

Sustainability

Our Sustainability Strategy

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 is a corporate member of the U.S. Green Building Council® (“USGBC”) and has a long history of owning, developing and operating properties that are certified under USGBC’s Leadership in Energy and Environmental Design™ (LEED®) rating system. In 2018, we announced a partnership with a leading healthy building certification system, Fitwel, to support healthy building design and operational practices across our portfolio, becoming a Fitwel Champion. We completed our Fitwel Champion commitments in 2019, adding 12.4 million square feet of Fitwel certified buildings.

In addition, we have been an active participant in the green bond market since 2018, which provides access to sustainability-focused investors interested in the positive environmental externalities of our business activities. BXP and its employees also make a 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.

Industry Leadership in Sustainability

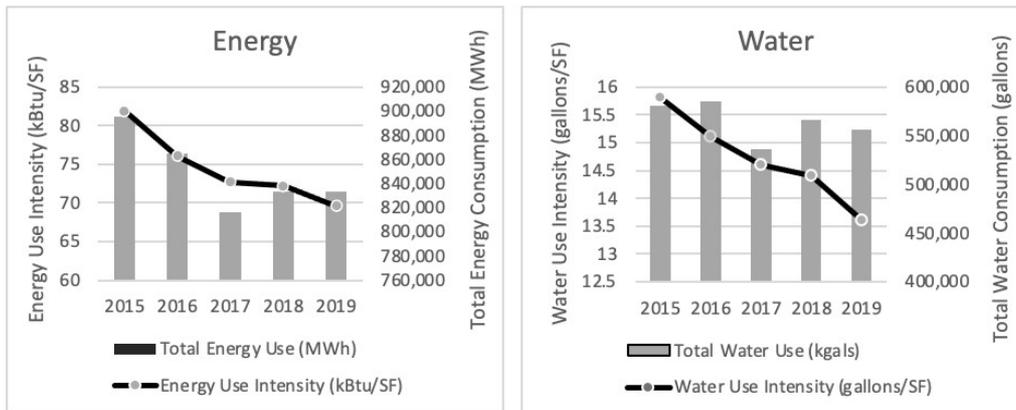
We continue to be recognized as an industry leader in sustainability. In 2020, BXP ranked among the top real estate companies in the Global Real Estate Sustainability Benchmark (“GRESB”) assessment, earning a fifth consecutive 5 Star rating, the highest rating and recognition for being an industry leader. It was the ninth consecutive year that BXP earned the GRESB “Green Star” designation, achieving the highest scores in several categories, including: Data Monitoring & Review, Targets, Policies, Reporting and Leadership. BXP was also named one of America’s Most Responsible Companies by Newsweek magazine in 2020. BXP ranked 56th overall out of 400 companies included. It was the second highest ranking of all property companies and the highest ranking of any office REIT. In 2014, 2015, 2017, 2018 and 2019, BXP was selected by the National Association of Real Estate Investment Trusts (“Nareit”) as a Leader in the Light Award winner. Nareit’s annual Leader in the Light Awards honor Nareit member companies that have demonstrated superior and sustained sustainability practices.

BXP has adopted sustainable development and operational practices across its portfolio. BXP became a proud signatory of the We Are Still In pledge after the U.S. withdrawal from the Paris Agreement, and has aligned emissions reduction targets with climate science. The SBTi Target Validation Team has classified BXP’s emissions reduction target ambition and has determined that it is in line with a 1.5°C trajectory, currently the most ambitious designation available. As of the end of 2020, BXP is one of six North American Real Estate companies with this distinction and the only North American office company in that group. We have LEED certified 28.8 million square feet of our portfolio, of which 96% is certified at the highest Gold and Platinum levels. BXP’s master lease form includes green lease clauses that support a more sustainable tenant-landlord relationship. In 2020, BXP was named a Green Lease Leader at the highest Gold level by the Institute for Market Transformation and the U.S. Department of Energy for exhibiting a strong commitment to high performance and sustainability in buildings and best practices in leasing. Through active asset management and tenant engagement, BXP has been a leader in energy efficiency and healthy building practices. In 2020 BXP was recognized by the Environmental Performance Agency (“EPA”) as an ENERGY STAR Partner of the Year for Sustained Excellence. This award is reserved for ENERGY STAR partners demonstrating outstanding leadership, year over year. Partners must perform at a superior level of energy management, demonstrate best practices across the organization and prove organization-wide energy savings. BXP was named a 2020 Best in Building Health award winner. We completed the first Fitwel Design Certified project in the world in 2019 and executed more Fitwel certifications by count and building area than any other company in 2019. BXP has 11 Fitwel Ambassadors among our Sustainability, Development and Property Management teams.

Sustainability Accounting Standards Board (“SASB”)

The Real Estate Sustainability Accounting Standard issued by SASB in 2018 proposes sustainability accounting metrics designed for disclosure in mandatory filings, such as the Annual Report on Form 10-K, and serves as the framework against which we have aligned our disclosures for sustainability information. The recommended energy and water management activity metrics for the real estate industry include energy consumption data coverage as a percentage of floor area (“Energy Intensity”); percentage of eligible portfolio that is certified ENERGY STAR® (“ENERGY STAR certified”); total energy consumed by portfolio area (“Total Energy Consumption”); water withdrawal as a percentage of total floor area (“Water Intensity”); and total water withdrawn by portfolio area (“Total Water Consumption”). Energy and water data is collected from utility bills and submeters and is assured by a third-party, including all SASB 2019 energy and water metrics, which have been assured. During the 2019 calendar year, 45 buildings representing 42% of our eligible portfolio were ENERGY STAR certified. A licensed professional has verified all ENERGY STAR applications.

The charts below detail our Energy Intensity, Total Energy Consumption, Water Intensity and Total Water Consumption for 2015 through 2019 for which data on occupied and actively-managed properties was available.^{1,2,3,4,5}



- (1) Full 2020 calendar year energy and water data will not be available to be assured by a third party until March 31, 2021. 2019 is the most recent year for which complete energy and water data is available and assured by a third party.
- (2) The charts reflect the performance of our occupied and actively-managed office building portfolio in Boston, Los Angeles, New York, San Francisco and Washington, DC. Occupied office buildings are buildings with no more than 50% vacancy. Actively-managed buildings are buildings where we have operational control of building system performance and investment decisions. At the end of the 2019 calendar year, this included 102 buildings totaling 40.9 million gross square feet.
- (3) Floor area is considered to have complete energy consumption data coverage when energy consumption data (i.e., energy types and amounts consumed) is obtained by us for all types of energy consumed in the relevant floor area during the calendar year, regardless of when such data was obtained.
- (4) The scope of energy includes energy purchased from sources external to us and our tenants or produced by us or our tenants and energy from all sources, including fuel, gas, electricity and steam. Energy use intensity (kbtu/SF) has been weather normalized.
- (5) Water sources include surface water (including water from wetlands, rivers, lakes and oceans), groundwater, rainwater collected directly and stored by the registrant, wastewater obtained from other entities, municipal water supplies or supply from other water utilities.

Climate Resilience

As a long-term owner and active manager of real estate assets in operation and under development, we take a long-term view of potential risks, including climate change. We are in the process of evaluating physical and transition risks associated with climate change. We view this as an opportunity to protect asset value by proactively assessing climate risk, implementing measures, 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 and will continue to assess climate change vulnerabilities resulting from potential future climate scenarios and sea level rise. In 2020, we began using Four Twenty Seven climate risk scoring to evaluate the forward-looking physical

climate risk exposure of our entire portfolio. Event-driven (acute) and longer-term (chronic) physical risks that may result from climate change could have a material adverse effect on our properties, operations and business. Management's role in assessing and managing these climate-related risks and initiatives is spread across multiple teams across our organization, including our executive leadership and our Sustainability, Risk Management, Development, Construction and Property Management departments. Climate resilience measures include training and implementation of emergency response plans and the engagement of our executives and BXP's Board of Directors on climate change and other environmental, social and governance ("ESG") aspects.

Reporting

A notable part of our commitment to sustainable development and operations is our commitment to transparent reporting of ESG performance indicators, as we recognize the importance of this information to investors, lenders and others in understanding how BXP assesses sustainability information and evaluates risks and opportunities. We publish an annual sustainability report that is aligned with the Global Reporting Initiative reporting framework, United Nations Sustainable Development Goals and the SASB framework and includes our strategy, key performance indicators, annual like-for-like comparisons, achievements and historical sustainability reports, which is available on our website at <http://www.bxp.com> under the heading "Sustainability." In addition, we continue to work to further align our reporting with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD") to disclose climate-related financial risks and opportunities.

In 2018 and 2019, BPLP issued an aggregate of \$1.85 billion of green bonds. The terms of the green bonds have use of proceeds restrictions limiting its allocation to "eligible green projects." We published our first Green Bond Allocation Report in June 2019, disclosing the full allocation of approximately \$988 million in net proceeds from BPLP's inaugural green bond offering to the eligible green project at our Salesforce Tower property in San Francisco, California. We recently published our September 30, 2020 Green Bond Allocation Report disclosing the full allocation of approximately \$841 million in net proceeds from BPLP's green bond offering in June 2019. The Green Bond Allocation Reports are available on our website at <http://www.bxp.com> under the heading "Sustainability."

Except for the documents specifically incorporated by reference into this Annual Report on Form 10-K, information contained on our website or that can be accessed through our website is not incorporated by reference into this Annual Report on Form 10-K.

Human Capital Management

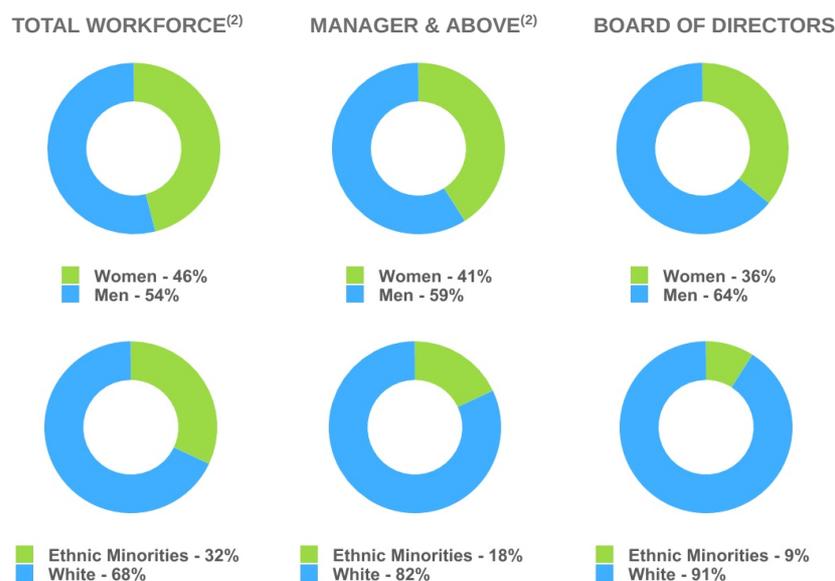
Our company culture supports and nurtures our employees and provides a unique competitive advantage. We believe our employees are a significant distinguishing factor that sets BXP apart. As of December 31, 2020, we had approximately 750 employees. Our operational and financial performance depends on their talents, energy, experience and well-being. Our ability to attract and retain talented people depends on a number of factors, including work environment, career development and professional training, compensation and benefits, and the health, safety and wellness of our employees. We have an established reputation for excellence and integrity and these core values are inherent in our culture and play a critical role in achieving our goals and overall success.

Diversity & Inclusion

We strive to create a diverse and inclusive workplace. It has been, and will continue to be, our policy to recruit, hire, assign, promote and train in all job titles without regard to race, national origin, religion, age, color, sex, sexual orientation, gender identity, disability, or protected veteran status, or any other characteristic protected by local, state, or federal laws, rules, or regulations. By implementing this policy, we aim to ensure that all employees have the opportunity to make their maximum contribution to us and to their own career goals.

In 2020, we took concrete steps to formalize and elevate our focus on diversity and equity within our company and in the communities we serve. We launched the Diversity & Inclusion Committee in early 2020 with the mission of promoting diversity, inclusion, equality and transparency as part of our culture, business activities and decision-making practices, while also providing an additional mechanism through which we can make a positive impact in the communities in which we operate. Areas of priority include recruiting, retention and professional development, review and assessment of our policies with a focus on business partner diversity and other relationships, and community outreach. In addition, our Chief Executive Officer is a signatory to the CEO Action for Diversity campaign, which is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

Diversity & Inclusion at BXP⁽¹⁾



⁽¹⁾ As of December 31, 2020. We determine race and gender based on our employees' self-identification. Ethnic minorities are defined as those included in the EEO Ethnicity and Race Categories: Asian, Black/African American, Hispanic/Latino, Native American or Pacific Islander, or multiracial background.

⁽²⁾ Represents percentages for all of our employees excluding union employees for which the unions control all aspects of the hiring process.

Culture & Employee Engagement

We believe that the success of our business is tied to the quality of our workforce, and we strive to maintain a corporate environment without losing the entrepreneurial spirit with which we were founded more than 50 years ago. By providing a quality workplace and comprehensive benefit programs, we recognize the commitment of our employees to bring their talent, energy and experience to us. Our continued success is attributable to our employees' expertise and dedication.

We conduct employee engagement surveys to monitor our employees' satisfaction in all aspects of their employment, including leadership, communication, development and benefits offerings. Employee responsiveness to the engagements surveys have been consistently high and the results help inform us on matters that our employees view as key contributors to a positive work experience. Based on the employee engagement survey conducted in 2020, with 93% responsiveness, the overall company-wide favorability result was a "very favorable" rating with ratings exceeding 80% favorability in all categories.

The success of our efforts in the workplace is demonstrated by the satisfaction and long tenure of our employees, 32% of whom have worked at BXP for ten or more years. The average tenure of our employees is approximately 9.8 years and that of our executive leadership is 18.2 years. In 2020, our total workforce turnover rate was 10.2%, which is below the total turnover rate of 18.0% reported in the Nareit 2020 Compensation & Benefits Survey (based on 2019 data).

Career Development & Training

We invest significant resources in our employees' personal and professional growth and development and provide a wide range of tools and development opportunities that build and strengthen employees' leadership and professional skills. These development opportunities include in-person and virtual training sessions, in-house learning opportunities, various management trainings, departmental conferences, executive townhalls and external programs.

One particularly relevant training that was offered to all employees in 2020 was Unconscious/Implicit Bias training. We offered this training as part of our commitment to recognize that we all have a role to play to mitigate unconscious bias in the work environment and support an inclusive workforce. We strive for a truly inclusive environment where all employees feel valued and provided the opportunity to succeed. This training, coupled with other trainings and initiatives, aims to enhance awareness, knowledge, collaboration and teamwork and overall enrich our culture.

Compensation & Benefits

Our employee benefit programs are designed to meet the needs of our diverse workforce, support our employees and their families by offering comprehensive programs that provide flexibility and choice in coverage, make available valuable resources to protect and enhance financial security and help balance work and personal life. Some of the benefits that we offer our employees include:

- health, telehealth, dental and vision insurance,
- a 401(k) plan with a generous matching contribution,
- an employee stock purchase plan,
- health care and dependent care reimbursement accounts,
- income protection through our sick pay, salary continuation and long-term disability policies,
- a scholarship program for the children of non-officer employees,
- a commuter subsidy to support the use of public transportation,
- tuition reimbursement, and
- paid vacation, holiday, personal and volunteer days to balance work and personal life.

Health, Safety & Wellness

As one of the largest publicly-traded office REITs (based on total market capitalization as of December 31, 2020) in the United States, we are keenly aware of the influence of buildings on human health and its importance to our tenants and employees. In light of the COVID-19 pandemic, our focus on healthy buildings has become even more important. The health, safety and security of our employees, tenants, contractors and others is our highest priority. In early 2020, we convened a Health Security Task Force of subject matter experts from both inside and outside BXP to develop the BXP Health Security Plan, which we published in May of 2020. The BXP Health Security Plan is a comprehensive set of building operational measures, including cleaning and disinfection, air and water quality, physical distancing, screening and personal protective equipment and health security communication. We conduct health and security quality audits to ensure implementation and effectiveness of the plan at our properties.

We believe the success of our employees is dependent upon their overall well-being, including their physical health, mental health, work-life balance and financial well-being. In addition to the benefits outlined above, we also offer our employees an Employee Wellness Program and an Employee Assistance Program. The Employee Wellness Program was established in 2016 to encourage employees to improve their health and well-being by offering activities facilitated through an engaging and personalized approach. Program participants receive a reduction in their health insurance deduction cost. The Employee Assistance Program includes services for childcare, eldercare, personal relationship information, financial planning assistance, stress management, mental illness and general wellness and self-help.