of commercial space.



FORWARD TOGETHER



WILLIAM J. McMORROW

Chairman and Chief Executive Officer,
Kennedy Wilson

I am pleased to introduce Kennedy Wilson's 2018 global responsibility report to share information on our environmental performance and social initiatives. This year's report theme – 'Forward Together' – reflects our collective commitment to managing sustainability opportunities, minimizing our environmental impact and doing our part to enhance the communities where we are grateful to be doing business across our global portfolio.

As an investor, developer and operator with a long-term view, we are focused on various methods of adding value across our properties. Improving environmental performance at our assets and enhancing the communities surrounding our buildings ties closely into that business model and sits at the core of Kennedy Wilson's corporate culture.

2018 was a year of significant progress in how we report our environmental and social initiatives. We expanded our current energy monitoring and reduction program to cover our global portfolio, with a focus on benchmarking carbon output so we can create appropriate goals moving forward. This builds on the energy reduction program we launched in

Europe in 2015, which has already resulted in a 25% reduction in carbon emissions to date against the baseline and led to meaningful cost savings.

I look forward to updating you on our progress as we do our part to reduce our environmental impact and strengthen our local communities.

“ We aim to create great places for people to live and work with a focus on optimizing resources to help strengthen communities. ”



RESPONSIBILITY AT A GLANCE

\$60M+

Investment in heritage assets since 2014

\$9M

Kennedy Wilson Foundation donations since 2016

25%

European carbon emissions savings to 2018¹

9,000

Affordable housing units in the Western U.S.²

Falls Creek Apartments, Idaho, U.S.
170 unit affordable housing community through Vintage Housing joint venture

1. Versus baseline outlined in performance methodology on [Page 28](#).
2. Includes development pipeline with Vintage Housing of approximately 2,600 affordable housing units.



OUR APPROACH

Kennedy Wilson's Responsibility program aligns with our business strategy by maximizing the inherent value of our assets. This delivers long-term social, environmental and economic value across our portfolios and to our key stakeholders.

We focus on three pillars:

CREATING GREAT PLACES

BUILDING COMMUNITIES

OPTIMIZING RESOURCES

SUSTAINABILITY MANAGEMENT AND OVERSIGHT

Our approach to sustainability includes involvement at all levels of the company.

Our Corporate Sustainability Committee oversees the implementation of our environmental policy and reports directly to our Chairman and CEO. The Committee meets regularly to set goals, review budgets and oversee the operational implementation by asset management teams, while monitoring progress and results.

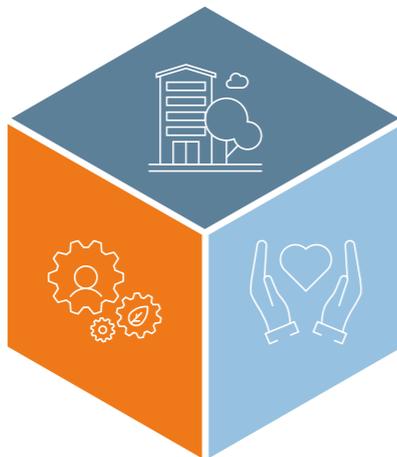
We also use external resources to provide expertise, tools and resources for our sustainability program. This includes JLL, which provides energy and sustainability consulting and participates on the Corporate Sustainability Committee, utility advisors that provide technical expertise, and utility providers that offer financial resources in the form of rebates and incentives.



OUR APPROACH

CREATING GREAT PLACES

for people to live, work and thrive



OPTIMIZING RESOURCES

for a healthy environment
and a productive business

BUILDING COMMUNITIES

for a prosperous society



We create great places for people to live, work and thrive, focusing on enriching our tenants' experiences by bridging the gap between home, workplace and community and being at the forefront of heritage preservation where relevant.



We build communities within and around our assets and in the major cities where we operate to support communities to prosper and grow. We do this through resident interaction, community development, charitable giving and collaborating with partners.



We optimize resources with a focus on environmental stewardship, ensuring that a healthy environment contributes to a productive business. Through the efficient use of resources, we reduce operating costs, reduce greenhouse gas emissions and future-proof our assets.



CREATING GREAT PLACES LIVE, WORK AND THRIVE

GOING BEYOND GOOD DESIGN

Home and work-life are undergoing a fundamental shift, driven by changing demographics, technology and new, more agile working practices. Recognizing the global movement towards greater work-life balance, accessibility and wellness, we are creating great places benefiting our tenants and the local community.

Creating Great Places goes beyond good design. We focus on building offices and homes that provide spaces for social interaction, exercise and tenant engagement programs, as well as public spaces to connect with the community. Also, where possible, we protect heritage aspects to create a shared sense of cultural wellbeing.

Towers Business Park, Manchester, UK (289,000 sq ft office)
Abundant outdoor space enjoyed by tenants



SPOTLIGHT ON AMENITIES AND WELLBEING

GOLD

WELL rating target at The Link, Maidenhead

SUPPORTING WELLBEING AT WORK

Employee wellbeing is increasingly important and we are on course to achieve our first WELL Gold certification at The Link in Maidenhead, UK. The internationally recognized WELL standard recognizes wellbeing features such as materials with low volatile organic compound emissions, improved daylight, air and water quality monitoring, and internal mobility.

As we continue to focus on developing large-scale mixed-use projects in Ireland and the UK, we will be targeting NZEB, LEED Gold, BREEAM Excellent and WELL certifications. Waste management, recycling and increased vehicle charging points will also take priority across our new multifamily developments.

28,000+

Global multifamily units

BUILDING ACTIVE APARTMENT COMMUNITIES

We work hard to build apartment communities across the Western U.S., Ireland and the UK that people love to live in, with space and resident amenities designed to meet the needs of our tenants. Club houses, fitness centers, business suites, outdoor play areas, pools, and dog parks that enable residents to socialize and relax are common features across our residential portfolio.



Spotlight

Case study

SPOTLIGHT ON REGENERATION

\$11M

2018 investment in heritage assets

1.5

Acres of new public space at Capital Dock, Dublin

PRESERVE & REGENERATE HISTORIC ASSETS

As a real estate investor, operator and developer, we understand the responsibility and opportunity that comes from working with heritage buildings in our key locations. We preserve and enhance heritage assets through sympathetic restoration and regeneration. In 2018, we invested \$11 million in heritage assets across Dublin and in the UK.

CREATING NEW PUBLIC SPACES

We integrate public realm improvements into our development projects where possible. Our iconic, mixed-use development at Capital Dock in Dublin, for example, has revitalized an under-developed area of Dublin's historic South Docks. We created 1.5 acres of new public park space along the waterside with public art that reflects the trading and maritime history of the area. Across the River Liffey, in the North Docks, our forthcoming six-acre mixed-use campus development aims to incorporate the docklands' largest public park.

The Shelbourne, Dublin, Ireland (5-star 265 room hotel)
Restored historic Georgian façade showcasing extensive repointed brickwork



Spotlight

Case study

CASE STUDY HERITAGE OLD SCHOOL AND ASSEMBLY LEEDS, UK

GRADE II* LISTED

Class A office and leisure building dating from 1870s

F → B

EPC Rating improvement

8

Local businesses supported in the
Assembly street food and bar area

Original 1870s stone façade of 21,000 sq ft Leeds city center office



Spotlight

Case study

CASE STUDY HERITAGE OLD SCHOOL AND ASSEMBLY LEEDS, UK

PROTECTED BUILDING WITH UNIQUE FEATURES

Our recently completed Old School and Assembly development in Leeds, UK, perfectly illustrates our strategy to unlock the inherent value of heritage assets, which are often under-capitalized and under-managed. Through a design that preserves and enhances the original features, we have delivered a modern work and leisure environment.

We acquired the 24,000 sq ft building as part of a large portfolio transaction in 2015. The building is Grade II* listed, denoting a heritage asset of particular importance of more than special interest. It occupies a prime location in the heart of Leeds, dating back to the 1870s.

We completed a full refurbishment of the building, respecting and preserving the heritage and key architectural features. This included the restoration of a rare double helix staircase and exposure of the octagonal roof and barrel-vaulted ceiling on the top floor.

The ground, first and second floors have been maintained for office use and carefully blend the building's historic character with new technology such as LED lighting and an energy efficient heating and cooling system. These, coupled with improved insulation, have contributed to a significant uplift in the building's Energy Performance Certificate ("EPC") rating¹ from an F, which does not comply with the legislation, to a B.

Amenities, including showers and lockers, appeal to creative businesses and one floor was leased upon completion to a technology firm.

The basement space has been renamed Assembly, following the transformation into a popular street food and craft beer hub, providing a social space for tenants and the wider community. All eight leases were awarded to local retailers and the space is generating double the rent received from the previous tenant.

Transformed basement space – renamed Assembly – a popular local community hub

1. The UK's Minimum Energy Efficiency Standards aims at preventing new lettings of properties in England and Wales with an EPC rating of F or G. [Page 23](#) discusses our EPC rating measurements in more detail.



Spotlight

Case study



BUILDING COMMUNITIES PROSPERING SOCIETY

FOCUSING ON DESIGN & MANAGEMENT OF BUILDINGS AND CHARITABLE GIVING

We believe the success of the communities surrounding our assets is intrinsic to the financial success of our business. We aim to build and strengthen local communities and engage socially, wherever possible, by fostering diverse and vibrant communities. We do this in two ways, through the design and management of the buildings and through charitable giving.

Our buildings provide more than just a physical space. The design and management of our assets encourages interaction and promotes shared experiences that strengthen relationships and create a sense of belonging and community development. We also engage with the wider community through charitable activities, including local partnerships, staff community work through our 'matching program' and the Kennedy Wilson Foundation; all a visible demonstration of our commitment to a more prosperous society.

Wendy Walk charity initiative supported by Kennedy Wilson and President
of Kennedy Wilson's Property Services – Ed Sachse



Spotlight

Case study

SPOTLIGHT ON COMMUNITY ENGAGEMENT

23

Bi-weekly tenant events
at Towers Business Park in 2018

RESIDENT FOCUSED ENGAGEMENT

We partner with Apartment Life, a non-profit focused on resident engagement and retention, to build thriving communities in our U.S. multifamily assets. Residential Community Directors live in buildings across our Pacific Northwest multifamily portfolio and work together with residents to organize social events that bring the community together. Similar events, including cooking and fitness classes, exhibitions, and holiday parties are organized across our European multifamily portfolio, led by dedicated on-site management teams.

COMMUNITY EVENTS ORGANIZED

We work hard to build vibrant communities across our office assets, to improve tenant satisfaction and retention rates. Since acquiring Towers Business Park in the UK in 2016, we have created a strong sense of community. We organize a full year-round calendar of social events, many with a focus on health, wellbeing and charitable giving to boost satisfaction levels and support active lifestyles.

Annual tenant community five-a-side football tournament at Towers Business Park, Manchester, UK

SPOTLIGHT ON EMPLOYEE ENGAGEMENT

80+

Organizations supported in 2018

“ My time at Kennedy Wilson gave me first-hand exposure to so many different aspects of working in the real estate industry. I was impressed with the mix of training courses, speakers, activities and the mentorship we all received throughout the summer – it is clear that the program is a top-priority for the company. ”

Vanessa King, Intern

FOSTERING CAREER GROWTH

Kennedy Wilson offers an eight-week internship program for college students, recent graduates, MBA and Masters students that provides first-hand experience working in a real estate company. The program provides structured exposure to all facets of the business while training and extracurricular activities provide practical advice for a career in real estate.

EMPOWER EMPLOYEES & LOCAL COMMUNITIES

Our employee sponsorship and corporate giving program encourages our people to support causes they are passionate about. Over the past three years, the Kennedy Wilson Foundation has donated approximately \$9 million to eligible organizations to address urgent needs and fund community-based efforts with a focus on health, education and the armed forces.



Spotlight

Case study



CASE STUDY PHILANTHROPY THE KENNEDY WILSON CHARITABLE FOUNDATION

\$14M

Raised for Navy SEAL Foundation since 2015

\$3.6M

Donated to non-profit organizations in 2018

\$1M

Raised for European charitable organizations in 2018

William McMorrow, Chairman and CEO of Kennedy Wilson, addresses the crowd at a Navy SEAL Foundation event in Beverly Hills, CA, U.S.



CASE STUDY PHILANTHROPY THE KENNEDY WILSON CHARITABLE FOUNDATION

We aim to build and strengthen local communities by giving back through our charitable platform, supporting causes and organizations that produce measurable results and create positive lasting impacts. Our fundraising efforts are directed through the Kennedy Wilson Charitable Foundation, a registered 501(c)(3) non-profit corporation, which awards grants and charitable gifts to qualifying non-profit, civic or educational public charities.

We are focused on supporting our U.S. Armed Forces and improving lives of children through educational opportunities and quality health care. Our employees also help steer our annual giving, as Kennedy Wilson often provides additional funding for the non-profit organizations they are passionate about and dedicate their time and resources to support.

SIGNIFICANT ENGAGEMENT AND SUPPORT FOR THE U.S. ARMED FORCES

Kennedy Wilson is proud to be aligned with the Navy SEAL Foundation, which provides immediate and ongoing support and assistance to the U.S. Navy SEALs and their families.

Beyond a presence on the Board of Directors by our Chairman and CEO, William McMorrow, we are actively placing SEALs in jobs once they return from active duty, fund raising and providing grants for foundations created by SEALs for their community. We are inspired by this elite group of individuals and endeavor to support these men and their families.

Kennedy Wilson has hosted numerous fundraising events at our headquarters in Beverly Hills, and in 2018 this included our sponsorship and significant staff involvement and organization of the Navy SEAL Gala, which raised more than \$5 million for the Foundation.

The 2018 Navy SEAL Foundation Gala raised more than \$5 million for SEALs and their families

Continued over



Spotlight

Case study

CASE STUDY PHILANTHROPY THE KENNEDY WILSON CHARITABLE FOUNDATION

ACTIVE SUPPORT FOR EDUCATION

Bringing Hope to the Family is one of the many education-focused non-profits we support every year. The organization aims to improve the quality of life of families in Uganda by expanding access to education, improving healthcare and promoting self-sustainability. In conjunction with an annual three-week service trip by Christine Deschaine, Senior Vice President in Kennedy Wilson's brokerage division, we've helped fund the creation and ongoing operations of the Baby House, a facility for approximately 50 orphans ranging from one day to six years old in the Village of Kaihura, Uganda.

In 2018, Kennedy Wilson funded the construction of a new building for the High Hope Kindergarten providing educational facilities for up to 150 students. In 2019, Kennedy Wilson will provide a \$219,000 grant to support the annual budget, including education costs, food, utilities and home renovations, for the organization's Children's Home for orphaned and vulnerable children.

NEIGHBORHOOD ACADEMIC INITIATIVE

Kennedy Wilson's Chairman and CEO, William McMorrow, is also an active supporter of the University of Southern California's (USC) Neighborhood Academic Initiative that has helped more than 1,000 children in college access programs and early literacy programs since 1991. These students, with the support of their parents, are often the first in their family to attend college. The initiative has been remarkably successful with a 100% college acceptance rate and a 99% attendance rate. A significant donation from the McMorrow family in 2018 enabled further expansion of what is now known as the USC Leslie and William McMorrow Neighborhood Academic Initiative.

Children at the Hope Academy Primary and Nursery school in Uganda

Continued over

CASE STUDY PHILANTHROPY THE KENNEDY WILSON CHARITABLE FOUNDATION

GLOBAL EMPLOYEE SUPPORT FOR HEALTH CARE

Kennedy Wilson's support for health care initiatives spans across our U.S. and European operations. For example, we have contributed €28,000 over the past several years to support the Our Lady's Children's Hospital in Crumlin, Ireland, the largest pediatric hospital in the country.

The donation is part of a broader fundraising strategy led in part by Stefan Foster, a Senior Director in Kennedy Wilson's Dublin office, to provide much needed equipment and resources for the hospital. Kennedy Wilson's contribution has helped to purchase surgical and diagnostic equipment that will enhance the capabilities of the hospital and provide better healthcare to children.

CORNERSTONE SPONSOR AND COMMUNITY ENGAGEMENT FOR CHARITABLE HOUSING

Following the success of last year's 'Dragons at the Docks' boat race in Dublin, the event was held for a second year running in 2018 and was another great success, with over 70 teams and 800 participants taking to the Grand Canal Dock. €308,000 was raised for charity, on top of the €219,000 raised in 2017, bringing the total net monies raised and donated to over half a million Euros in two years. From the €308,000 raised in 2018, €233,000 was donated to the Dublin Simon Community and through their Home Deposit Initiative, they acquired eight apartments with the monies raised.

The remaining €75,000 was split between the nine cornerstone sponsors to donate to a charity of their choice. Kennedy Wilson chose the Plurabelle Paddlers, who themselves are a female dragon boat racing club, but with one thing in common – each of their members having at one point been diagnosed with breast cancer.

Stefan Foster, Senior Director for Kennedy Wilson in Ireland, fundraising to provide much needed equipment for Crumlin pediatric hospital



Spotlight

Case study



CASE STUDY VINTAGE HOUSING

“ Kennedy Wilson’s support has enabled us to significantly upscale our program and set out a long-term strategy to help tackle the housing crisis. By leveraging their know-how and market access we have been able to seize new opportunities and expand our reach. ”

Ryan Patterson,
President, Vintage Housing

9,000

Affordable housing units in the Western U.S.¹

4 YEARS

Collaborative Partnership

Vintage at Tacoma, Washington, U.S.
231 unit affordable housing community through Vintage Housing joint venture

1. Includes development pipeline with Vintage Housing of approximately 2,600 affordable housing units.



CASE STUDY

VINTAGE HOUSING

SHARED COMMITMENT TO DELIVERING QUALITY AFFORDABLE HOMES

Housing affordability has reached crisis levels across much of the Western U.S., with rapidly growing cities, such as Seattle, facing a dearth of affordable housing options. This not only impacts the delivery of vital public services as workers are priced out of local areas, it also puts stress on the social fabric of cities and neighborhoods.

Since 2015, we've partnered with Vintage Housing to bring together our respective strengths to tackle this challenge together. Vintage Housing has specialized in the development and operation of affordable housing in the Western U.S. for more than 20 years. Through affordable housing tax credits and other state and federal financing resources it offers apartment homes to income-qualified families and active seniors. We invested the time to understand Vintage Housing's culture and business model and saw them as a natural partner as we expanded into this growing sector.

Fundamental to our success is a shared commitment to delivering quality affordable homes and building communities that enrich residents' lives, including providing programs such as social support groups, after-school programs, transportation assistance, computer training, and wellness classes.

Our partnership has created more than 6,000 workforce and active senior housing units with approximately 2,600 more under development. With homes reserved for residents that make 50%-60% of the area's median income, Vintage Housing provide an affordable long-term solution for qualifying working families and active senior citizens, coupled with modern amenities that are a hallmark of our traditional multifamily portfolio.

Vintage at Everett, Washington, U.S.
259 unit affordable housing community through Vintage Housing joint venture



OPTIMIZING RESOURCES HEALTHY ENVIRONMENT AND PRODUCTIVE BUSINESS

COMMITTED TO REDUCING ENERGY CONSUMPTION

Kennedy Wilson is committed to reducing energy consumption of our managed portfolio across Europe, we have implemented an energy improvement program designed to enhance the operational efficiency of our assets and reduce costs. We work in partnership with our tenants to pass on savings from these initiatives and share the benefits.

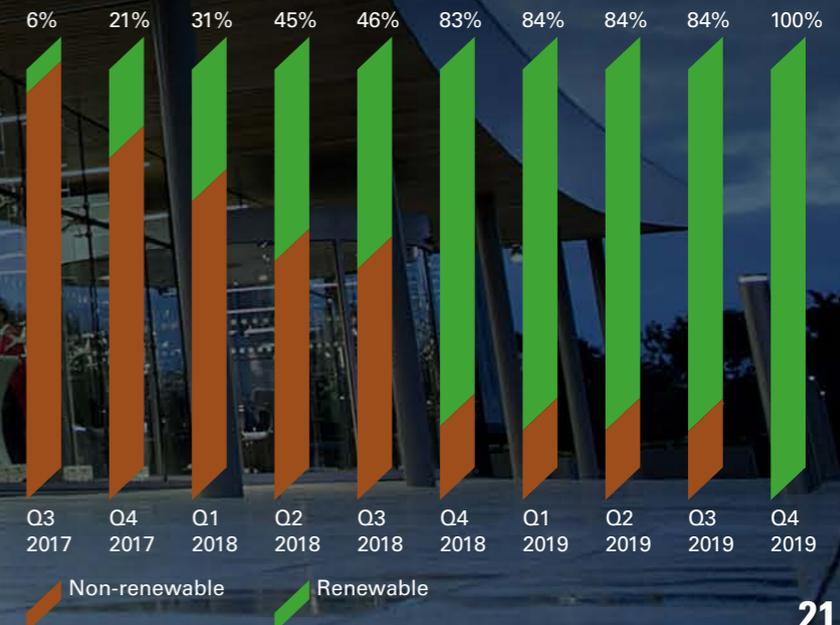
We embrace green building certifications or equivalents for our new developments and refurbishment programs, where commercially viable, recognizing the value in environmental best practice and asset value protection.

We are committed to rolling out energy monitoring and reduction across our U.S. portfolio, laying important foundations to benchmark and create appropriate environmental goals over time.

COMMITTED TO RENEWABLE ENERGY

Our commitment to carbon emissions reduction included centralizing control of our UK energy procurement in 2017, providing us with an opportunity to actively procure renewable energy across our UK portfolio and lower current costs. By the end of 2018, 83% of electricity consumption across our UK directly managed portfolio came from renewable sources. We expect this to be 100% by the end of 2019.

UK PORTFOLIO – TRANSITION TO RENEWABLE ELECTRICITY



H1, Hill of Rubislaw, Aberdeen, Scotland (188,000 sq ft office)



SPOTLIGHT ON EUROPEAN ENERGY MANAGEMENT

“ Focusing on our directly managed properties allows us to better understand the carbon emissions we can directly influence. ”

Peter Collins,
President, Kennedy Wilson Europe

Pioneer Point, London, UK (294 multifamily units)

INREV

Sustainability reporting guidelines

MEASURE & MONITOR ENERGY CONSUMPTION ACROSS DIRECTLY MANAGED PORTFOLIO

Our environmental performance monitoring collects data on electricity and gas and associated carbon emissions across 100% of our directly managed European assets, excluding single-tenant assets that are responsible for their own energy procurement. This has enabled us to embark on an energy reduction plan.

We report our performance in line with the INREV Sustainability Reporting Guidelines, which allows us to benchmark our performance and track progress toward our target.

100%

Target coverage of directly managed global portfolio

EXPANDING DATA MONITORING TO SET GLOBAL TARGETS

Building on the progress we have made across our European portfolio, we are pleased to announce that we are expanding our performance monitoring to cover directly managed U.S. assets starting in 2019. This means that we will have 100% of our directly managed global portfolio included in our energy monitoring program. Significantly, this will enable us to set global carbon reduction targets in due course.

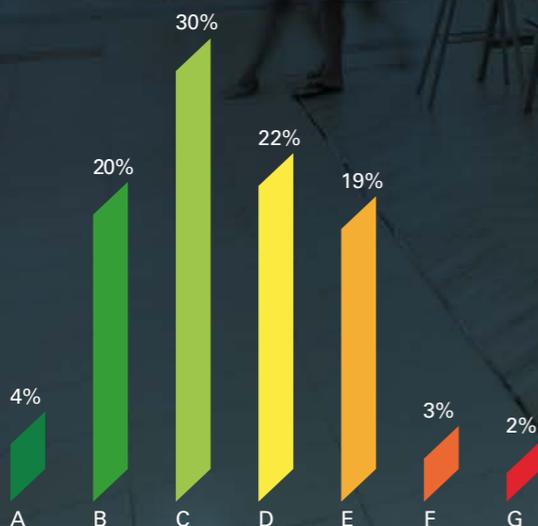
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SPOTLIGHT ON EUROPEAN ENERGY MANAGEMENT

EUROPEAN EPC RATING SUMMARY

100% coverage (EPC ratings by area)



Moraleja Green, Madrid, Spain (328,000 sq ft shopping center)
Awarded BREEAM in Use Very Good for the refurbishment of the center in 2018

95%

EPC ratings from A to E

MANAGING PORTFOLIO RISK

Our Energy Performance Certificate (“EPC”) coverage expanded significantly in 2018 and now covers 100% of our European portfolio (up from 100% of our UK portfolio in 2017). We continue to target EPC improvements to reduce the risk of noncompliance with UK and EU legislation. We have begun a European wide remedial program for assets with poor EPC ratings. This includes reviewing and improving the EPC by ensuring the appropriate investment is undertaken as part of our wider asset management plan. This has resulted in an impressive 95% of units rated A to E.

25%

Carbon emissions reduction compared to baseline¹

REDUCING CARBON EMISSIONS

We set an ambitious target to reduce our European carbon emissions across our European portfolio by 33% by 2020 compared to our 2016 baseline¹. In 2018, we achieved a cumulative 25% reduction against our 2016 baseline (equating to c.18,000 tons of carbon).

Meeting our target is based on an asset-level approach of implementing energy reduction efficiency programs at major energy ‘focus sites’ responsible for 75% of our carbon emissions baseline and where we saw the most potential to achieve significant results. These programs ranged from soft to technical interventions such as installing a new building management system or upgrading lighting.

1. The baseline for our targets reflects the carbon emissions of the directly managed assets owned by Kennedy Wilson Europe Real Estate and stabilized by 30 June 2016. The energy consumption data used for the baseline is the first full year of normalized data since acquisition and/or stabilization.



CASE STUDY KOHANAIKI HAWAII, U.S.

1.8M

Daily gallons of potable water consumption avoided

555

MWh solar power generated on-site

413,159

Kg carbon emissions savings

Kohanaiki is nestled among ancient lava flows, anchialine ponds and cultural sites on the Kona Coast of the Island of Hawaii



CASE STUDY KOHANAIKI HAWAII, U.S.

INNOVATIVE TECHNOLOGIES AND STRONG PRESERVATION EFFORTS

Kohanaiki, a private residential community on the Big Island of Hawaii, is making waves for its environmental stewardship, innovative energy reducing technologies and preservation efforts. Set on 450 acres, Kohanaiki features a mix of homes, a 647,400 sq ft member clubhouse, an 18-hole golf course and world-class amenities along the Kona Coast.

The clubhouse pool uses reverse osmosis to save an estimated 250,000 gallons of water each year

INTEGRATED ENERGY EFFICIENT EQUIPMENT

Energy use in the member clubhouse is controlled through an integrated energy management system that regulates internal temperatures and reduces wasted energy. An innovative heat exchange system at the clubhouse cycles hot water from the building's air conditioning system, refrigeration units and kitchen equipment to heat the 250-meter clubhouse pool, saving almost 20,000 kWh per year compared with traditional heat pumps.

REVERSE OSMOSIS KEY TO WATER SAVINGS

Potable water is a precious resource in Hawaii and Kohanaiki prioritizes smart water use on site. Seven brackish water wells feed an on-site solar-powered desalination and reverse osmosis plant that reduces the water's salinity and supplies enough water to irrigate the salt-tolerant grass on the golf course and landscaping throughout the resort. This reverse osmosis system is also used to save an estimated 250,000 gallons of water per year by removing dissolved solids from water in many pools at Kohanaiki, which cuts down on the need to replace the water regularly.

PROTECTED ECOLOGICAL FEATURES

The on-site environment is rich in heritage and ecological features, with more than 200 delicate anchialine ponds, and is home to native and migratory birds and wildlife. Distinctive archaeological features including fourteen historic rock formations (known as Ahu) were carefully mapped and preserved during the planning and development of the community. Protecting these features and fostering positive relations with the neighboring community has been at the forefront of Kohanaiki's community engagement strategy.

FORMALIZING OUR PRESERVATION COMMITMENT

Kohanaiki has jointly committed to the maintenance and upkeep of the neighboring Pine Trees Surfing Beach and its facilities under the direction of a committee of community members and the County of Hawaii. This has included funding for the construction of a hālau – a traditional structure designed to shelter canoes – becoming an educational resource on heritage, local culture and the environment for local school children.



CASE STUDY FAIRMONT HOTEL SCOTLAND, UK

19%

Carbon emissions reduction since 2015

ECO HOTEL OF THE YEAR

Named 2018–19 by AA

55,000

Plastic bottles avoided annually

Fairmont Hotel, St Andrews, Scotland (5-star 211 room hotel)
Benefiting from significant biodiversity across its 520 acres,
which includes two 18-hole championship golf courses



CASE STUDY FAIRMONT HOTEL SCOTLAND, UK

COMMITTED TO ENERGY REDUCTION

The Fairmont Hotel in St Andrews has long been known for luxury and is quickly establishing its sustainability credentials as part of our commitment to reduce energy consumption.

Part of the AccorHotels brand, the hotel, which was purchased by Kennedy Wilson in 2014, is set across 520 acres, with 211 rooms, high-quality conference facilities, two 18-hole golf courses, a fitness center and spa, as well as several food and beverage offerings.

UPGRADES DRIVING ENERGY SAVINGS

Since 2015, our asset upgrade program has delivered a 19% reduction in carbon emissions. This has largely been driven by the installation of a new combined heat and power plant, retrofitting most of the hotel's lighting with low energy LEDs and replacing the main chillers with more efficient models in time for the 2019 summer season.

PLATINUM SUSTAINABILITY STATUS

Fairmont St Andrews is one of only 14 hotels in the Accor Northern Europe group to enjoy Platinum Sustainability Status and an ambitious program of work led by an on-site 'green team' contributed to Fairmont St Andrews' recent recognition as the Eco Hotel of the Year 2018–19 by the AA, recognizing its positive contribution to reducing impact on the environment and support for the local community. This includes a regular beach clean and maintenance of the Fife Coastal Path, which runs through the property. More recently, the hotel introduced two bee hives that house approximately 60,000 dark native Scottish honey bees to boost biodiversity and pollinate the local wild grasses and flowers.

An on-site greenhouse provides ingredients for the hotel's restaurants, which include Fife's only vegan menu, and 75% of the food consumed at the hotel is locally sourced.

AT THE FOREFRONT OF DEVELOPING LOCAL SKILLS

As one of the largest employers in Fife, we are leading the efforts to develop local talent and skills supported by ongoing community investment. In 2018, the hotel welcomed ten apprentices as part of a pioneering three-year Hospitality Apprenticeship Program. The apprentices will be provided with an immersive experience into every aspect of hotel, spa and golf course management as they train to become Junior Hoteliers. The program will welcome up to ten recruits per year and AccorHotels alongside Kennedy Wilson have recently worked with the Scottish government and other prominent Scottish hotels to expand the program across the Scottish hospitality industry.

The on-site greenhouse provides ingredients for the hotel's restaurants – over 75% of the food consumed at the hotel is locally sourced



PORTFOLIO ENERGY AND GHG EMISSIONS PERFORMANCE

The following table presents our portfolio environmental performance. The data aligns with the INREV Sustainability Guidelines indicator ESG-ENV 1.1 and is presented in line with the EPRA Sustainability Best Practice Recommendations (see Methodology below).

Impact area	Unit	EPRA Sustainability Best Practice Performance Measures				Absolute (Abs) measures (As the portfolio stood each year)					Like-for-like (LFL)					Absolute (Abs) measures (As the portfolio stood each year)					Like-for-like (LFL)					Absolute (Abs) measures (As the portfolio stood each year)					Like-for-like (LFL)									
						Total Operational Portfolio										Office										Retail														
						2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated
ENERGY	kWh	Elec-Abs, Elec-Lfl	Electricity	Total landlord obtained	42,770,689	100%	54,785,333	100%	2%	28%	32,741,413	100%	42,120,933	100%	1%	29%	22,257,007	100%	28,288,215	100%	1%	27%	17,775,115	100%	22,276,797	100%	0%	25%	9,430,895	100%	12,553,028	100%	0%	33%	9,430,895	100%	12,553,028	100%	0%	33%
		Fuels-Abs, Fuels-Lfl	Fuels	Total landlord obtained	46,026,786	100%	50,127,498	100%	0%	9%	21,418,472	100%	23,441,898	100%	0%	9%	15,314,353	100%	19,707,503	100%	2%	29%	9,205,022	100%	11,531,288	100%	0%	25%	4,523,179	100%	5,189,256	100%	0%	15%	4,523,179	100%	5,189,256	100%	0%	15%
	%	Elec-Abs, Elec-Lfl	Electricity	For landlord obtained from renewable sources	14%	100%	26%	100%	2%	12%	-	-	30%	100%	1%	30%	11%	100%	36%	100%	1%	25%	-	-	32%	100%	0%	32%	2%	100%	25%	100%	0%	23%	-	-	25%	100%	0%	25%
	kWh/ft ²		Building energy intensity	Total landlord obtained	269	100%	267	100%	1%	-1%	-	-	170	100%	1%	-	24	100%	31	100%	1%	29%	-	-	43	100%	0%	-	4	100%	6	100%	0%	38%	-	-	6	100%	0%	-
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs, GHG-Dir-Lfl	Direct	Scope 1	8,476	100%	9,221	100%	0%	9%	3,944	100%	4,312	100%	0%	9%	2,820	100%	3,625	100%	2%	29%	1,695	100%	2,121	100%	0%	25%	833	100%	955	100%	0%	15%	833	100%	955	100%	0%	15%
		GHG-Indir-Abs, GHG-Indir-Lfl	Indirect	Scope 2 (market based)	17,599	100%	16,989	100%	2%	-3%	13,139	100%	13,085	100%	1%	0%	8,098	100%	8,101	100%	1%	0%	6,105	100%	6,306	100%	0%	3%	2,656	100%	3,723	100%	0%	40%	2,656	100%	3,723	100%	0%	40%
		GHG-Indir-Abs, GHG-Indir-Lfl	Indirect	Scope 2 (location based)	15,361	100%	16,989	100%	2%	11%	11,746	100%	13,085	100%	1%	11%	7,884	100%	8,101	100%	1%	3%	6,268	100%	6,306	100%	0%	1%	3,166	100%	3,723	100%	0%	18%	3,166	100%	3,723	100%	0%	18%
	GHG-Indir-Abs, GHG-Indir-Lfl	Indirect	Scope 3	1,322	100%	1,322	100%	2%	0%	1,076	100%	1,016	100%	1%	-6%	648	100%	683	100%	1%	5%	584	100%	538	100%	0%	-8%	310	100%	303	100%	0%	-2%	310	100%	303	100%	0%	-2%	
CO ₂ e/ft ²	-	Building emissions intensity	Scope 1 and 2	0.065	100%	0.065	100%	1%	0%	-	-	0.0039	100%	1%	-	0.007	100%	0.0075	100%	1%	10%	-	100%	0.0106	100%	0%	-	0.001	100%	0.0015	100%	0%	17%	-	-	0.0015	100%	0%	-	

Impact area	Unit	EPRA Sustainability Best Practice Performance Measures				Absolute (Abs) measures (As the portfolio stood each year)					Like-for-like (LFL)					Absolute (Abs) measures (As the portfolio stood each year)					Like-for-like (LFL)					Absolute (Abs) measures (As the portfolio stood each year)					Like-for-like (LFL)									
						Residential										Hotel										Other														
						2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated	% Change	2017	% Coverage	2018	% Coverage	Portion of data estimated
ENERGY	kWh	Elec-Abs, Elec-Lfl	Electricity	Total landlord obtained	3,824,283	100%	5,287,714	100%	8%	38%	662,248	100%	789,123	100%	0%	19%	7,245,983	100%	7,977,905	100%	0%	10%	4,873,155	100%	6,501,985	100%	0%	33%	12,521	100%	8,745	100%	0%	-30%	0	100%	-	-	-	-
		Fuels-Abs, Fuels-Lfl	Fuels	Total landlord obtained	2,667,927	100%	4,046,802	100%	0%	52%	1,056,995	100%	1,119,978	100%	0%	6%	23,521,327	100%	21,183,938	100%	0%	-10%	6,633,276	100%	5,601,375	100%	0%	-16%	0	100%	-	-	-	-	0	100%	-	-	-	-
	%	Elec-Abs, Elec-Lfl	Electricity	For landlord obtained from renewable sources	0%	100%	55%	100%	8%	55%	-	-	0%	100%	0%	-	0%	100%	2%	100%	0%	2%	-	-	0%	100%	0%	-	0%	100%	59%	100%	0%	59%	-	-	-	-	-	-
	kWh/ft ²		Building energy intensity	Total landlord obtained	5	100%	7	100%	5%	31%	-	-	6	100%	0%	-	235	100%	223	100%	0%	-5%	-	-	115	100%	0%	-	NA	100%	-	-	-	-	-	-	-	-	-	
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs, GHG-Dir-Lfl	Direct	Scope 1	491	100%	744	100%	0%	52%	195	100%	206	100%	0%	6%	4,332	100%	3,897	100%	0%	-10%	1,222	100%	1,030	100%	0%	-16%	0	100%	-	-	-	-	0	100%	-	-	-	-
		GHG-Indir-Abs, GHG-Indir-Lfl	Indirect	Scope 2 (market based)	2,059	100%	1,867	100%	8%	-9%	524	100%	331	100%	0%	-37%	4,782	100%	3,143	100%	0%	-34%	3,855	100%	2,726	100%	0%	-29%	5	100%	2	100%	0%	-59%	0	100%	-	-	-	-
		GHG-Indir-Abs, GHG-Indir-Lfl	Indirect	Scope 2 (location based)	1,438	100%	1,867	100%	8%	30%	277	100%	331	100%	0%	20%	2,869	100%	3,143	100%	0%	10%	2,035	100%	2,726	100%	0%	34%	4	100%	2	100%	0%	-44%	0	100%	-	-	-	-
	GHG-Indir-Abs, GHG-Indir-Lfl	Indirect	Scope 3	126	100%	131	100%	8%	4%	22	100%	19	100%	0%	-13%	238	100%	193	100%	0%	-19%	160	100%	157	100%	0%	-2%	0	100%	0	-	-	-	-	0	100%	-	-	-	-
CO ₂ e/ft ²	-	Building emissions intensity	Scope 1 and 2	0.002	100%	0.0021	100%	5%	31%	-	-	0.0017	100%	0%	-	0.055	100%	0.0538	100%	0%	-2%	-	-	0.0357	100%	0%	-	NA	100%	-	-	-	-	-	-	-	-	-	-	

Methodology

The coverage for all indicators is 100% of the applicable portfolio as we report on all properties where we have management control and are responsible for utilities consumption. • The 2018 absolute performance measures coverage includes 48 assets (22 offices, 13 retail, 8 residential (with 1,877 units), 3 hotels, 2 leisure). It excludes indirectly managed assets and our own occupied offices. • Assets in our like-for-like data set have been consistently in operation since our baseline years of 2015-2017 and include (8 offices, 13 retail, 2 residential assets (with 357 units) and 2 hotels. • Energy consumption includes electricity and fuels which we purchase as landlords. No fuels were procured from renewable sources, and no assets in our portfolio are supplied by District Heating & Cooling.

Scope 1 and 2 emissions were calculated using the applicable national emissions factors published by DEFRA. Scope 1 includes all natural gas consumption. Scope 2 includes all landlord purchased electricity consumption. We have used the UK grid average to calculate our market based emissions while we work with our suppliers to calculate our actual market based emissions rate. Scope 3 emissions relate to transmission and distribution emissions for electricity. • The majority of estimations relate to filling in specific invoices which were not available at the time of reporting. Energy use has been collected through automatic meter reading (AMR) data (where possible), invoices or a mixture of both AMR and invoice data. Proportion is used where required to fill data gaps. • Intensity indicators are calculated using

floor area (sq ft) for whole buildings. We are aware of the mismatch between numerator and denominator, as our consumption for energy relates to a mixture of common areas only and/or whole building consumption depending on individual assets. For example, at some residential assets energy consumption consumed in tenant areas is recouped through service charges.



KENNEDY WILSON OFFICES

ABOUT US

Kennedy Wilson (NYSE:KW) is a global real estate investment company. We own, operate and invest in real estate through our balance sheet and through our investment management platform. We focus on multifamily and office properties located in the Western U.S., UK and Ireland. www.kennedywilson.com

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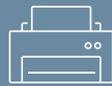
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Definition of Assets Under Management

Assets Under Management (AUM) generally refers to the properties and other assets with respect to which we provide (or participate in) oversight, investment management services and other advice, and which generally consist of real estate properties or loans, and investment in joint ventures. AUM is principally intended to reflect the extent of our presence in the real estate market, not the basis for determining our management fees. Our AUM consists of the total estimated fair value of our real estate properties and other real estate related assets either owned by third parties, wholly owned by us or held by joint ventures and other entities in which our sponsored funds or investment vehicles and client accounts have invested. Committed (but unfunded) capital from investors in our sponsored funds is not involved in our AUM. The estimated value of development properties is included at estimated completion cost.



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