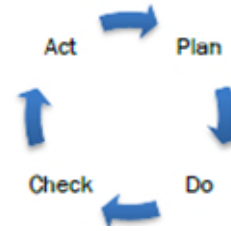


# **BOSTON PROPERTIES ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)**

BXP PROGRAMS, PRACTICES AND POLICIES FOR  
ENVIRONMENTAL IMPACT REDUCTION

Boston Properties (BXP) has developed an environmental management system (EMS) aligned with ISO 14001 to manage energy and water use across our four regions. Our environmental management system establishes a framework for the four integrated stages: Plan, Do, Check and Act.



## Plan

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We use benchmarking platforms, energy intelligence, and a data management system to collect and synthesize our environmental data. ENERGY STAR Portfolio Manager (ESPM) and EnelX Energy Intelligence Software (EIS) and infrastructure (corporate contract with EnelX available upon request) inform and support our sustainability initiatives. All energy, water and waste data for directly managed properties and as much information as we can obtain for actively managed properties are entered into ESPM on a monthly basis from invoices, providing us with a complete picture of those assets' consumption over time. Additionally, smart meters, advanced building management systems with digital controls and EIS enable property managers and onsite engineers to monitor systems and equipment in real time to evaluate energy consumption and to manage our energy and water use objectives. EnelX provides asset level energy use advisement. Utility use trends and like-for-like performance and intensities are routinely monitored using Measurabl. With these systems in place we can measure performance by asset, region, and portfolio-wide, to identify upgrade opportunities, to ensure that implemented strategies are effective, and to maintain our short term and long term performance goals.

## Do

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Regional property teams prioritize upgrade and retrofit projects for their regions, and reduce risk by ensuring that BXP not just complies with existing code requirements, but is well positioned to respond to regulatory requirements before they become mandatory. In addition to monitoring, EnelX's platform provides BXP with the capability to offer demand response performance, which allows us to adjust our operations to respond to electricity peak demand in real time by tuning our actively managed asset level energy management systems (EMSs); this has both operational efficiency and financial benefits for the company.

## Check

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Results are analyzed by dedicated resources in each region, and at the portfolio level by our SVPs of property management, to determine whether implemented initiatives are successful, as well as progress toward regional sustainability goals. At the corporate level, the Sustainability Manager oversees checks the impact of investments and progress towards achieving annual and long-term performance targets.

## Act

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In an overarching role, our sustainability committee, led by the Vice President, Sustainability, manages our sustainability process, through regular discussions, sharing of lessons learned, and reviews of strategies and initiatives. We are constantly seeking impactful solutions that allow us to accurately report our results and clearly communicate progress to our shareholders.

## **ISO 14001 Alignment**

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The BXP EMS is aligned with the ten ISO 14001 clauses. Clauses 1 through 3 include no specific requirements. Clauses 4-10 have requirements for the context of the organization, leadership, planning, support, operation, performance evaluation, and improvement. The BXP EMS system is fully aligned with these requirements using the Plan, Do, Check, Act process.

## **BXP Sustainability Strategy**

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As the largest publicly-traded developer, owner and manager of Class A office properties in the United States, we actively work to promote our growth and operations in a sustainable and responsible manner across our five regions. The BXP sustainability strategy is to conduct our business, the development and operation of new and existing buildings, in a manner that contributes to positive economic, social and environmental outcomes for our customers, shareholders, employees and the communities we serve. Our investment philosophy is shaped by our core strategy of long-term ownership and our commitment to our communities and the centers of commerce and civic life that make them thrive. We are focused on developing and maintaining healthy, high-performance buildings, while simultaneously mitigating operational costs and the potential external impacts of energy, water, waste, greenhouse gas emissions and climate change. To that end, we have publicly adopted long-term energy, emissions, water and waste goals that establish aggressive reduction targets and have been aligned with the United Nations Sustainable Development Goals. BXP and its employees make a positive social impact through charitable giving, volunteerism, public realm investments and diversity and inclusion. Through these efforts, we demonstrate that operating and developing commercial real estate can be conducted with a conscious regard for the environment and wider society while mutually benefiting our stakeholders

## **Public Disclosures**

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Sustainability Report

Sustainability section of BXP website:

<http://www.bostonproperties.com/pages/sustainability>

Annual Report

<http://investors.bxp.com/static-files/bab59026-1033-40d6-b348-2dc67cd28e44>

Form 10-K

<http://investors.bxp.com/node/28501/html>

Proxy Statement

## Sustainability Governance

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BXP is managed under the direction of our Board of Directors, which is currently comprised of a diverse group of eleven highly accomplished men and women who are dedicated to serving the best interests of our stakeholders. The Board of Directors supports efforts to implement our sustainability strategy through our corporate sustainability program. Owen Thomas, our Chief Executive Officer, is the senior decision maker on issues related to sustainability. . Throughout the year, the company organizes meetings, presentations and regional Sustainability Summits to communicate the objectives and performance of our ESG initiatives. Additionally, the Company's Chief Financial Officer, SVP, Finance & Planning and Vice President, Sustainability and Sustainability Analyst work together to oversee the BXP Sustainability Committee, which includes over 35 representatives from all of our regions. This Committee helps inform the direction of our sustainability and ESG program, which is formally reviewed annually with our Board of Directors.

### Sustainability Committee Goals

- Identify and execute new strategies for promoting sustainability in new construction, existing buildings and corporate operations;
- Enhance the Company's processes for collecting sustainability performance information;
- Promote communication across the Company and share "best practices;"
- Assess the cost effectiveness of small and large scale projects and programs; and
- Follow new regulatory requirements and cooperate with the regulators to make new requirements meaningful.

To support the achievement of these overarching goals, our executive team is accountable in their annual quantifiable performance goals for the success of their efforts to measure and improve our efficiency as measured on this system. These goals are formulated by the Chief Financial Officer, Senior Vice President, Finance & Planning and the Vice President, Sustainability. Sustainability targets and objectives are also communicated to senior management in weekly and monthly meetings, while progress is monitored through weekly and monthly reports. With a wide range of department representatives in attendance, sustainability objectives are effectively communicated to the Board, senior management and throughout the Company.

## Goal Progress Tracking

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- BXP has publicly adopted the following unit standards and targets:

Category	Metric	Goal
Energy	Site Energy Use Intensity (EUI, kBtu/SF-yr)	32% Reduction
Emissions	GHG Emissions Intensity (MTCDE/SF-yr)	45% Reduction
Water	Water Use Intensity (WUI, gallons/SF-yr)	30% Reduction
Waste	Diversion Rate (% recycled/composted)	65% Diversion Rate

- Annual goal progress will be monitored and reported publicly in a GRI-aligned Sustainability Report.
- Regions have aligned annual energy, emissions, water and waste targets. Progress should be measured periodically throughout the year at the asset-level using utility and/or vendor records, regional recordkeeping, ESPM, EIS, Measurabl and/or building management system (BMS) data.

## ENERGY STAR Portfolio Manager (ESPM)

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- All actively managed properties must be tracked in [\(ESPM\)](#).
- All properties must target a score of 75 or better. Properties with a score less than 75 must set an annual goal to raise the score at least one point. Properties with a score of 75 or better must annually complete the [ENERGY STAR Certification Process](#).
- Whole-building energy (electric, gas, steam, fuel oil) and water (potable indoor and outdoor) consumption must be recorded on a monthly basis as soon as utility bill data is available.
- ESPM waste tracking functionality must be used to track asset-level absolute waste tonnage and diversion (recycling/composting) rate.

### Attribute Standardization

Ensure that all properties are reported in gross square footage (GSF) to align with ENERGY STAR's requirements. GSF is the total floor area inside the building, including tenant spaces, common area, equipment rooms, closets, corridors, chases, etc. Exterior walls are included in GSF. Roof area is excluded.

Enter square footage for all underground parking or parking structures that are included in metered data input into ESPM.

Where parking is not separately metered:

- Include an estimate in ESPM for parking.
- *Deduct* this amount from the metered total.
- Property managers may develop utility consumption estimates through evaluating equipment schedules and power requirements, or preparing simple calculations.
- Properties should consider the installation of parking area sub-metering in order to separately monitor this consumption and improve future data reliability.
- High-consumption space types such as data centers should be sub-metered and separately classified.

## Energy Intelligence Software (EIS)

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- All actively managed properties should have energy metering with pulse outputs. The level of submetering will depend on the property type. At the very least, the primary electrical service must include a pulse output that provides interval data
- All actively managed properties should use interval data and EnelX's EIS platform to optimize energy performance by adjusting Building Management System (BMS) programming, verifying nighttime

shutdowns/setbacks, holiday scheduling, peak load shedding, optimizing equipment runtime, and executing strategic demand response events.

- A building engineer should participate in monthly energy advisory calls with EnelX.
- The Project Manager tool should be used to record all energy conservation measures implemented at the asset level.
- EIS should be used to enroll in demand response (DR) programs and to execute DR events.

## Energy Auditing

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- Property Managers are encouraged to contact at minimum an ASHRAE Level I energy audit every 5 years.
- BXP uses ESPM and EIS to identify underperforming assets called 'Target Buildings.' Energy auditing of Target Buildings is prioritized.
- In certain markets, BXP is required to conduct energy audits to comply with local energy disclosure laws and ordinances.

## Water Management

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- All properties must maintain water use data in ESPM. The Vice President, Sustainability will benchmark water performance at the asset level twice per year.
- All properties are encouraged to retrofit plumbing with low and ultra-low-flow fixtures.
- All properties are required to implement 'smart' irrigation systems with zone controllers and weather-responsive watering programming
- All properties are encouraged to implement cooling tower check metering and blowdown optimization protocols.
- All properties are encouraged to replace lawn panels with drought tolerant landscaping
- Where water scarcity is an issue, real time metering of water consumption has been implemented.
- BXP makes best efforts to incorporate rainwater harvesting into new development projects. Rainwater is used for cooling tower makeup and irrigation.
- BXP makes best efforts to incorporate condensate collection and reuse into new development projects. Condensate is used for cooling tower makeup and irrigation.

## Waste Management

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- ESPM must be used to track asset-level absolute waste tonnage and diversion (recycling/composting) rate.
- Waste data should be rolled-up to include totals for hazardous waste, and non-hazardous waste. Hazardous waste includes batteries, aerosol spray containers, enamel or oil-based paints, rubber cement, thinner, white out, and other unstable materials that ignite, react, corrode, or are otherwise toxic to the environment. Non-hazardous waste is everything else.
- Non-hazardous waste needs to be allocated to one of three buckets: Landfill, Incineration, and Diverted. Diverted waste includes waste to energy, recycling, and other. It's worth mentioning this point to our haulers to make sure we're tracking this diversion method correctly.

- In addition to conventional office waste, the following waste streams can be included in total weights – and may contribute to higher diversion rates:
  - Construction and demolition debris from interior improvement projects (TI, CapEx, flooring replacement, etc.). Waste reports with tonnage and % diversion should be requested from the GC and/or Construction Manager responsible for the project.
  - Shredded Paper – request a copy of monthly/quarterly reports from tenants with large shredding volumes.
  - Kitchen Grease – monthly/quarterly reports from larger restaurant retailers can be used to calculate tonnage (2204lbs/metric ton).
  - Ink Cartridge/Toner/Batteries – request a copy of monthly/quarterly reports from tenants with large recycling volumes of these items.
- Composting – Food waste and landscaping waste can and should be diverted from landfill waste stream. Where we can find cost effective vendor services, composting programs for retailers and cafeterias will improve diversion rates.
- Waste and Recycling Brokerage and Diversion Program Management – BXP makes efforts to partner with waste brokerage and management companies that promote waste auditing and diversion increases. Push these vendors to require waste reporting in a format acceptable to BXP during contract negotiation.

## **Green Building**

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- All New Development projects are required to target a minimum Silver certification or higher under the Leadership in Energy and Environmental Design (LEED) rating system of the United States Green Building Council (USGBC). Over 90% of LEED projects have attained Gold and Platinum level certification.
- Project teams must review vendor disclosures and aim to cost-effectively procure building materials that are:
  - Extracted, harvested, recovered, and manufactured within 500 miles of the project site;
  - Composed of the maximum possible recycled content
  - Third-party validated sustainably harvested wood products; and
  - Non-toxic and support healthy, productive indoor environments containing no volatile organic compounds (VOCs), urea-formaldehydes, and/or other chemicals of concern.
- Project teams are required to set a waste diversion target of 75% or higher.
- Property Managers are encouraged to certify their buildings under the Fitwel Rating System to support healthy building design and operational practices. A minimum One Star certification must be achieved at existing buildings. New construction projects, where applicable, should pursue a minimum Two Star certification.

## Green Leasing

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- Working with our internal legal counsel and leasing team, all lease negotiation should be conducted to preserve green lease clauses without alterations or exceptions.
- Green lease clauses include cost recovery for capital expenditures made to reduce operating expenses, cost recovery for green building certifications (including LEED and ENERGY STAR), sub-metering of high intensity tenant equipment and required tenant energy use disclosure (benchmarking).

## Tenant Improvement Guidelines

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- In addition to Building Rules and Regulations, Tenant Improvement (TI) Guidelines are developed during the LEED process to support sustainable design and construction of tenant spaces.
- By following TI guidelines during the design and construction process, both Tenant and Landlord will align goals to create workspaces that reduce environmental impact, improve indoor environmental quality, and promote occupant health, wellness, and productivity.

## Green Cleaning

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- BXP has adopted a company-wide Green Cleaning Policy that applies to all Janitorial Services Vendors at properties owned and actively managed by BXP.
- The Green Cleaning Policy applies to the general cleaning activities performed by BXP and Janitorial Services Vendors contracted by BXP to provide cleaning services at our properties. The policy has been aligned with the LEED v4.1 and BOMA 360 rating systems.
- Staff training records must be maintained by The Janitorial Vendor. APPA audit and/or customer satisfaction survey results will measure the effectiveness of this program. Purchasing records will serve as documentation for compliance to the chemical and equipment portions of this policy.
- The goal of the policy is to have a high performance cleaning program in place that reduces the exposure of building occupants and maintenance personnel to potentially hazardous chemical, biological, and particulate contaminants, which adversely affect air quality, human health, building finishes, building systems, and the environment.
- At least 75% of all cleaning products and materials, by cost, must meet at least one of the standards in Section 4: Procedures and Strategies. Compliance may be demonstrated via a product inventory or from total annual purchases.
- Cleaning products must meet one or more of the following standards:
  - Green Seal GS-37, for general-purpose, bathroom, glass and carpet cleaners used for industrial and institutional purposes;
  - UL EcoLogo 2792 (formerly CCD 110), for cleaning and degreasing compounds;
  - UL EcoLogo 2759 (formerly CCD 146), for hard-surface cleaners;
  - UL EcoLogo 2795 (formerly CCD 148), for carpet and upholstery care;
  - Green Seal GS-40, for industrial and institutional floor care products;
  - UL EcoLogo 2777 (formerly CCD 147), for hard-floor care;



- EPA Safer Choice Standard; and/or
- Cleaning devices that use only ionized water or electrolyzed water and have third-party-verified performance data equivalent to the other standards mentioned above (if the device is marketed for antimicrobial cleaning, performance data must demonstrate antimicrobial performance comparable to EPA Office of Pollution Prevention and Toxics and Safer Choice Standard requirements, as appropriate for use patterns and marketing claims).
- Disinfectants, metal polish, or other products not addressed by the above standards must meet one or more of the following standards for the appropriate category:
  - UL EcoLogo 2798 (formerly CCD 112), for digestion additives for cleaning and odor control;
  - UL EcoLogo 2791 (formerly CCD 113), for drain or grease trap additives;
  - UL EcoLogo 2796 (formerly CCD 115/107), for odor control additives;
  - Green Seal GS-52/53, for specialty cleaning products;
  - California Code of Regulations maximum allowable VOC levels for the specific product category;
  - EPA Safer Choice Standard; and/or
  - Cleaning devices that use only ionized water or electrolyzed water and have third-party-verified performance data equivalent to the other standards mentioned above (if the device is marketed for antimicrobial cleaning, performance data must demonstrate antimicrobial performance comparable to EPA Office of Pollution Prevention and Toxics and Safer Choice Standard requirements, as appropriate for use patterns and marketing claims).
- Disposable janitorial paper products and trash bags must meet the minimum requirements of one or more of the following programs for the applicable product category:
  - EPA comprehensive procurement guidelines, for janitorial paper;
  - Green Seal GS-01, for tissue paper, paper towels and napkins;
  - UL EcoLogo 175 (formerly CCD-082/086) Sanitary Paper Products, for toilet tissue and hand towels
  - Janitorial paper products derived from rapidly renewable resources or made from tree-free fibers;
  - FSC certification, for fiber procurement;
  - EPA comprehensive procurement guidelines, for plastic trash can liners; and/or
  - California integrated waste management requirements, for plastic trash can liners (California Code of Regulations Title 14, Chapter 4, Article 5, or SABRC 42290-42297 Recycled Content Plastic Trash Bag Program).
- Hand soaps and hand sanitizers must meet one or more of the following standards:
  - No antimicrobial agents (other than as a preservative) except where required by health codes and other regulations (e.g., food service and health care requirements);
  - Green Seal GS-41, for industrial and institutional hand cleaners;
  - UL EcoLogo 2784 (formerly CCD 104), for hand cleaners and hand soaps;
  - UL EcoLogo 2783 (formerly CCD 170), for hand sanitizers; and/or
  - EPA Safer Choice Standard.

- Equipment will be selected based on its ability to protect and enhance: air quality, occupant health, building finishes, and operating systems. Equipment must be maintained and operated in a manner that will reduce exposure of building occupants and cleaning personnel to potentially hazardous conditions, and reduce the disposition of contaminants in the building.
- The following standards will apply:
  - Vacuum cleaners must meet the requirements of the Carpet & Rug Institute “Green Label Program”, and are capable of capturing 96% of particulates 0.3 microns in size and operate with a sound level less than 70dBA
  - Hot water extraction equipment for deep cleaning carpets is capable of removing sufficient moisture such that carpets can dry in less than 24 hours
  - Powered maintenance equipment including floor buffers, burnishers, and automatic scrubbers is equipped with vacuums, guards and/or other devices for capturing fine particulates, and shall operate with a sound level less than 70dBA
  - Propane-powered floor equipment has high-efficiency, low-emissions engines
  - Automated scrubbing machines are equipped with variable-speed feed pumps to optimize the use of cleaning fluids
  - Battery-powered equipment is equipped with environmentally preferable gel batteries
  - Where appropriate, active microfiber technology is used to reduce cleaning chemical consumption and prolong life of disposable scrubbing pads
  - Powered equipment is ergonomically designed to minimize vibration, noise, and user fatigue
  - Equipment has rubber bumpers to deduce potential damage to building surfaces
  - A log will be kept for all powered housekeeping equipment to document the date of equipment purchase and all repair and maintenance activities, and include vendor cut sheets for each type of equipment in use in the logbook
- Standard operating procedures address how cleaning and maintenance systems for floors and carpets are utilized, managed and audited. Floor-care maintenance shall consistently be performed, without exception, according to written protocols, established by The Janitorial Services Vendor in collaboration with the responsible building representative. Quality control checks will be used to ensure 100% adoption. The floor and carpet maintenance program at the building is designed to use few, or no, harmful chemicals; remove and eliminate irritating dust, dirt and other contaminants; and protect and preserve floors. Hard floor and carpet care products must meet the sustainability criteria outlined in IEQc3.3 (LEED v2009) or Green Cleaning – Products and Materials (LEED v4), respectively. The sustainability of these products is tracked with other cleaning products.
- To reduce chemical use, the building minimizes the frequency of stripping or removing coatings while meeting the cleaning needs of the building and the particular spaces in the building. Frequency ranges from 2 to 4 times per year. The Janitorial Services Vendor will work to maximize the floor’s longevity and appearance while minimizing chemical use, thereby conserving cleaning and floor restoration materials and minimizing occupants’ exposure to harmful chemicals.

- A written floor maintenance plan and log shall be maintained, which details the number of coats of floor finish being applied as the base and other applications (top coat), along with all relevant maintenance/restoration practices and the dates of these activities.
- The staff will be trained in the importance and methods of hand hygiene. The preferred method of cleaning hands is to lather and scrub your hands using simple soap and warm water for 20 seconds. An alternate method, when soap and warm water are not available, is the use of alcohol-based hand sanitizer. The use of antibacterial soaps is not recommended because they are no more effective in killing germs than regular soap and may lead to the development of bacteria that are resistant to the products' antimicrobial agents, making it even harder to kill these germs in the future
- Bulk storage of cleaning chemicals should be in a centralized secure area with containment that will protect against an inadvertent release to the environment (i.e. no floor drains in the vicinity). Cleaning chemicals shall be stored neatly using a shelving system that will allow for safe handling of the material. If necessary, appropriately designed step-stools or step-ladders shall be provided to access the upper shelves. Point-of-use storage, such as in janitorial closets, shall maintain the minimum quantity of chemicals as practical. Where appropriate, cleaning chemical dispensing systems shall be used to minimize the handling exposure to the employees and to measure the proper amount of cleaning solution for dilution. Proper Personnel Protective Equipment (PPE) shall be provided to employees handling the cleaning chemicals. All personnel that use the cleaning chemicals shall be properly trained in their handling, use, and spill cleanup.
- In an effort to ensure the safety and health of all building occupants, including vulnerable occupants, the following measures are employed:
  - Cleaning is scheduled to occur at night or at other times when the least number of building occupants are present.
  - Notice is provided to building occupants if the use of non-compliant cleaning products is scheduled, for example annual floor stripping.
  - Alternative cleaning methods that minimize the use of cleaning chemicals are used whenever possible.
  - Building management and The Janitorial Services Vendor staff work with affected individuals to ensure chemicals or equipment that aggravate them are not used near their workspace.
  - All cleaning personnel shall receive one (1) hour of training per year. The Janitorial Vendor shall keep a log of all trainings including the date, subjects, duration and personnel in attendance.
    - Topics of training include:
      - Understanding green cleaning
      - The hazards and use of cleaning chemicals
      - Chemical handling and storage
      - Use of chemical concentrates and dilution systems
      - Disposal and recycling of cleaning chemicals and packaging
      - Spill management
      - Cleaning techniques
      - Changes to standard operating procedures and chemical handling guidelines

- The effectiveness of the Green Cleaning Program shall be evaluated periodically through either customer satisfaction surveys to the tenants or through an APPA (Association of Physical Plant Administrators) audit that determines the appearance level of the property.
- The site Property Manager and Janitorial Vendor are responsible for ensuring compliance with this policy.
- The building responsible party will perform regular inspections of cleaning performance and ensure response to occupant feedback. At least once every year, a custodial effectiveness audit based on the requirements of LEED O+M: Existing Buildings v4.1 will be performed. Based on the above, the responsible party will evaluate whether the building is being sufficiently cleaned and whether the standard cleaning procedures are being properly executed. As necessary, the responsible party will revise the green cleaning policy to include additional cleaning strategies or modify existing cleaning strategies.
- The building responsible party will review the green cleaning purchasing data quarterly, and confirm that the purchasing goals are being met. If the policy goals are not being met, the responsible party will take corrective action, typically in the form of providing education on the goals and sustainability criteria outlined in this policy to the individuals in charge of procurement.
- The responsible party will annually review the achievements of the green cleaning policy and plan.

## **Climate Change**

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BXP is committed to managing the avoidable, and avoiding the unmanageable impacts of climate change. Through our climate action efforts, we believe we can play a leading role in advancing the transition to a low carbon economy. The company will continue to explore and implement creative and cost-effective measures that reduce greenhouse gas (GHG) emissions from our operations. GHG sources include the generation electricity and steam at offsite generation facilities and the onsite combustion of natural gas. GHG mitigation efforts include energy efficiency measure implementation at existing in-service assets, high performance new development, onsite renewable energy, procurement of offsite renewable energy, public portfolio and asset-level GHG short and long-term reduction targets, engagement of property engineers using real-time energy consumption data, sustainability education and tenant engagement.

BXP is a proud signatory of the We Are Still In pledge, and has aligned emissions reduction targets with the climate science. The company has established two carbon emissions targets and hit them early, in 2016 and in 2019. This year the company established its first target aligned with the climate science, and is in the process of resetting a second, long term greenhouse gas emissions target. A greenhouse gas emissions target is considered “science-based” if it is in line with the level of carbon emissions mitigation required to keep global temperature increase below 2°C compared to pre-industrial temperatures.

### **Climate Resilience**

The event driven (acute) and longer-term (chronic) physical risks resulting from climate change could have a material adverse effect on our properties, operations and business. To the extent climate change causes changes in weather patterns, our US coastal markets of Boston, New York, San Francisco, Washington, DC and Los Angeles could experience increasingly severe storms, extreme temperatures, rising sea-levels and/or

drought. Climate change may have indirect effects on our business. These effects may include increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of energy and water, increasing the cost of snow removal and increased business continuity risk at our properties. There can be no assurance that climate change will not have a material adverse effect on our properties, operations or business. Over time, these conditions could result in financial implications, such as direct damage to properties, supply chain disruption, declining demand for office space in our buildings or our inability to operate the buildings at all.

Many stakeholders across the organization support climate preparedness and resiliency efforts, including our Risk Management, Development, Construction, Property Management departments, external consultants and executive leadership. BXP develops and operates a geographically diverse portfolio. Individual assets have unique risk profiles and insurance requirements. Properties are also at different stages of their lifecycle. Properties may be in service and not up for intensive capital investment, while other properties are under development. Resiliency activities is largely dependent on the unique attributes, physical location and risk profile of the property itself.

Through the processes of acquisition, development and operations of our in-service portfolio, our experienced real estate professionals are identifying risks, including business continuity risks and loss exposure related to severe storms and flooding. These efforts begin with training and implementation of Emergency Response Plans at the property-level.

At the portfolio-level, we carry all risk property insurance on our properties, including those under development, for natural catastrophes such as flood, fire, earthquake and wind events.

As a long term owner and active manager of real estate assets in operation and under development, BXP will demonstrate adaptive capacity by continuing to proactively implement measures and planning and decision-making processes to protect our investments by improving resilience. We are preparing for long term climate risk by considering climate change scenarios. Across our portfolio we will continue to assess climate change vulnerabilities by modeling and anticipating future climate scenario and sea level rise.

We will continue to implement practical, cost effective resiliency measures and infrastructure enhancements, including:

- Business Continuity Plans
- Emergency Response and Life Safety Plans
- Emergency Evacuation Planning, Procedures and Drills
- Tenant Engagement and Coordination
- Life Safety Analysis
- Elevation of vault, switchgear and critical equipment during new development
- Waterproofing of subgrade infrastructure
- Floodable first floors

- Temporary flood barriers
- Backup generation, emergency lighting and fire pumps
- Onsite energy resources and distributed generation, storage and solar photovoltaic systems

Climate-related opportunities will vary depending on the region, market, and industry in which an organization operates. Opportunities include resource efficiency and resulting operating cost reductions and/or escalation management, increased probability of maintaining business continuity through shocks and stressors, acceleration of distributed generation and storage systems, the development of new high performance resilient buildings and improved emergency preparedness at our properties. The adoption of resiliency practices may become more of a competitive advantage as there is increasing consumer preference for resiliency.

## **Quality of Public Disclosures**

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The Company is committed to providing its shareholders with complete and accurate information, in all material respects, about the Company's financial condition and results of operations in accordance with the securities laws of the United States and, if applicable, other foreign jurisdictions. The Company strives to ensure that the reports and documents it files with or submits to the Securities and Exchange Commission, and other public communications made by Company, include full, fair, accurate, timely and understandable disclosure. The Company's Disclosure Committee shall be primarily responsible for monitoring such public disclosure.